



**DYNAMIC TRANSFORMATION:
KOREA, NICs AND BEYOND**

Editors

Gill-Chin Lim
Wook Chang

Associate Editor

Gi-Beom Lee

CONSORTIUM ON DEVELOPMENT STUDIES

**DYNAMIC TRANSFORMATION:
KOREA, NICs AND BEYOND**

Editors
Gill-Chin Lim
Wook Chang

Associate Editor
Gi-Beom Lee

CONSORTIUM ON DEVELOPMENT STUDIES

GLOBAL RESTRUCTURING AND PROSPECTS FOR THIRD WORLD TRANSFORMATION

Hooshang Amirahmadi
Rutgers University

The state of the Third World remains highly unsatisfactory and explosive at the beginning of the 1990 decade. Despite four decades of continued development efforts, most Third World countries today suffer from sustained economic decline or stagflation (stagnation along with inflation), high population growth rates, overconcentration of urbanization in a few so-called mega-cities (cities with over 10 million people), rising unemployment and absolute poverty, ballooning international debt, huge military spending, and environmental degradation, to name only a few but significant problems (Amirahmadi, 1990; Blanchard et al, 1989; Corbridge, 1984; Griffin, 1989; Lim, 1988). A growing mismatch between rising demand and largely unavailable, stagnant or underutilized resources and productive capacity has been at the root of these problems. In particular, gaps between national savings and investment requirements, foreign exchange earnings and needs, and public expenditures and incomes continue to plunge economic growth efforts in the Third World (Blanchard et al, 1989; Taylor, 1990). Another, perhaps equally important, cause is the poverty of Third World education and conventional development thinking particularly in areas of social relations, resources allocation, economic management, and international exchanges (Amirahmadi, 1989; Sanyal, 1990).

However, seen in the context of the current global revolutions in the old ideological, economic, social and political myths that had dominated our planet for the past four decades or so, the future may not be as dull as it appears in the first instance. It might be even suggested that the new decade promises to be a more up-and-coming one for the Third World and as such would be significantly different from its bleak predecessors. Moreover, our knowledge about what produces meaningful transformation and what hinders it is improving rapidly, while the global condition has become more conducive to cooperation and adaptation of new priorities. It is on two specific aspects of this new global condition that the present

article will focus: the emerging multipolar world system and the diminishing utility of offensive force. I shall also indicate implications of these changes for Third World development including the increasing utility of global negotiation and the United Nations, a shift of resources from militarization to more productive uses including education, and a new paradigm of social change.

In particular, I wish to underscore the irrelevancy of a development thinking that is based on the assumption of a *bipolar* world and a model of two-alternative development path, namely capitalism and socialism. It seems to me that there is increasingly more convincing evidence to suggest that the world is moving away from the post-World War II two-world system (two-Superpower model) to an essentially integrated and *multipolar* world system where a range of possibilities are emerging for development including the so-called third way between socialism and capitalism. I also wish to argue that the utility of offensive force for gaining intersocietal hegemony in the current world environment is *diminishing* to a significant degree and that this has opened a real possibility for expanding the so-called peace dividend so needed for promoting world peace, international cooperation, and Third World transformation.

The Emerging Multipolar World System

In the aftermath of World War II and after the Soviet Union achieved nuclear parity with the United States in the late 1960s, our planet earth was for all practical purposes divided into two world systems of capitalism and socialism, under the hegemonic control of the U.S. and the USSR respectively. From the start, each Superpower began integrating the different components of their respective systems via formation of multilateral and bilateral organizations in economic and political fields (Geiger, 1988; Chamsky, 1982; Keohane, 1986). The International Bank for Reconstruction and Development (the World Bank), International Monetary Funds (IMF), General Agreements on Tariff and Trade (GATT), European Economic Community (EEC), Organization for Economic Cooperation and Development (OECD), North Atlantic Treaty Organization (NATO), Organization of American States (OAS), Australian-New Zealand-United States Treaty (ANZUST), and International Energy Agency (IEA) were among the most important of such multilateral organizations in the capitalist camp under the U.S. hegemony. Council for Mutual Economic Cooperation (COMECON), Warsaw Pact, and International Meeting of Communist and Workers Parties (IMCWP) were, on the other hand, formed under the auspices of the Soviet Union.

Integration within each system was also furthered by the advancements in transport, communication, and information technologies. Integration of the capitalist camp was particularly facilitated by multinational corporations, progressive trade liberalization, removal of barriers to capital and money transfers, globalization of production sites, achievement of convertible currencies, formation of Free Trade Zones and Custom Unions, various regional integration schemes, and a culture that international firms have used to propagate their business throughout the world (Gill and Law, 1988; Gilpin, 1987; Jenkins, 1988; Radice, 1975; Wallerstein, 1984). The cold war ideology and the wars in a number of Third World countries also played significant role in unifying parts within each system and securing the division between the two worlds. This division was also maintained and reproduced by a paradigmatic partition within the field of development, between the capitalist model and the socialist path. The two paradigms hardly learned from each other or acknowledged the rival's contributions. In place of mutual understanding and cooperation, dogmatism and extremism prevailed in both camps.

To be sure, many countries, including the People's Republic of China and India, remained outside the two camps and a good number of them formed various economic and political alliances such as the Nonaligned Movement, Organization of Petroleum Exporting Countries (OPEC), Association of South Asian Nations (ASAN), Organization of African Unity (OAU), the Arab League, and the Islamic Conference Organization (ICO), to name only a few. Regional integration and common market schemes were also attempted, largely unsuccessfully, in Latin America, Middle East, Africa, and Asia. The world outside the two poles, however, played only a peripheral role in the post-war international political economy and their demand (since early 1970s) for a New International Economic Order (NIEO) was not successful (Reuben, 1981). Theoretically, the United Nations was the only international organization that stood above these divisions. Practically, however, the agency proved largely incapable of effectively functioning in a divided world ruled by the Superpowers and torn by conflicts and antagonistic relations.

This divided picture of the world began to change in early 1970s when an asymmetrically interdependent one-world system began to emerge (Corbridge, 1988; Emmerij, 1989; Stewart, 1984). Ironically, the very *world-integrating forces* which had consolidated the two-world system became the causes of its transformation into an integrated one-world system. Internationalization of economic and political relations, rapid growth of information, telecommunication and transportation technologies, and spread of multinational corporations were particularly responsible for breaking the

boundaries between the two world systems so well symbolized by the collapse of the Berlin Wall in 1989. In the field of development, many countries are now rethinking the thesis that a "third way" between capitalism and socialism is impossible (Kornai, 1990). Instead, a new thinking in development is promoting a hybrid in which contributions of market and planning mechanisms, private and public sectors, and women's leadership role are acknowledged (Blanchard, et al, 1989; Gorbachev, 1987; and Naisbitt and Aburdene, 1990). Moreover, while individualism is in the rise, concerns for social and cultural aspects of life is receiving added attention in the emerging development paradigm.

However, the world-integrating forces have generated their counterparts, namely the *world-disintegrating forces*, which are undermining the emerging world unity, leading to creation of a multipolar world system. These forces include, above all, the relative economic decline and crises in the hegemonic nations of the U.S. and the USSR and a corresponding growth in productive and competitive power of Japan, the EEC, and the Newly Industrializing Countries (NICs). This new pattern of development in the capitalist world resulted from the growing globalization of industrial production, money transfers, and international trade since World War II. These changes in turn were affected by speedy and significant advancements in information, telecommunication and transportation technologies. No less responsible for the emerging world discord were rising level of world education and mass awareness, growing ethnic and gender consciousness, widening cultural and religious diversities, and the mounting populist and nationalist resistance movements in the Third World. At the same time, the nuclear parity between the two postwar Superpowers has led to increasing brevity among the less-powerful nations and thus to further chaos in the world order in which the weaker nations were, more or less, forcibly incorporated. Lastly, as the two postwar blocs have weakened and lost their internal coherence, we are witnessing the emergence of what I like to call pan-continentalism and neonationalism, both of which feed into the rising neomercantilism and regionalism in international trade and capital flows.

The U.S. GNP has declined from about a half of world gross product in 1950 to less than a quarter of it in 1989. Accompanying this transformation has been a gradual transformation of the economy from one based on manufacturing to one dominated by services (Cohen and Zysman, 1987). In the meantime, the U.S. direct foreign investment and share of total world exports have declined substantially and the country has become a debtor nation with a combined domestic and international debt of about \$300 billion. Changes of the economy from a welfare into a warfare system under the Reagan administration helped only slightly (Castells, 1985). While

the economy was stabilized at a moderate rate of growth and inflation, military spending increased to the historic peace-time peak of \$300 billion a year and attempts to reduce the size of the government and its non-military expenditures largely failed. On the contrary, the state became even bigger under Reagan who carried the banner of "the least government the best government" with him to the White House. The U.S.'s twin deficits (budget and trade) are at present major sources of worry for both its allies and enemies. In particular, the country's deficit spending strategy has led to increased interest rate and the consequent inflow of capital from Overseas including the Third World. However, a significant share of the incoming capital is not saved or invested. Rather, it has been spent on non-productive consumption (Blanchard et al, 1989). The U.S. is also suffering from an over-globalization of its large and major firms. They are no longer controllable by Washington or usable for recreation of the lost hegemony.

Similarly, the Soviet Union has also been weakened since 1970s both politically and in economic terms. Ethnic conflicts and political chaos that have followed the *glasnost* (openness) since the mid-1980s are crippling the central government's ability to affect an orderly transition to a wholly new society, namely market socialism. It is also by now obvious that the country has lost its leadership position in Eastern Europe, at least for the time being. In the meantime, the economy refuses to improve while the *perestroika* (restructuring) strategy has become harder to implement under the condition of political chaos. A low level of economic growth and labor productivity along with an imbalance in allocation of investments against the consumer commodities and services continue to remain among the major economic problems. Added to these are a highly centralized bureaucracy that refuses to delegate authority to those below the power bloc, a comprehensive planning system which finds itself unable to programme an extremely complex economy, and a property relation that only partly corresponds to the greedy human nature.

In sharp contrast to declining U.S. and USSR, Japan, the EEC, the NICs have been growing in their productive and competitive abilities, both in absolute and relative terms. These emerging economic powers, without being able to replace the U.S. as the capitalist world leaders, (particularly for lack of adequate military power to match that of the Soviet Union), they have contributed to its gradual demise. Ironically, diffusion and relocation of major American transnational firms have been partly responsible for the growing strength of the U.S. competitors. The NICs are, for example, a product of (among other factors) a new international division of labor (NIDL) that began to develop in the 1970s following the increased direct foreign investment by the American (and Japanese)

multinational corporations. The NIDL is based on global industrial production as opposed to the old system which was primarily based on industrial production in the West (Cohen, 1981; Frobel and Henerichs, 1980). In the meantime, U.S. lost its leading edge in scientific and technological inventions and innovations, particularly to Japan and West Germany, but also to many other nations. These two countries are at present the major sources of world technological advancements and economic surpluses (WIDER, 1987). Japan has already become the number one donor nation with an aid package of some \$40 billion for the Third World in 1989. This move will undoubtedly increase Japan's influence in the Third World and in the United Nations, among other multilateral organizations. In Spring 1990, Japan was acknowledged as second to the U.S. in the IMF power structure. The EEC is also looking forward to the Europe of 1992 and to a reunion with the Eastern European nations which have been freed from the yoke of what was known as the socialist bloc. A whole new European Reconstruction Bank has been formed to assist in the speedy transformation of the Eastern Europe and its integration into the re-emerging European capitalist world economy. The original system existed from 1500 to the World War II.

The rising tide of the populist and national liberation revolutions in the Third World, particularly during the 1960-1980 period, was also among the contributing factors to the emergence of the new world. The growing disappointment with the capitalist development models (which has led to increased inequality and absolute poverty for a majority at the bottom of the social hierarchy), the rising level of education and the consequent political awareness, and a growing desire for revival of native cultures and ways of life in a culturally diverse world, have been at the roots of the Third World assertion in the post-World War II period. Most Third World countries now advocate a development strategy that emphasizes reliance on local resources and counter trade and are attempting to formulate, as in some Eastern European countries, a "third way" of development between capitalism and socialism. This assertive stand and the search for a new alternative must be viewed in the context of the extreme dependency of the Third World on world capitalism for economic growth in the medium-term. In particular, the Third World has at present a debt of some \$1,300 billion (mostly controlled by multinational corporations) and suffers from budgetary, trade, and savings imbalances. In the meantime, the Third World continues to suffer from a growing capital flight (lost to the U.S. among other developed countries) and an increasing debt service (Blanchard, et al, 1989). Yet, the dependency relation is not just unidirectional as it may appear in the first instance. The world's monetary system is, for example, very much threatened by the instability that Third World debt problem has generated. Additionally, a debtor Third World with

little means to pay for its international trade is of the least use for economic development in the industrialized countries. This is indeed why the advanced countries in the West are so interested in the issue of debt relief for the Third World (WIDER, 1989).

The nuclear parity between the U.S. and the USSR has made a major war between the two Superpowers almost impossible in the foreseeable future as both side will be destroyed in the process. At the same time, the parity has emboldened smaller power centers around the world (particularly those with economic strength), producing a politically chaotic world. Added to this difficulty is the pressure on the Superpowers to contain their arms race at a time that mass destructive weapons are being proliferated at a frightening speed (Spector, 1984). Moreover, as the two postwar blocs lose their internal coherence, member nations are attempting to create their own security forces. In particular, Japan which has lived under the U.S. protective umbrella since the end of the World War II, is expanding its defensive capability at a rapid rate. The EEC nations are also doing the same as are the Eastern European countries. Even more ambitious has been China whose potential for developing into a world power in the foreseeable future should not be underestimated. The military strength of many Third World nations have also increased in recent years, some substantially, and in such critical areas as nuclear and chemical weapons testing, production or use. Thus, while the two Superpowers have achieved a stable parity and are forced to contain their absurd arms race, other nations are taking advantage of the situation by producing chaos or strengthening their relative military power.

In the meantime, a *neomercantilist* tendency, based on a *neonationalism*, is also undermining the emerging world unity. Neomercantilism is basically reflected in growing selective protectionism and free trade, rising jingoism in international diplomacy, and *increasing* (rather than decreasing) government involvements in both domestic and global political economies (Geiger, 1988). It is different from the old mercantilism which used brute force in the form of colonialism and military interventions to further its trade interests. Neonationalism is different from nationalism as it is based on a new definition of nation-state. In particular, a nation is no more just a politically independent territory to which you belong with intense loyalty but more significantly a politically independent territory in whose destiny you share. Thus, issues such as democracy and participation have become integral parts of a definition of a nation and of neonationalism. Neonationalism is also developing along the lines of ethnic, religious, and continental interests focused on economic well-being and cultural distinctiveness of the respective community. Pan-Arabism, pan-Islamism, pan-Africanism, pan-Europeanism, and pan-

Asianism are in the rise again. Off these interests, *pan-continentalism* is becoming a dominant feature of the emerging neonationalism and of international political economy. An indication of this trend is the rise in regional trading groups, largely demarcated along the existing continental lines (Blanchard et al, 1989). This is partly so because the new one-world system is, generally speaking, polarized along a continental or regional lines. Significantly, the European nations are actively promoting pan-Europeanism, based on Eurocentrism, at the expense of the prevailing pan-Westernism which includes North America. Ideas such as the Europe of 1992 or a European United Nations are reflections of this new trend. Similarly, Asian and African politicians and intellectuals have increasingly become conscious of their continental interests and views like "the next century is the Asia Century" is commonly heard nowadays in the Asian intellectual circles.

Thus, simultaneously with the breaking of the old boundaries between the two poles of power, we are witnessing a progressive division of the "global village" into a multipolar world system in which many small and large poles of economic and political powers are expected to engage in cut throat competition. These include, in addition to the United States and the Soviet Union, EEC, Japan, China along with the four small "dragons" in the Pacific rim (South Korea, Hong Kong, Taiwan, Singapore) and Thailand perhaps, certain large newly industrializing countries (such as Brazil and India), and the resistance movements in the Third World. It may well be that in a few years ahead we would witness the formation of what Gorbachev has called the "European Home" or a larger common market in which Eastern Europe is also represented. Also, the Warsaw Pact could soon outlive its purpose to be followed by disintegration of the NATO alliance. The German unification could become a trigger point for a complete reorganization of the two organizations and the gradual emergence of what is called a New European Security Order (or Council), roughly equivalent of a European United Nations. The NATO leaders have already announced the end of the cold war as a step, perhaps, in the direction of a gradual passing out of the alliance.

The Soviet policy makers seem to have a good grasp of these changes although they do not seem to know how to manage them. Significantly, Gorbachev's policies of *glasnost* and *perestroika* have changed the face of the cold war politics in a astonishingly short time (Fukuyama, 1989; Gorbachev, 1987a, 1987b). Indeed, the Soviet policy makers no longer consider the world as divided into two antagonistic camps of socialism and capitalism. Instead, they are actively promoting the view of the world as an essentially unified and interdependent system of nation-states in which the "interests of humanity", to use M. Gorbachev's favorite terms, take

precedence over class interests. The Soviet foreign policy now calls for a "balancing" of such interests across the globe. This is radically different from the thesis of coexistence which formed the basis of the Soviet post-war international policy (Amirahmadi, 1987; Primakov, 1988). The genuineness of the new policy is reflected in Gorbachev's promotion (not just acceptance) of the radical democratic changes in Eastern Europe and the Soviet Union where political pluralism is replacing Stalinism and market mechanisms are being promoted to complement state planning and create economic pluralism or free-market socialism (Naisbitt and Aburdene, 1990).

In sharp contrast, the U.S. policy makers are confused and uncertain about the nature and teleology of these changes and, for the lack of a better vision, they like to consider them in terms of a transition from socialism to capitalism. They have also reacted too overcautiously to the emerging global trends and specific foreign policy ideas largely put forward by Gorbachev, the *Time's* "Man of the Decade". The conservative President Reagan visited the Soviet Union, changed his view of the country from an "evil empire" to a "peace-loving nation", and signed an important INF Treaty with Gorbachev (Bix, 1988). Despite these normalizing steps, he continued to remain a prisoner of the old cold-war rhetoric and policies. The more gradualist and less visionary President George Bush administration has also followed a similar policy of slowly reducing tension with the Soviet Union in certain foreign policy areas while remaining loyal to the outdated approaches to foreign policy in other areas. The U.S. invasion of Panama occurred when Soviet Union was watching Nicolos Ceausescu's fall in Romania.

The Diminishing Utility of Offensive Force

The post-war international relations have been largely regulated on the basis of the assumption that offensive force, military or otherwise, may be used to achieve foreign policy objectives. While this might have been a correct assumption for the pre-1970s world, it no longer applies to the current global reality. Specifically, I wish to argue that the utility of offensive force in gaining intersocietal hegemony in the current world environment is *diminishing* to a significant degree. Intersocietal hegemony may be defined as the ability to control foreign and domestic policies of other states within the world system in accordance with the hegemony's needs and purposes. Offensive force, on the other hand, refers to any violent capacity used to introduce change in and/or impose domination (partial or complete) over something in spite of its will. This is distinguished from defensive force which is used to resist such a change and/or domination and control.

This impotency of offensive force reflects, in my opinion, the new global condition brought about by profound structural changes outlined above. Specifically, the world-integrating forces have brought nation-states ever closer to each other in an integrated world system, making them sensitive to each other's behavior, policies and actions. At the same time, the world-disintegrating forces have created a multipolar world system with many smaller poles of power, reducing the power of the main hegemony and thus creating a crisis of leadership. Under these conditions, international balance of power and political stability has become a complex matter extremely sensitive to any major change and thus to the use of offensive, *balance-altering* forces. Such forces have also become increasingly unacceptable leading to a more determined resistance to it, thus making it less effective. Given the enormity and complexity of international infrastructures and the nuclear parity between the old hegemonies, only forces which are truly enormous in their destructive or countervailing power could be considered balance-altering. Note also that under the bipolar system, the simple power balance was largely achieved by means of a force-parity formula between the two hegemonies. In the multipolar system, on the other hand, an overall power balance has to be achieved among *all* poles of powers in the system rather than a balance between any two poles of power (Bull, 1977).

Aside from the multipolarity and nuclear parity factors, the diminishing utility of offensive force was facilitated by the almost universal economic crises in the 1980s, the growing global awareness brought about by the revolutions in telecommunication technologies, globalization of such values as peace, human rights and democracy, and the increasing international solidarity. The spreading resistance to repression and the expanding demand for political pluralism also contributed to the diminishing utility of offensive force. These latter factors are, however, better related to the new development as an effect than as a cause. Other consequences include the implausibility of a foreign policy that is based on use of offensive force, overt or covert, military or otherwise, and the futility of the old open dictatorship method of governing nation-states.

Examples of failed application of offensive force in recent international history include the American wars against Vietnam and Nicaragua, the Soviet intervention of Afghanistan, Iraqi war against Iran, Israeli invasion of Lebanon in 1982, the South Africa's war against the resistance movement in Namibia, and the civil wars in Angola and Ethiopia, to name only a few but important cases. While these episodes have inflicted tremendous damage on the defending parties, they have not been able to achieve their real aim, namely to impose their desired changes in or domination over the conflicting parties. Is it not instructive that what U.S. and its *contra*

forces could not achieve in Nicaragua was achieved by an election: the ouster of Sandinista from power, at least for the time being? Is it not also instructive that the Afghan Mujahedins should succeed in forcing the Soviet army out of their country but fail to overthrow the ostensibly unpopular Najibullah regime afterward? Clearly, the examples of Falkland war between the British and Argentines and the U.S. invasions of Grenada and Panama do not fit in the thesis I have advanced here. However, they were either insignificant in world politics — the Grenada and Panama cases — or were not of an offensive-force type as in the case of Falkland. Recall that British soldiers were not fighting to take the Island from the Argentines. On the contrary, they went to war to retake it from the Argentines who had used force to regain possession of their own island which was under the British domination.

We have also witnessed the collapse of dictators (although some have re-emerged in other forms) in many parts of the world including Iran, Nicaragua, Paraguay, Chile, Brazil, South Korea, Pakistan, the Philippines, Haiti, Spain, Portugal, and Rumania to name the most significant cases of the last decade or so. We are also witnessing an increasing demand and political pressure for democratization and decentralization of the state-people relationship in both the socialist and the capitalist nations. In the Soviet Union and Eastern Europe, the Communist and Workers' parties have largely lost their grip over these societies, while such changes could soon shake China, Cuba and other socialist countries. In South Africa, Nelson Mandela has been freed after about 28 years in the prisons of the apartheid regime which has also been forced into recognizing the African National Congress and negotiating with it for a "new" South Africa. Finally, the Palestinians' *intifadah* (uprising) in the West Bank and Gaza against the Israeli occupation there has created wide cracks in Israeli politics and national unity and could lead to a new peace process aimed at establishing a Palestinian state in the occupied territories.

In sum, it might be argued that the global community at present is caught between two diametrically opposing tendencies of integration and disintegration and that impact of this tension will be felt at the international, national, and local levels, making the dictum "think globally act locally" the most meaningful. Specifically, world-integrating forces have brought nation-states ever closer to each other making them sensitive to each other's behavior policies and actions. At the same time, world-disintegrating forces have created many smaller poles of power, reducing the power of the main hegemonies and thus creating a crisis of leadership. Under these conditions, international balance of power and political stability has become extremely sensitive to any major changes particularly those brought about through use of offensive force. The increasing strength of peace

movement and neonationalism along with the growing inability of big powers to impose their will on other societies are indications of the emerging world order. The proposition that the utility of offensive is diminishing also holds in intra-national power relations as symbolized by the rising fortune of democratic forces in countries once ruled or being ruled by dictators.

Implications for World Peace and Third World Transformation

The new situation has led to several important changes in world politics and insinuates significant implications for the world peace and Third World transformation. Note that underdevelopment and dependency problems and neglect of social justice and democracy were largely resulted from the effective use of force against the people of the Third World, by colonial powers or domestic dictators. Note also that world wars have always been initiated or caused by those governments who believed in use of offensive force to gain or regain international hegemony or domination over other nations. Some of the most important implications of the current global changes may be summarized as follows.

While offensive force has no useful or effective application, the *show of force* is growing in importance in international power politics. Technological competition in civilian and military-industrial sectors have already become the most significant factor in force projection. The military cost of force projection is significantly lower than the military cost of building an offensive force apparatus. As a result, less money will go to defence in the future; indeed, the idea of "disarmament for development" is gaining increasing international acceptability. Equally growing is the utility of *defensive force* which is used to resist offensive force or domination and neutralize their impacts. Examples include the ongoing resistance movements in El Salvador, Kashmir, Ethiopia, South Africa, the West Bank and Gaza, and Liberia. The increased utility of defensive force also implies that a more independent or self-reliance course of transformation is becoming possible for the Third World. These countries will be able to effectively negotiate their exports/imports terms, increase national control over their resources, and use more of their domestic resources for development. Yet, such a development strategy can only succeed if the growing power of the world-integrating forces are realized, respected, and utilized. In other words, self-reliance should be pursued alongside a policy of selective integration into the emerging one-world system.

Whereas political force is diminishing in terms of its acceptability and effectiveness, *economic force* has become the most

popular means of influence and domination. Japan and West Germany have grown into powerful international forces almost solely by means of their economic strength. On the contrary, the United States and the Soviet Union have been increasingly weakened in international politics despite their growing military might (Chamsky, 1982; Gorbachev, 1987). If it is understood that economics is emerging as a field of force, then economic development could become a part of the national defence strategy. This would in turn lead to shift of more resources to non-military sectors in the Third World. In the meantime, the increasing global awareness about environment and resources exhaustibility is expected to cause a change of policy from spending more of such resources on intensive, as oppose to extensive, projects.

As military solution to international and national conflicts have ended in stalemate, the role of *negotiation* and the effectiveness of the United Nations (as well as other mediating forces) have increased significantly over the past several years. These two developments are indeed related: the more force has become useless in resolving international disputes and national discords, the more nations have reverted to negotiations through mediating forces including the United Nations. Examples of "negotiated settlements" at national and international levels abound. Since 1988, some 22 major international, regional and national conflicts, some going on for years, have been successfully negotiated. Examples include the accords between Iran and Iraq for settling the Persian Gulf war, between Angola, South Africa and Cuba over the independence of Namibia, and between United States, Soviet Union, Afghanistan and Pakistan on the Afghan question, to name only a few but important cases. Nationally, many countries with years of dictatorship have already implemented or began the "negotiated transition" to *political democracies* and others would soon have to follow. Spain, Portugal, Brazil, Chile, South Korea, Pakistan, the Philippines, Burma, Algeria, and Nicaragua are examples.

Most international negotiations have been supervised or mediated by the United Nations which has been activated in recent years as never before. The agency is also being supported by almost all member states, a rather unprecedented support. Even the United States, its main antagonist in the post-war period, has been gradually moving in the direction of strengthening the agency. After years of refusing to pay its share of the U.N. budget, the U.S. has agreed to pay, in installment, its outstanding debt of about half a billion dollars to the agency. National negotiations, on the other hand, are being carried out by domestic political forces, supervised by concerned international organizations and individuals.

As dictators are forced to loosen their grip over the people, a democratic process will set in, bringing more people into

development process, satisfying the current thirst for participation, bottom up approach, and decentralization. Similarly, as international tension has decreased and the hope for a sustained world peace has increased, militarism has lost much of its previous appeal. This should free significant resources currently allocated for military use and consequently result in a much larger budgetary allocation for civilian sectors.

To be sure, the old trends continue and the new trends are yet to become material forces to significantly reshape our planet. Yet, even at their emerging stage, the new trends have had noticeable positive impact on intersocietal relationships at international and national levels. Indeed, democracy is spreading with an unprecedented speed across the globe and there has already emerged a growing sense of optimism for world peace and development and for a more sensible and flexible world order. It is the most encouraging that at present, the most vibrant and exiting debate in many nations is how to spend the so-called "peace dividend", that is, the savings made from cutbacks in military spending. The idea of resource transfers from developed to less developed countries, transfer of a portion of Japan's surpluses to the Third World in particular, is also gaining currency in international development thinking (WIDER, 1987). At present the United States is a major user of world surpluses. The Western European nations have already founded a European Bank for Reconstruction which will focus on the Eastern Europe. This could help the Third World indirectly if competition from the Eastern Europe for the limited international development resources would diminish.

In the meantime, the IMF and the World Bank are currently prescribing stabilization and structural adjustment approaches to correct "distortions" in Third World as well as in Eastern European economies (Helleiner, 1990; Taylor, 1988, 1989; Killick, 1988). However, it is not yet certain if these approaches will be of any help in the medium-term when the most urgent problem remains economic growth. Whatever the nature of the strategy that might be followed in the Third World, it is almost certain that the old ideological rigidity about contributions of the public, private, and cooperative sectors is waning down; and the idea of a mixed economy approach, a *pluralistic economy*, is gaining increasing acceptability, in parallel with the emerging political pluralism. The various sectors, rather than being considered in antagonistic terms, will be viewed in terms of their intense cooperation. The present gap between planning and market forces will also be bridged in the new approach.

Equally important is international education for mutual and cross-cultural understanding. Such an education should advocate internationalization of the curriculum as well as incorporation of national-specific perceptions and experiences. This approach is

particularly relevant in the present global village which is caught between the two diametrically opposing tendencies of integration and disintegration. The primary aim of such an education should be to promote negotiation and cross-cultural communication to foster better global relations and understandings. But it should also promote the new understanding that use of offensive force will not be plausible in the emerging world community of largely interdependent nation-states. A major condition for such a learning process involves a pedagogy that combines into a common format what is shared between, and divides, the Third World and the outside world, the West in particular. This mode of education promotes the exchange of knowledge and experiences as well as perceptual differences and shared views among nations by combining them into a common format and facilitates learning through contrasts, comparisons, and mutual influence (Amirahmadi, 1988; Lim, 1990).

At a more specific level, a good Third World education should include understanding of the geography of the region and its impact on the regional geopolitics and lifestyles of the people. Comprehension of ethnic, family and social norms and how changes are altering traditional relations is even more important. Such an education should also include historical perspectives on colonialism, nationalism, religious factionalism and territorial disputes which have resulted in years of conflict and strife. Other issues of major significance for a deeper understanding of the Third World include problems relating to foreign interventions, security, autonomy, and sovereignty. Equally significant is an appreciation of how the region has played an important role in world civilization and its significance for the world peace at present and the future.

In sum, we need to revise not only our current development thinking and international relations but also our approach to Third World education. In particular, we need to abandon the old myths and modes of operations in favor of new realities and alternative perspectives. For example, it is now an obsolete idea to consider tradition and modernity in terms of their tensions; rather the two have to be brought together to create a synthetic culture which, while specific to given nations, is understood across national borders. The revisions are mandated not only because the old theories and formulations have failed to promote a sensible transformation in the Third World, but also because the world system has significantly changed in recent years, demanding a wholly new paradigm of social change.

References

- Amirahmadi, Hooshang (1990) *Revolution and Economic Transition: The Iranian Experience* Albany, NY.: The State University of New York Press.
- Amirahmadi, Hooshang (1989) "Development Paradigm at a Crossroad and the South Korean Experience" *Journal of Contemporary Asia* 19(2):167-185.
- Amirahmadi, Hooshang (1988) "From Diversity to Universalism in Planning Education: Towards an Interactive Pedagogy" *Eksistis* 55:69-76.
- Amirahmadi, Hooshang (1987) "The Non-Capitalist Way of Development" *Review of Radical Political Economics* 19(1): 22-46.
- Bix, Herbert P. (1988) "The INF Treaty" *Monthly Review* 40(2): 1-17.
- Blanchard, O. et al (1989) *World Imbalances: WIDER World Economy Group 1989 Report*. Helsinki: World Institute for Development Economics Research of the United Nations University.
- Bull, Hedly (1977) *The Anarchical Society: A Study of Order in World Politics* New York.: Columbia University Press.
- Castells, Manuel (1985) "High Technology, Economic Restructuring, and the Urban-Regional Process in the United State" in M. Castells (ed) *High Technology, Space, and Society* Beverly Hills, CA: Sage.
- Chamsky, Noam (1982) *Towards a New Cold War: Essays on Current Crisis and How We Got There* New York: Pantheon Books.
- Cohen, R. B. (1981) "The new international division of labor, multinational corporations and urban hierarchy" in Dear, Michael and Scott, Allen (eds) *Urbanization and Urban Planning in Capitalist Society* New York: Methuen.
- Cohen, Stephen and Zysman, John (1987) *Manufacturing Matters: The Myths of the Post-Industrial Economy* New York: Basic Books.
- Corbridge, S. (1988) "The Asymmetry of Interdependence" *Comparative International Development* (Spring): 3-29.
- Corbridge, S. (1984) "The Third World in Global Context" in Michael Pacione (ed) *The Geography of the Third World* London: Routledge.
- Emmerij, Louis (ed) (1989) *One World or Several?* Paris: OECD.
- Fukuyama, Francis (1989) *Gorbachev and the New Soviet Agenda in the Third World* Santa Monica, CA: RAND.
- Geiger, Theodore (1988) *The Future of the International System: The United States and the World Political Economy* Boston: Unwin Hyman.
- Gill, Stephen and Law, David (1988) *The Global Political Economy: Perspectives, Problems and Policies* Baltimore, MD: The Johns Hopkins University Press.
- Gilpin, Robert (1987) *The Political Economy of International Relations* Princeton, NJ: Princeton University Press.
- Gorbachev, Mikhail (1987a) *Perestroika* London: Fontana.
- Gorbachev, Mikhail (1987b) "The October Revolution and Today's World" (Speech marking the 70th anniversary of the October Revolution, on November 2) *Soviet Life* (January): center-fold pages.
- Griffin, K. (1989) *Alternative Strategies for Economic Development* New York: St. Martin's Press.
- Helleiner, G.K. (1990) "Structural Adjustment and Long Term Development in Sub-Saharan Africa" A paper presented at the UNU/WIDER Conference on Medium-Term Development Strategy, Stockholm, 19-20 April.
- Jenkins, Rhys (1988) *Transnational Corporations and Uneven Development* New York: Methuen.
- Koehane, Robert, O. (ed) (1986) *Neorealism and Its Critics* New York: Columbia University Press.
- Killick, T. (1984) "IMF Stabilization Programmes" in T. Killick (ed) *The Quest for Economic Stabilization: The IMF and the Third World* NY: St. Martin's Press.
- Lim, Gill-Chin (ed) (1988) *Korean Development into the 21st Century: Economic, Political, and Spatial Transformation* Urban, IL and Seoul, Korea: Consortium on Development Studies.
- Kornai, Janos (1990) *The Road to a Free Economy, Shifting from a Socialist System: The Case of Hungary* New York.: W. W. Norton & Company.
- Naisbitt, John and Aburdene, Patricia (1990) *Megatrends 2000: Ten New Directions for the 1990s* New York: William Morrow and Company.
- Primakov, Yevgeniy (1988) "A New Philosophy of Foreign Policy" (Reprint from *Pravda* June) *The Current Digest of the Soviet Press* (June).
- Radice, Hague (ed) (1975) *International firms and Modern Imperialism* Penguin.
- Reuben, Edwin P. (ed) (1981) *The Challenge of the New International Economic Order* Boulder, CO: Westview Press.
- Sanyal, Bish (1990) "Large Commitments to Large Objectives: Planning Education for the Twenty-First Century" in Bish Sanyal (ed) *Breaking the Boundaries: A One World Approach to Planning Education* London: Plenum Press.
- Stewart, Michael (1984) *The Age of Interdependence: Economic Policy in a Shrinking World* Boston, MA: MIT Press.

DYNAMIC TRANSFORMATION

- Spector, Leonard S. (1984) *Nuclear Proliferation Today* New York: Vintage Books (A Carnegie Endowment Book).
- Taylor, L. (1988) *Varieties of Stabilization Experience: Toward a Sensible Macroeconomics in the Third World* Oxford: Clarendon Press.
- Taylor, L. (1989) *Stabilization and Growth in Developing Countries: A Structural Approach* London: Harwood Academic Publishers.
- Taylor, Lance (1990) "Foreign Resource Flows and Developing Country Growth." A paper presented at the UNU/WIDER Conference on Medium-Term Development Strategy, Stockholm, 19-20 April.
- Wallerstein, Emmanuel (1984) "Patterns and Prospectives of the Capitalist World-Economy" *Contemporary Marxism* (9):59-70.
- WIDER (1989) *Debt Reduction* Helsinki: World Institute for Development Economics Research of the United Nations University, Study Group Series No. 3.
- WIDER (1987) *Mobilizing International Surpluses for World Development: A WIDER Plan for a Japanese Initiative* Helsinki: World Institute for Development Economics Research of the United Nations University, Study Group Series No. 2; and *Supplement: A Collection of Comments from the International Press*.