UNITED NATIONS INTELLECTUAL HISTORY PROJECT
The Graduate School and University Center, City University of New York
365 Fifth Avenue
New York, NY 10016

TRANSCRIPT OF INTERVIEW OF

DHARAM GHAI

BY

THOMAS G. WEISS

New York, 7 and 9 February 2001

Transcribed by Ron Nerio

THOMAS G. WEISS: This the seventh of February, Tom Weiss interviewing Dharam Ghai in the project offices here at The Graduate Center in New York City. I wonder if we could begin at the beginning, and whether you might tell me a bit about your family background and how you think that it perhaps contributed to your own intellectual interests, on the one hand, and perhaps also your fondness for multilateralism and forms of economic cooperation, on the other?

DHARAM GHAI: I was born in Kenya. My parents migrated from India. So Africa has had a lot of influence on my thinking and my work plans. At the same time, I was a member of a minority group and I think, in various ways, that has affected my outlook on life and also my work plans. I grew up in a colony. Kenya at that time was a British colony. I went to school there, but for my higher education I went to the United Kingdom (U.K.) and the United States (U.S.). So the thing that probably had the greatest influence at that time in my life was the fact that Kenya was about to become independent. I left the country for university education abroad when the country was at the height of its struggle for independence. As you know, it took the form of the Mau-Mau rebellion. But there were other forms of resistance as well.

I returned from my studies to teach economics at Makerere University College. That was a time when the East African countries were in the process of acquiring their independence. My interest in political, economic, and social issues owes a good deal to that fact that I grew up in a colony and that, during my school years, and while I was studying, these countries were engaged in a struggle for independence. And when I returned, after my studies, the next phase of the nationalist struggle was for social and economic progress.

TGW: You mentioned you were a member of a minority, but you were not part of the dominant minority. What does your Asian extraction contribute? How did this help you view

the world differently from the way I would view it, or one of your black African colleagues would view it?

DM: It affected me in several ways. First of all, it is pertinent to recall that Kenya at that time was a "semi-apartheid" society. It wasn't, of course, like South Africa. There was not the kind of oppression and apartheid legislation as there was in South Africa. But at the same time, there was compartmentalization of different races in terms of residence, schools, hospitals, community facilities, clubs, and so on. So, you really moved in your own community for the most part. There was little interaction and communication between different racial groups.

And the second important influence was that, in addition to growing up in a relatively segregated society, I was a member of a minority—the Asian community. And, while the community became quite prosperous over a period of time, for the most part it started off relatively poor. People had to struggle hard for their livelihoods, and there were always barriers to how far you could advance during colonial times, because a lot of the top positions were reserved for whites.

After independence also, while a lot of opportunities opened up which were closed before during the colonial time, there continued to be many barriers to upward mobility. Beyond a certain level, at least in certain sectors and occupations, particularly in the public sector, it was not possible to move up. Therefore, in that sense, like minorities everywhere, one lived under various kinds of discriminatory regimes. Maybe it affects other people differently, but the way it affected me is that it reinforced my belief and commitment to equality, to the rights of people as individuals—of course, as communities as well. It strengthened my attachment to impartiality and non-discrimination.

Because the Africans were discriminated against in a much more significant way than the Asian community throughout the colonial period, I came to believe in affirmative policies. I felt that it was appropriate that those who had been deprived and kept down through various kinds of discriminatory policies, should be given special opportunities to move up. This may involve, of course, discrimination in reverse, or affirmative policies, to put it more positively.

So I fully supported Kenyanization, and Africanization, throughout East African countries. At that time, there was a great drive for redressing the past imbalances in the economy, and other sectors of society. All of the countries pursued vigorous policies of Africanization. My father used to tell me, "Now, look, you can't on the one hand condemn discrimination and on the other hand favor new kinds of discrimination. You are employing double standards." I had to explain, "No, there is a difference. There are some communities that were left behind, that were systematically discriminated against. It is only right and proper that they should get some preferential treatment so that we have more balanced representation of different racial groups in the economy, politics, and societies in our region." These are the different ways in which being a member of a minority group, and of having lived in a segregated society, affected my outlook on things.

TGW: What did your parents actually do during this period of Kenyanization, or Africanization? I presume that your father's question reflected at least some insecurity, or some of the impact of the reverse discrimination or affirmation on Asians?

DG: My father was in business. My family lived in a small village about 30 kilometers away from Nairobi. My father ran a wholesale and retail business. Subsequently, at least part of the family moved to Nairobi. And I grew up most of the time in Nairobi because the schools were there, at that time. But our main business was in Ruiru. Incidentally, I remember, when I

was a small boy, when we used to drive from Nairobi to Ruiru, we often passed through herds of lions, elephants, and giraffes on the way. In the early stages of independence, my family did not experience much discrimination. But in later years, legislation favoring indigenous people in business affected our business possibilities.

TGW: You mentioned independence struggles, decolonization. So, when you were doing your first degree, or before you went away to do your first degree in the U.K., how did this seem while you were in high school? Did it seem as if this were an inevitable march forward, or did you think that maybe the independence process would come in the year 1990, as opposed to 1963? How did it seem? Did this seem like the tidal wave that it soon became, or was it slightly more problematic?

DG: In the early 1950s, when I was in secondary school, before I left for the UK, the Mau-Mau rebellion was just getting underway. And it was to reach its climax in the next two or three years—a couple of years after I left for studies abroad. There was a good deal of violence. There was killing on both sides—by the government, the security forces, and by Mau-Mau gangs. They would attack the European farms. Often there were some horrible cases of killing. So, I was very conscious of the struggle, because it took a very violent form, unlike, for example, Uganda and Tanzania, our two neighbors. In Kenya, because it was a settler colony, and because many African farmers, especially in the central province had lost their land to European farmers, the struggle took a more violent turn than in most African countries except Rhodesia and Algeria.

But I have to say that I could not have imagined that independence would come so soon. At that time, the only British colonies, which had become independent, were India and Pakistan. All the others were to attain their independence later. Therefore, one did not have the feeling

that independence was around the corner. One thought that it would take some decades to get there.

TGW: Do you recall, when you were in Oxford doing your first degree, Bandung (Asian-African Conference)? The first rumbling of non-alignment—was this a topic of conversation? I presume you were in some kind of Commonwealth foreign students' ghetto or something, and I presume that this was a topic that might have come up. Some people say that at the time it really was not all that important. Others say that it clearly was a seminal event. Do you recall it?

DG: Yes. First of all, I should mention that going to Oxford was a great experience for me. It opened up a world I had not even dreamed of before. And coming from the "backwoods," a colony, and the relatively restricted background that I had, in terms of exposure to the world, and intellectual and cultural life, it was really a great experience. It opened up a whole new world for me. And it had a very big impact on my thinking and my future career. It was at Oxford that I developed an interest in problems of poor countries. This became my lifetime preoccupation. But also, it was at Oxford that I first made my true friends among Africans from other African countries as well as from Kenya. You won't believe it, but the first really good African friendships that I had were made at Oxford. Also there, as you mentioned just now, I met people from other developing countries, and particularly Commonwealth countries. I met Pakistanis, Indians, Sri Lankans, Nigerians, Ghanaians, and students from other parts of the Commonwealth.

It was at that time that I think I first became conscious of the Third World. I had never before thought in those terms. I had never thought in terms of developing countries versus the rest of the world and that they had things in common and that they should cooperate on certain

issues. The notion of the developing world, or the Third World, was alien to me in my school days. It was only at Oxford that I became conscious of this, because I met people from other parts of the developing world. We all had many common experiences and common aspirations for our different countries. It was there that I began to regard myself as belonging to the Third World, and to feel that one of our responsibilities and tasks was to do everything possible to promote social and economic development in these countries.

TGW: How did you get from Ruiru and Nairobi to Oxford? You took a boat?

DG: Yes. In those days there were planes, but for this first trip to the U.K. I went by boat. It was a French boat, and it was called *Ferdinand de Lesseps*. It took about two weeks. Already there I met people from Mauritius and Madagascar and South Africa. They were all heading to Europe. Our boat went to Marseilles via the Suez Canal. We stopped in Egypt. And it was the first time I was exposed to wine! I had never heard of wine before. For every meal, it being a French boat, there was a glass of wine. I have to say that when I tried it the first time, I just couldn't take it all, so it was a lost opportunity! At that time, I didn't take to wine. But that was my first introduction to French culture as well. It was a very leisurely way of traveling.

TGW: Who encouraged you to go to Oxford? How did this come on the horizon? And why did you opt for that rather than going to the United States, where you ended up later, or Canada? What were the opportunities? Or was this just the place that most came up?

DG: At that time, we were a part of the British empire and in terms of intellectual experience, the ultimate was considered to be Oxford. This was, of course, the early or mid-1950s. At that time, Oxford was, relatively speaking, more preeminent than the Ivy League universities in the United States. In terms of reputation, it stood way ahead of most universities in the world. So I guess if anybody was thinking in terms of higher education, and a great

intellectual experience, the ultimate place to think of was Oxford. That is why, in my secondary school, I started to think that I would like to go there. It was very difficult to get admitted to Oxford. My results were very good. I had the best results in the whole country, in what was called the "Cambridge School Certificate."

I went to school in the U.K. for one year. During that time, I had an interview at Oxford. And on that basis, I was admitted there. For me, it was a dream come true.

TGW: You mentioned wine on the boat. But you also mentioned this as an unusual experience, particularly coming from rural Kenya, and being parachuted into Oxford, and passing through London, I presume. What do you recall most from those days that you weren't prepared for?

DG: That is a good question. It is so long ago, that I have to think hard about the first impressions I had formed. My first surprise was to be in a place where there were only white people and they were doing all kinds of work, from sweepers to storekeepers to what have you. So, this was a bit of an eye-opener for me—very different from the situation in Kenya.

Of course, it was a much richer country. In those days, there was no television in Kenya. There were relatively few movies also that you went to. So you were not exposed to it through visual imagery of any kind. Obviously it was a relatively developed country, in relation to Kenya. It was highly industrialized. London was, of course, a huge metropolis. One had seen nothing like this before. Nairobi was a very nice attractive place, but its population at that time was less than 100,000 people. So in that sense, London and the U.K. were whole new worlds.

And I came there via France. The father of a friend of mine picked us up in Marseilles. He was a well-known businessman, so he was used to traveling in Europe in connection with his

business dealings. He guided us through France. From Marseilles, we spent some time in Paris. Then we went by train to London. So I saw a little bit of France.

While in the English school, one of the first cultural shocks that I had was the attitude of the British students to sharing things. I came from a culture in which you shared everything. Back home, when classes would break up for recess, several of us would go to the canteen, to buy something. And one person would buy for everyone. The next time, somebody else would buy for everyone. When I first went to the English school, before going to Oxford, the first time we had a break, I went and bought buns for my group. Subsequently, I noticed that everybody bought their own. This was for me a great shock. It is a small thing, but it left a very strong impression on me. I came from a place where patterns of behavior were very different. I got used to it subsequently, but it took me some time because we were used to sharing things.

TGW: We actually started, but missed Bandung. I just wondered whether, as you said you hadn't anticipated how quickly things were moving. Did this gathering, which didn't include many Africans obviously, but included some Asian and North African countries—how did this appear in the newspapers, or in the canteen?

DG: At Oxford, I think it had quite an impact in the sense of strengthening certain identities. Before, one may have vaguely felt that one belonged to the colonial world. But as I said, only at Oxford did this awareness dawn on me. The Bandung conference strengthened this identity because it provided an institutional underpinning for developing countries. Here was a group of countries which were asserting their independence from the two blocs. They were going to carve out an independent path. They called it "non-aligned." They would not be linked with any group. And they had their own priorities, their own values. And they would like to pursue these through the institutionalization of this group, which called itself "non-aligned."

I think Bandung deepened this sense of belonging to a certain group called the non-aligned world. It created a feeling that by working together, by cooperating, the developing countries could achieve a lot more than they were able to do separately. And that being poor, one way of acquiring some strength and power was by forming groups like this, and by acting collectively.

TGW: Who were the most memorable teachers whom you encountered, and what were the most important things you read, or books that really struck your imagination?

DG: I read philosophy, politics, and economics at Oxford. I had the opportunity to delve into the classics in these three areas. The philosophy was modern philosophy, from Descartes to the present. It did not include classical philosophers. Nevertheless, you did read some things going back to Aristotle and Plato. But for later philosophers, like Descartes, Locke, or Kant, at Oxford they did emphasize going to the original sources, and of course reading commentaries on them as well. So I read widely the leading classics in these three branches.

And in economics, I was influenced by classical economists, like Smith, Mill, and Marx. But in my second degree at Oxford, my interest shifted towards development economics. There, I was influenced by people like Sir Arthur Lewis, Gunnar Myrdal, and Albert Hirschman. And of course much, much later, Amartya Sen. When I studied at Oxford, Keynesian economics was the thing to do. So we were all brought up on Keynes at that time. His work had a very big impact on our thinking. But we understood that Keynesian economics was primarily relevant to industrial economies and not so much to poor countries.

I read all these things and I guess in some way they shape your thinking, and they form your outlook on life. I read very widely, and I still continue to do so. And I read across disciplines. Maybe for a few years I was a narrow, technical economist, especially after my

graduate studies at Yale, but on the whole, I never acquired a deep passion for very technical economics. I have always been interested in societies and human beings, their welfare, and their progress. I am more interested in a broader outlook on society and development. In that sense, I have been a very multi-disciplinary person from the beginning. It is good that at Oxford I studied philosophy, politics, and economics. And after a short period of doing technical economics, I went back to my broader interests in society, more linked to political economy.

TGW: Did the United Nations, or the United Nations system, or the Bretton Woods institutions figure in the curriculum in any significant way?

DG: No, not really. It is surprising, but it could be because I did not take any course on international politics. I did take two courses in politics, the basic courses—political theory and institutions. But it was more a study of political systems in different parts of the world. I don't think we really did anything on the UN system in those days. At least as part of the core courses, it wasn't there. Perhaps you could specialize in it. I specialized in economics, and I took a course on economic development. But I don't think there was that much consciousness of the United Nations. One knew of the United Nations, of course, but as an academic discipline I don't think there was very much that was taught on the UN, except in very specialized courses.

TGW: How did your itinerary, instead of continuing in the Commonwealth, end up getting diverted into another ex-colony, the United States?

DG: I had done my first degree at Oxford. Then I did another degree, a B.Phil. in economics, which normally, if you are not an Oxford graduate, takes two years. But in typical fashion, if you had an Oxford degree, then you could complete this in one year. So after I did my B.Phil., I felt the need to do additional graduate work, because at that time I started to think that an appropriate career for me would be an academic one. And if you wanted to pursue an

academic career, then I guess it might have been possible with the two degrees that I already had, but I felt that I needed to go deeper into economics.

The U.S. was a natural choice because, firstly, I had already studied in the U.K. and I thought it would be nice to diversify my experience, expose myself to a very different culture and a different country. Also, of course, America has very high quality universities, especially at the graduate level. They were way ahead of the U.K. at that time at the graduate level. They are still. I was fortunate. I got a fellowship.

If I did not have a fellowship, it would have been difficult for my parents to finance my education. They financed my studies at Oxford. My father did not want me to apply for a scholarship in Kenya, because he thought that there were other poorer families who deserved it. He felt he could afford to finance my studies at Oxford. He thought there should be opportunities for people from less affluent families. We were not really that affluent, but my father felt people from more modest backgrounds should have an opportunity. But I did work during vacations. I saved money. This was a very unusual thing in the U.K. in those days. It is a very common American experience to work during school vacations, but it did not happen very often in the U.K. Even now, it doesn't happen to the same extent that it happens in the United States.

I remember two vacation jobs. Once, I worked in a fruit-canning factory. That was a very good experience, because I became one of the workers, and we lived in pre-fab (prefabricated) halls of residence, and shared these facilities with other people. There were other students who were working temporarily. My second job was of a clerical nature. It was in an office. That was also an interesting experience. It brought me in touch with the British society outside the Oxford kind of milieu.

I got a fellowship at Yale, and that certainly facilitated things for me. I applied to other universities, too—Harvard and Princeton, and maybe others as well. But Yale was the first to come out with an offer of admission. Subsequently, they also offered me a fellowship. Yale is, of course, a very prestigious university of world class, so I thought it was a great privilege to be admitted there. When it came to technical economics, it was way ahead of Oxford. And the graduate studies were much more developed than at Oxford at that time. I did one year of graduate work at Oxford for the B.Phil. When I went to Yale it was a different kind of thing. The courses were better organized, the teaching was better, there were more international students. So it was also a great experience for me. I guess I became an economist at Yale, rather than at Oxford.

TGW: Who were your mentors, and who were the other students in your cohort?

DG: Just to finish at Oxford, I was taught by some quite prominent people, especially at the graduate level. One was Sir John Hicks, who was one of the earliest Nobel Prize winners in economics. There was another knight who taught me—Sir Roy Harrod, who had written a famous biography of Keynes; and Sir Donald MacDougal, who used to occupy a very senior position in the treasury, and then came to Oxford. And Jagdish Bhagwati was at Nuffield College, Oxford. He was a couple of years ahead of me. While studying at Oxford, I got to know some people from Cambridge, people like Amartya Sen. I didn't quite meet Richard Jolly at that time.

At Yale, I was taught by Professor James Tobin, another person who went on to win the Nobel Prize in economics. Incidentally, when I was subsequently in Kenya, he spent a year with us as a visiting professor. There were other people who were quite prominent. I went to some classes by Simon Kuznets also, although he was not a full-time teacher there. But he gave some

lectures. There were some very famous econometricians also, whose classes I went to, such as Professor Tjalling Koopmans, another Nobel Laureate, and Professor Marc Nerlov. So these were some of the people I was privileged to take courses with.

TGW: And the other students who were at Yale at that time?

DG: There were quite a few students who did well academically and who later went on to pursue distinguished academic careers. Richard Jolly was with me at Yale as a student. We were there at the same time, doing graduate work in economics.

At Oxford, there were quite a few people I knew who went on to pursue public careers. For example, Kamal Hussein, from Bangladesh, was a close friend of mine. He was jailed in Pakistan for his nationalist activities on behalf of Bangladesh. When Majibur Rahman became president, Kamal Hussein became minister of justice and then minister of foreign affairs. He was outside the country when the first coup took place. That is why he is still alive.

The other person who became a well-known political figure was a Sri Lankan, Athul Athmadali. He became a cabinet minister at a very young age, and was a presidential candidate and would likely have become president. But he was assassinated in one of the periodic episodes of violence that the country has lived through in recent decades. And there were quite a few people from Africa who subsequently became permanent secretaries, or cabinet ministers, or ambassadors, whom I met at Oxford.

At Yale, it was a more restricted group of economists. There were people doing excellent technical work. They, therefore, went basically to universities and became professors there. But I do not recall many who had political careers.

TGW: So you finished a Master's, and then you went back to East Africa. You didn't think to just continue on straight away with a dissertation? Or was it advised that you go back to the real world, and then come back again?

DG: I did my coursework, and then I spent six or seven months on my work for a dissertation. But I did not get very far. By the way, that was the time when I discovered the United Nations. For my dissertation, I wanted to work on the dualistic model of development in East Africa. At that time, the UN library was one of the best, from the point of view of documents on colonies. So I came and lived for about three months in New York, and I used the UN library. I also went to Cambridge, Massachusetts, where I used the Harvard library too, because it was also very good—far superior to the Yale library on these questions.

So that was how I first saw the UN premises. I could have stayed on in the States to complete my dissertation since I had a fellowship, which would have been extended for another year to enable me to finish my Ph.D. In fact, they wanted people to finish their Ph.D.s there before they went away, because they knew that once people go away, they either do not finish their Ph.D.s or they take a long time over it. But I felt that I had been away too long from East Africa. I was five years in the U.K., one year at school, four years at Oxford, and then two years at Yale. That is about seven years. I thought it was time that I went back and made my contribution to nation-building. This was the time when the East African countries were on the verge of becoming independent, and there was a desperate shortage of educated people who had been to universities.

So I just thought, "Well, I will go back, and I will try to finish my dissertation from there." At that time, I had already started thinking of an academic career. In those days, if you wanted an academic career in East Africa or Eastern Central Africa, the place to go to was

Makerere, which served not only the East African countries, but also the Central African countries. We had students from what was called Nyasaland, in those days, and Northern Rhodesia, and a few from Southern Rhodesia as well. But for the most part, they were East Africans—Kenyans, Ugandans, and Tanzanians.

So I applied for a position there. I didn't know there was a vacancy, but I knew there was only one university where you could do university-type teaching and research. I was fortunate because, at that time, Mwai Kibaki, who is now the leader of the opposition in Kenya, had just left Makerere to join KANU (Kenya African National Union) as an executive officer. I was appointed as a lecturer in economics to replace him. It was in August 1961, when I returned from the States to take up this lectureship. I was the sixth East African on the teaching staff. Two were in the fine arts, and one was in sciences. The other was in geography. And the total number of faculty members must have been something like 120 to 150 persons at that time.

TGW: And then what switched your mind again, to leave East Africa and go back to finish the dissertation? I mean, you intended to go back and do this?

DG: No, I went back to Uganda and I wrote my dissertation there while I was doing full-time lecturing. It was very difficult, as I also had to prepare my lectures for the first time. I had to stay one step ahead of students. I taught courses in public finance and economic theory. I always believed I should relate the material to East African situations. I didn't know the first thing about East African economies at that time. In my studies in the U.K., I focused on the British economy. And in the States, the emphasis was more on economic theory and applied economics, and it was mostly linked to the experience of industrialized countries. I did take one course on the economics of developing countries. But that was a very general course.

So when I went back, I did not know too much about the East African economies. I had to learn about them as I was teaching. While preparing my lectures, I spent my evenings working on my dissertation. Fortunately, at that time, there was a project, which was started soon after I went there, by the Rockefeller Foundation, called Economic Development Research Project. This was one of the very first efforts at organized team research in social sciences in East African countries. It was located at a very famous institute, called The East African Institute of Social Research, which subsequently became Makerere Institute of Social Research. Most of its previous work had been in anthropology and sociology. I believe it was the first time that it had organized work on economic development.

So while I was in the department of economics, where I had full-time teaching commitments, I linked my research to this research project, which was headed by Paul Clark. Subsequently, several other researchers came there who became well-known later—Reg Green, who became professor at IDS (Institute for Development Studies) Sussex; Charles Frank, who became professor at Yale and then at Princeton. Then he was on [Henry] Kissinger's staff; now he is the Vice President of the European Bank for Reconstruction and Development (EBRD) based in London. Richard Jolly came there subsequently to do his Ph.D. thesis. And Brian van Arkadie came from the Yale Economic Growth Center.

One of my students at Makerere was Philip Ndegwa, who subsequently became a leading African civil servant, businessman, and economist. He was a real star. And there were many other bright students that I taught at Makerere.

But it was, to come back to the question that you raised, mostly during the evenings that I did my research. And, as the research project on economic development, headed by Professor Paul Clark, was initiated a year after I came to Makerere, I linked my research to that project. As

a result, I made much faster progress than I would have done otherwise. I became part of a group of scholars who were doing full-time research. It pushed me, as my research was linked to theirs. I finished my Ph.D. in 1964, nearly three years after joining Makerere.

TGW: During this period, did the UN come on your radar screen? I am thinking, in particular, of the First Development Decade, or the founding of UNCTAD (UN Conference on Trade and Development), and the notion of disparities in development and rules of the game. Was this something that came into your courses?

DG: No, not really. It was not in the courses. Again, I have to say, I did not have any detailed knowledge of the UN system, its functioning, different agencies, and what they did. There was newspaper coverage, and one knew the names of major agencies. But my work was not, in any sense, linked with them. And during my years at Makerere, I don't think I worked with any UN agencies. It was only subsequently, when I went to Nairobi, that I began to work with UN agencies and learned more about them. But I would say, in the early 1960s—I was at Makerere from 1961 to 1965—I had relatively little to do with the UN system. Even the research program that was established there was an initiative of the Rockefeller Foundation, and its links were with universities in the U.K. and the United States, and it had practically nothing to do with the UN system. The UN system did not fund any research.

Everybody knew about the UN, of course. But in terms of individual links with UN agencies, and participation in workshops and conferences, or working for them as consultants, this was practically nonexistent in those days. I don't think this was necessarily the case in other parts of the world, but as far as East Africa was concerned, there were relatively few contacts with the UN.

TGW: But you said that this changed once you moved to the University of Nairobi. This is because Nairobi was more of a capital for East Africa, for the region?

DG: No, Makerere at that time had a much better reputation and better staff and faculty, and it was way ahead of other places there. The University College in Nairobi, as it was called, came on the scene much later. It was a few years later that the UN discovered East Africa and became active there, wishing to involve people in their activities. And I don't think this was just my experience. I did not know of others in Makerere who were doing much work for the UN system either.

TGW: If you can put yourself back there, how did your own thinking about development change through these various centers? Was it the confrontation with different ways of thinking in the classroom, or did going back to a developing country, *per se*, contribute to your own thoughts about what had to happen, and the problems with the theory, the need for more theory, the need for new policies? Put yourself back there for a minute, and try to think about what helped you grow as an economist, or changed your mind as an economist.

DG: Before returning to East Africa, I had taken a course on development economics at Yale. Therefore, I did read the usual stuff that was taught in such courses. I read some of the well-known works on development at that time. But I am not sure I would have called myself a development economist, because most of my courses in statistics, econometrics, economic theory, economic history, economic institutions, and applied economic policies were largely concerned with industrial countries.

My involvement in development economics really started with my Ph.D. thesis entitled, *The Elasticity of the Tax System in Uganda*. The thesis was on the tax system, what it was like, what the impact of the existing tax structure was, and what kind of reforms in the tax system

were necessary. I guess I always felt that my, what the economists call "social productivity" as opposed to "private productivity," would be much greater if I worked on African problems rather than on industrial country problems, because very little was being done at that time. There were very few books on East African economies, and few articles that you could rely upon when you were teaching courses there. Also, I felt that the problems were much greater, and therefore the payoff to research, in social terms, would be much greater if I were to focus on the problems of my own country, rather than on Europe or the United States.

So I guess this was the reason that I began to concentrate on the problems of African economies. I have to say that I never looked back. For the next thirty-eight plus years I worked on problems of development, of poverty, of underdevelopment. Only now, three or four months ago, I did my first work on industrial countries since my undergraduate days, when I did a paper at the International Institute of Labor Studies. I did some work on the concept of "decent work." I applied it to OECD (Organisation for Economic Co-operation and Development) countries. I developed an index to measure their performance with respect to decent work. So I would say that almost forty years after I started my professional career, I have come back to OECD countries. I spent a few months working on this topic.

TGW: In later years you certainly began to emphasize, I don't know what the correct word is—integrative, comprehensive, or holistic approach to development. When do you think the first inklings of this came into your own mind? Did it come into your classroom? Did it come into some of the research in Makerere, in Nairobi? Where did it pop up for the first time?

DG: It is difficult to say, because as I told you, in the beginning my work was fairly technical. It was like any other economist who has done graduate studies at a good American university, and is a reasonably well-trained technical economist. But because at Oxford I had a

broader undergraduate degree, and also I had friends at Makerere and in Nairobi, who were working in other areas, I began to take a broader perspective in my research. In Nairobi, I was first deputy director of the Institute for Development Studies. Then I became director. IDS was a multidisciplinary research institute.

Similarly, the East African Institute of Social Research was multidisciplinary. But I have to say that our project, the Economic Development Research Program, initially worked in relative isolation from other disciplines. But things were different in Nairobi. There was intense interaction between political scientists, sociologists, anthropologists, and economists. Inevitably, if you are heading an institute like this, you had to begin to think in broader terms. While at least in the beginning, my own work continued to emphasize economic and technical aspects. Gradually, I became more and more interested in the wider problems of development.

A lot of our research was conducted through teams of specialists. You had team members with different backgrounds—sociology, anthropology, economics, political science, and so on. So, gradually, I sort of got into the mode of thinking in more holistic terms. And, of course, living in Africa, you began to see how development problems are so closely intertwined. The big problem in African countries was the political problem—problems of stability, cohesion, governance. And because African countries failed on that, they also failed on the economic front. If they had enjoyed political stability, social cohesion, and good governance, I think the process of economic development would have been much easier. So if you are working in Africa, it is almost inevitable that you find that it is very difficult to isolate disciplines in different compartments.

TGW: As you were trying to put together these multidisciplinary teams to attack problems or teach, where did the pressure for changes in approach or thinking come from? Do

you recall picking up reports from the World Bank, or the UN? Or was it largely academic journals that entered into your life? What pushed you in one direction or another? Where did some of these ideas come from, that you were experimenting with?

DG: I think I was more influenced by academic literature at that time than either the UN agencies or the World Bank. But around that time we had started to read some of the stuff produced by the UN agencies, although I can't recall any major documents that I could cite at this stage. We read the World Bank reports of various kinds, including country reports. But they were not that easily available, by the way, in those days. These were confidential documents. You couldn't even get hold of a World Bank report on Kenya. But there were some documents that were made available more widely. I would say by far the greatest influence exerted was the academic one—people working and doing research on African problems. And, in that sense, my institute did some innovative work on integrated rural development, bringing different specialists together to carry out baseline surveys, to provide original data, and to formulate different development strategies—area-based development strategies of a more integrated nature.

Similarly, even at a theoretical level, the famous Todaro model of migration was developed at the institute. Mike Todaro was a visiting professor there. He was also at Makerere—he came to teach as a graduate student with Professor Philip Bell. Then he went to Yale, where he did his Ph.D. He developed this model for his doctoral dissertation, which is drawn from the African experience. It basically said that migration is a function of the probability of finding jobs in urban areas. He developed a fairly elaborate model on the basis of expected income in urban areas, which is defined as a function of unemployment and the wage rates there. This was a whole new contribution to development economics. And it originated from East Africa.

Similarly, there was some original work on African entrepreneurship, and the informal sector. It was not called the informal sector. But some of the work on this was done at my institute. In fact, when the ILO (International Labor Organization) Employment Mission came there, they picked on quite a lot of the work that was done by IDS. And of course I worked with the mission as well. And three other Kenyans were associated with it. Through the ILO report on Kenya, the notion of the informal sector became famous. I am not saying that it was invented in Kenya. In fact, it was Keith Hart, who had worked on West Africa, who first started to write about it. Then John Weeks developed this further in the context of the ILO Employment Mission to Kenya. However, some work had already been done at the IDS on small enterprises, emerging African businessmen, and so on. All this jelled together into the concept of the informal sector. There were other areas as well, such as pricing and marketing policies, where the research work that was carried out in our institute helped policymaking in Kenya.

TGW: But you were no longer teaching at this time?

DG: Very little. I started off teaching a little, one course or so for the year. And even that fizzled out at the end, because I became more and more preoccupied with managing the institute and guiding research. The institute became larger and larger, with eventually around thirty-five professionals drawn from all over the world. It was an active place with many workshops, seminars, papers, and monographs; we worked with the government and with UN agencies. At that time, too, we started working with the World Bank. So I had to give up my teaching.

TGW: Did you ever regret that part?

DG: No, I don't think I did. I guess my interest shifted in other directions—both research and management. I became more and more of a manager, an administrator. And, of

course, I never wanted to give up research. I continued with my research, so there wasn't really time to do other things in addition to managing the institute, and everything that went with it.

TGW: I wondered if we could spend a moment with this time you spent as an economist with the Pearson Commission in the midst of this. How were you sought out for this commission?

DG: Working with the Pearson Commission was my introduction to global institutions and the global system. That is really when I got deeply involved in it. I didn't know much about it before. One day, I received a call from our Principal, Professor Porter, who was Sierra Leonean, to come see him in his office. He said that he had never received such a long cable in his life. It was about five pages, from Lester Pearson, asking the University College Nairobi if they could release me for a period of time to be a member of the secretariat.

So I guess the head of the secretariat, Edward Hamilton made some inquiries and suggested my name. The deputy director of the Pearson Commission was Ernie Stern, who worked at USAID (U.S. Agency for International Development). He joined the World Bank after the Pearson Commission, and subsequently, he became vice president of the World Bank. In fact, as the presidents came and went, he became more and more effective. So these two people were the first to be recruited by McNamara who set up the Commission. When McNamara became president of the World Bank, he felt already that the support for development assistance was declining, especially in the United States. He therefore decided to set up a "blue ribbon" commission to build up support for development assistance.

It was, by the way, the first of many subsequent commissions—Brandt, the South Commission, the Brundtland Commission, the Commission on Global Governance, and the commission that you are working on now. So this was one of the first of its kind, and I was very

privileged to have participated in it. For the secretariat, they wanted to get people from different regions. Maybe they were looking for somebody from Africa, and I guess that's how my name came up.

So we got this long cable, and the University College was very happy that a staff member's service was being requested by a commission like this. So that is how I ended up there. I worked there, in Washington D.C., for about nine months from December 1969 to August 1970.

It was a great experience. The commission was financed by the World Bank, but we were totally independent. We were not even occupying the World Bank premises, because we wanted to assert our independence. But we were serviced by the Bank in terms of travel, and accounts, and things like this. Sir Arthur Lewis was a member of this commission. I interacted quite a lot with him. Of course, I was a great admirer of his work before, but here I had an opportunity to work with him on a much closer basis. There were very many other prominent members of the commission. And on the staff side, Goran Ohlin was there. Bimal Jalan, who is now the chairman of the Federal Reserve Bank of India, was with me there. Don Brash, who is now the President of the Central Bank of New Zealand, was also with us. And Carlos Dias-Alejandro, who was at Yale—he has unfortunately died—also worked with us. The secretariat was of very high quality.

For me, it was my first experience of looking at international dimensions of development. The focus of the commission was development assistance: its trends, what problems had arisen, what can be done to resuscitate support for it. So that was its rationale—how you can put forth a more convincing, but honest case, to build up support for development cooperation, particularly in the United States. Ed Hamilton, who had worked with congressional committees before, was

very sensitive to thinking in the Congress. He kept saying, "We have to make this case, or that case. We have to be persuasive to members of the Congress."

Although it focused on development assistance, there were also chapters on other dimensions of development. We looked at development assistance in the context of a larger picture. That is the first time I began to get involved in international aspects of development—trade, foreign investment, aid, and so on. It was a great learning experience. That is also when I came in touch, not only with the World Bank and the IMF (International Monetary Fund) and GATT, as I was writing the chapter on trade, but also the UN agencies. I read their stuff, UNCTAD's particularly, since it dealt with trade reforms for development. Most of the proposals on the table were UNCTAD proposals.

In fact, the first draft I did for the chapter, called "Trade Policy for Development" was heavily influenced by my reading UNCTAD reports. And Sir Arthur Lewis jumped on me at that time. He said, "You just produced an UNCTAD document. We can't accept this." He was very critical, but in the right kinds of ways. He basically implied that it was wrong to put all the blame on industrial countries. "You are not saying anything about the right policies the developing countries should follow. They have messed up their policies. We can't put up this UNCTAD stuff there. It is not acceptable." Anyway, I went back and I redid that chapter. It came out better, more balanced. He was much happier with it.

TGW: As you mentioned, this was actually the first of these eminent commissions that issues blockbuster reports. In what ways did it make a difference? Or, if you can generalize, when do you think these eminent people, getting together, is useful? Is it helpful to be getting a team of specialists together, publishing a report and trying to publicize measures, some of which, as you mentioned, are taken from other places—they may not be new, but they are reprocessed?

DG: Indeed. But there were some interesting new ideas in the Pearson Commission's report entitled *Partners in Development*. The commission's focus was on development assistance. At that time, it was probably the first high-level systematic report on development assistance, its history, its past, what it had achieved, its failures, and an agenda for future reform. So I guess it made a contribution by a systematic review of the history of development cooperation, what it had achieved, its limitations, what its rationale was, and how to put forward the case for renewed interest in assistance.

There is one idea put forward in the report—it was Arthur Lewis' idea that I find still very relevant. The argument was that development cooperation is a joint enterprise. There is responsibility on both sides. Developing countries have to perform. The aid must be used effectively. The developing countries must be held accountable. But the donor countries also have responsibility and must also be held accountable. One of the ways this can be done is through a regional consultative group with the participation of donor countries, multilateral agencies, as well as the developing countries. These groups should be serviced by specialists, and should form the forum for regular discussion of development experiences and policies. Have the developed countries lived up to their premises and commitments? Have the developing countries done the things that should be done?

In other words, it was an attempt to bring the two sides together into a coherent dialogue on development experience—to draw lessons and compare performance. This was Arthur Lewis' idea. I thought it was a very good idea. I still think it is a great idea. It is still not being implemented.

The report was presented at the World Bank annual meeting and I feel it had an impact on thinking and policies on aid and development. As to long-term impact, it is difficult to say. I

am not sure. It may have temporarily halted the decline in resource flows, especially in the States. The U.S. was a big player at that time. It was a far bigger player than now. And people were concerned about its declining interest in development assistance.

This was before the collapse of the communist world, and the end of the Cold War. In fact, it was at the height of the Cold War. But already there was a perceptible decline in interest on development cooperation. I am not sure whether it made much difference in the U.S. in the long run, in terms of building up support for this. I don't think it had a long-term, deep impact in reversing the trend in declining flows. But it was a report which was reasonably well done. It had very important people from industrial countries—Sir Edward Heath, Douglas Dillon from the United States, and the Japanese development economist Saburo Okita, former head of the planning agency and for a while, foreign minister. There was Wilfred Gutt from Germany, and Jean Marjolin from France, who was the ex-secretary-general of OECD, and ex-head of the planning commission in France. Wilfred Gutt was, at the time, the head of the largest bank in Germany. There was, from Brazil also, someone who had been minister of finance.

But the commission membership was deliberately heavily biased towards industrial countries, the big countries, in order to influence their policies. From developing countries, there was Sir Arthur Lewis.

TGW: You mentioned Arthur Lewis' idea. To what extent did these formulations come from the commissioners, or the members of the commission, and to what extent were they put forward by the staff?

DG: I would say that the technical work was done by the staff, who produced drafts for discussion. In the beginning, there was discussion on the purpose, the scope, and the composition of the report, and on the kinds of arguments that would be persuasive. But every

few weeks, once a month or so, there was a meeting with all the members of the commission. Secretariat drafts formed the basis of these discussions. Each one of the commissioners read the documents carefully and made comments. The commissioners included: bankers, former prime ministers, former secretaries of the treasury. The chairman of the commission, Lester Pearson himself, was a former prime minister of Canada and a Nobel Prize winner for peace. Thus, the commissioners were eminent and responsible people. They were not the kind of people who would scare anybody. They were members of the establishment, very solid members.

They wanted to present a report which would be persuasive and reasonable, that well-intentioned people would be persuaded by, and would, as a result, switch their support in favor of additional resource flows. That was the idea behind it. Practically all of the technical work was done by the staff. Most proposals were put forward by the staff.

For these meetings, the commissioners did their homework well. They would often say, "We don't agree. This argument is not good. Change this or that." A few, like Sir Arthur Lewis, a distinguished thinker, with considerable experience in the UN, the Caribbean Development Bank, and the UNDP, were always full of ideas. Sir Arthur would contribute new ideas which we would then incorporate into the draft. But I would say that like most of these commissions, most of the work, the technical work, and even the ideas and proposals, were put forward by the staff. But then they are debated by the commission, rejected, modified and elaborated.

TGW: While we are on the topic of vehicles for ideas, shortly thereafter you go back to Nairobi. But you are a member of this expert group on least-developed countries (LDCs). In terms of the relevance of vehicles, which ones are more useful, these sort of a smaller, less

visible groups—what role do they play? And is there a way to generalize about whether this might be a more sensible way to try to launch an idea?

DG: I think, when they first take on an issue, when the issue is just emerging, they have a very important role to play. Now, I am glad you mentioned the least-developed countries because a good part of my professional work has been with these. When I got this invitation to be a member of this expert group, it forced me to think more systematically about this category of countries. I was not asked, but I ended up writing a paper that got published in the *East African Economics Review*, and elsewhere. It was called "Africa, the Third World, and the International Development Strategy." My thesis was that international development strategy was geared to the needs of the more advanced developing countries. Whether you look at trade, foreign investment, transnational enterprises, or if you like, the entire UNCTAD agenda, even if it was all implemented, the biggest beneficiaries would be the better-off countries. And for the least-developed countries, even if there were total trade liberalization, foreign capital in-flows, good behavior by multinationals, and a transfer of technology—it would not make a hell of a lot of difference for the poorest countries.

Their needs are infrastructure development, power, transport, education. They are at that stage. They cannot derive full benefits from trade liberalization. I was not too popular, because they said, "You are driving a wedge in the unity of the developing countries." I always said, "Unity has to be based on a diversified package, which will cater to the needs of all." And the least-developed countries are the ones that need more help than anybody else. Not only from rich countries, but also from developing countries as well.

My paper was stimulated by concerns such as these. It was obviously not the first one on the subject, because already UNCTAD had developed some criteria for the selection of least-

developed countries. But I would say it was one of the earlier ones treating this theme. As you know, to this day, this area continues to be extremely important and poses a major challenge to global development. There is agreement that least-developed countries need special treatment and that standardized packages will not be that much help to them. Very soon another world conference on least-developed countries will be organized.

TGW: In May, in Brussels.

DG: Right. So this issue is very much alive. And my paper was done long before that. My participation in the expert group influenced my thinking quite a lot. Before that, I had been with the Pearson Commission, and I thought more in global terms and global measures. The expert group report argued that least developed countries need special regimes, special treatment, and special programs, in order to catch up with other countries, so that they can also benefit from more general measures that were being recommended at the international level.

TGW: What kind of pressure did you come under to sweep this unpopular view under the rug? I recall my own work. I was in the division on least-developed countries. This remained a very strong theme—solidarity, we are all under the same tent. We shouldn't mention the well off, or the poorly off, because it's going to split up this coalition. Who put pressure on you to keep quiet?

DG: When I used to have meetings with the Third World people who advocated the Third World cause, I felt they were saying, "You are putting a spanner in the wheel." In other words, "you are playing the game of the industrial countries," to put it in the terms they used to talk about. "You are siding with the enemy." They didn't say quite that. I don't think it was in any official forum, but it was when you started talking among colleagues and friends. I am all in favor of the unity of the Third World, but there has to be something in it for everyone. In fact, a

lot of these measures would erode the special benefits that have been put in place for least-developed countries by the European Union (EU) and others. People who believed in UNCTAD packages were not always too happy with this, because they said that I was giving ammunition to the other side.

TGW: Do you think these categories of the Third World, the South, the Global South, developing countries, made sense at the outset? Does it make sense today? Or does it make less sense? In analytical terms, it obviously has problems. But, in political terms, does it still make sense?

DG: Well, I got into some trouble with Gamani Corea on this one the other day. I said, "There is more and more differentiation among developing countries now. So, it is less and less pertinent to talk in terms of a single package." He said, "No, no. Fifty years ago, there was more differentiation than there is now." I am not sure he is totally correct. We do know that there are big gaps in per capita income, in technology levels, in productivity, and resources among the developing countries. Everybody recognizes that. I believe they still have many common interests. And I think that individually they are so weak it is important for them to get together. But I think when you get together, you have to have a package that caters to the interests of all of them, particularly the least-developed countries, and not just the more advanced developing countries.

It is in their collective interests to work together, to take a common line. But the reality is, that whatever it meant at some stage, increasingly the notion of the Third World is becoming less and less meaningful in practical terms. I am talking of concrete initiatives and actions. Of course there is the Group of 77 (G77). They are in Geneva and in New York. And they come out with their own documents on major occasions. At that level it is still functioning. But as a

political force with power to determine and influence events and policies, unfortunately the G77 is much less effective.

TGW: This is the beginning of tape number two, on 7 February 2001. Tom Weiss with Dharam Ghai. Maybe we can now go back to Kenya. Well, you're still in Kenya. You've been in Kenya a number of times. You earlier mentioned the ILO Employment Mission to Kenya, and the importance of this report. What precisely do you think were both the contribution in theory of this report, as well as, perhaps also, to the world of development practice?

DG: The ILO report on employment in Kenya became quite famous and influential. First, along with the other reports prepared under the World Employment Programme (WEP) and the World Employment Conference, it clarified the nature of the employment problem in developing countries—that we are not talking of people who are openly unemployed, as in industrial countries. We are talking about people who may be working, or apparently working, but with very low incomes and low productivity jobs. There are also people who are grossly overworked, among them, rural women, who obtain very low returns for their labor.

Number two, this report put forward the notion of a minimum standard of living for all. It argued that the major task of development policy is to insure that everybody has a certain minimum standard of living. In fact, this was, if I may say so, my own idea. Subsequently, it developed into the basic needs approach that I put forward at a later stage during the preparations for the World Employment Conference of 1976. We used the phrase "minimum standard of living" for decent living. The report spelled out what this meant, and what other kinds of policy measures were needed to attain this objective. It accomplished this both in terms of access to productive jobs, or self-employment, as well as in relation to public policy on health, education, food subsidies, nutrition programs, and all the rest that I think is quite familiar now. Maybe it

was less familiar then, but anyway it was set out in a coherent and systematic manner in the ILO report.

The third thing it did, which brought it fame, was the idea of the informal sector, which we already talked about. As I said, Keith Hart, working on West Africa, first developed this notion. And John Weeks, then in the Kenya Mission, was the one who worked most in developing it further. It is interesting that this notion should come out of the work in Africa, because the informal sector is so widespread in Asian countries, but less so in Latin America and Africa at that time. But because it was emerging, it was a relatively new phenomenon, which caught people's attention. We had a dualistic economy in East Africa—an organized sector with high levels of productivity, largely managed by immigrant communities; and then very low productivity in subsistence agriculture. There was not very much in between. But in Kenya in the 1960s, there was a mushrooming of activities, of non-farming, small-scale enterprises. In the towns, you began to see it, and also in the rural areas. That is why it struck us so vividly. As I told you, our institute had already done quite a lot of work on that.

The Kenya report formulated the informal sector in a very appealing way. And its message came at the right time, when the government policies were punitive towards that sector—they still are in many countries. The police used to come and destroy the small enterprises, small stalls and other things that people put up in order to earn their livelihood. So the government policies were very punitive. The ILO report argued that the informal sector had a great potential for generating employment incomes for the poor. It could be encouraged in various ways. You could have positive policies. The package of policies was very well put in the report.

Then I think the importance of the Kenya mission report, and those on other countries, was to set out a development strategy based on the primary objectives of employment generation, and attainment of minimum living standards for everybody, for the mass of the people. The analysis didn't start with the need to get an eight percent growth rate. It did not say that in order to get eight percent growth, you have to do this and that. It went the other way, to say that if you want to get minimum living standards for everybody, and productive employment for everyone, there are certain implications in terms of sectoral programs, macro policies on investment and savings, technology, and so on. It worked back to strategies and policies from goals on employment and minimum living standards.

It is a different way of looking at the development problem. These were the principal contributions made by the country employment reports. I think they have had a lot of influence on development literature, and thinking about development problems. They have also had an impact on programs for special schemes concerning employment generation, the informal sector, and micro enterprises. All these subsequently became major areas of public policy and practical programs. So I would say in many ways this was a very influential report.

TGW: I was interested in your document on knowledge-based institutions. You make a point of emphasizing the integration of research and of technical cooperation, or technical assistance, in a mutually reinforcing way. How did field-based research have an impact on the ILO as you saw it? Did it help the ILO become a better citizen, in terms of providing the assistance that it was providing?

DG: Oh, I think unquestionably. The great success of the World Employment Programme was due primarily to the fact that it latched on to a very important problem. At that time, the countries were achieving reasonably respectable rates of economic growth. But the

employment problem in many countries was getting worse. So it was an important problem to latch onto at that time, and to have this become the ILO contribution to the UN Development Decade.

The second reason why the World Employment Programme became so successful was that it linked, in a very integrated way, technical cooperation with research. In fact, the boundary between the two disappeared. There was a lot of research going on in the World Employment Programme of all kinds. But these missions were, if you like, an integration of research and policy-making. Participants included some of the leading academics and development specialists. And they applied their accumulated knowledge and research to a very concrete issue—how to generate productive employment for everybody, and for everybody to have minimum living standards.

There were many other practical programs that emerged from the research that was carried on. For example, labor-based, or labor-intensive methods of construction—roads and irrigation, power, community buildings can be constructed either using heavy machinery or through labor based methods, which could still be efficient. A lot of research was done in this area. It became one of ILO's biggest programs on technical cooperation. Many countries wanted help from ILO in this area. In another field, the informal sector led in time to micro enterprise, to micro finance, and so on.

From my own experience in ILO, I can tell you of a few areas that I personally advocated for and introduced in ILO, and they have become very important subsequently. First, we did a lot of work on the analysis of poverty and poverty elimination policies and strategies. Keith Griffin had started work on this. After his departure, I continued with this work. I headed the Rural Employment Policies Branch and so we had to confine our work to rural poverty. We

promoted a lot of research on determinants, trends, and policies on poverty. Poverty reduction now occupies the center stage in development policy. There is policy agreement that the biggest challenge facing the world is elimination of absolute poverty. So I am pleased—I have been pushing this angle for a long time, and it is now occupying a central place in world economic policy, at least at the level of rhetoric.

Another area that I developed—again the first start was made by Keith Griffin—was gender studies. Some of the first monographs on women workers came out of the Rural Employment Policies Branch. Again, unfortunately we were able to work only on rural women. But in developing countries, at least in the less developed ones, the great majority of women workers are from rural areas. So we examined, in a number of monographs, their contributions to production, sometimes mostly unpaid. As part of this work, we also did some of the first work on women workers at home. Then it led to more work, until many years later, ILO adopted a convention on home-based work. So there is a whole convention and recommendation on that.

The third area that I would like to highlight is participation. When I became head of the Rural Employment Policies Branch, while retaining some of the ongoing work on agrarian reform and rural poverty, and expanding work on women workers, I also introduced work on promotion of participatory organizations of the rural poor. At that time, participation was not much discussed. I am talking of now the late 1970s—1977 or 1978, when this program started. Even in the ILO, it was controversial because the trade unions thought that the only form of valid organization, that ILO should be concerned with, is trade unions, and that it had no business getting into other kinds of organizations of the rural poor—community organizations, peasant associations, landless people organizing.

I managed to persuade the director of the employment department, Antonine Begnin, and Mr. Surendra Jain, the deputy-director-general of the importance of working in this area. Our work advanced the notion of participation as empowerment and enhancement of institutional and organizational capabilities. We did quite a lot of work on this, with very small amounts of money. The notion of participation has become quite accepted. Recently, I did some work on Vietnam. I was pleased to find that the government of Vietnam is actively promoting participation in its programs on rural development. I saw some programs in which people were able to influence the direction and pattern of development activities. In one of the programs, in the village assembly, all the people would get together and decide on their priorities and what they want done. And on that basis of their deliberation, they draw up village development programs. Thus the poverty eliminating programs came from the people themselves. They selected them. Similarly, they have played a key role in implementing these programs and in their evaluation. I visited a few villages. I was surprised. For instance, the villagers estimated that fifteen percent of the households have moved up from the poverty groups to a higher group. They divided all households into four categories. Categories three and four are described as poverty groups, and they have developed their own criteria for poverty identification.

So, I am pleased that the participatory approach has moved well beyond theory to practice. It is being promoted by everybody, and people have developed operational methodologies to introduce participation in development activities. These are some of the examples of the ideas that I introduced personally, and which have taken on lives of their own. They have become important in practical terms. They include the gender issue, participation, and poverty, of course, at a more general level.

TGW: Actually, Tatiana [Carayannis] and the other women in the office have urged me to ask people this question. So I am just going to pursue this for an instant. When do you think that the issue of gender really appears on the radar screen? We have the conference on women (UN World Conference of the International Women's Year) in 1975. It now seems like such an obvious issue, but it wasn't always. When do you recall that gender infiltrated not only development thinking, but also thinking more generally within the UN system?

DG: I can't answer this with any sense of accuracy. But I think I became aware of it, and those were early days, about the mid-1970s or so. One of the first things I did with Lourdes Benaria was to organize a meeting to define a research program around rural women. There were nearly twenty women there, and they were all very young, dynamic, committed, and creative. Many of them have become big names and are now world famous, including Fatima Mernissi, Gita Sen, Noeleen Heyzer and others. Many of them had been radicalized by the 1968 revolution. This was in 1977. But these were all young, militant, learned activists.

So my own recollection is that there was little work done until about the mid-1970s. The World Employment Conference of 1976 provided a great stimulus to further work on women workers.

TGW: In thinking about the transmission of ideas again, let's just take the example of the ILO base, the informal sector, basic needs, gender, participation. How do ideas, which start in a particular context—for example, the mission in Kenya—get published in a report? What causes other parts of the UN system to pick them up? Competition? What explains that? And how do we trace the ILO Employment Mission in Kenya to a more general notion, a debate within the ILO itself, to government or NGO (non-governmental organizations) policy? What pushes a good idea along?

DG: Well, I don't know. I'm just thinking aloud. First of all, no one person can claim authorship of any idea. In a few cases a major work appears. Like on the environment, Rachel Carson's *Silent Spring*. But even a work such as this is preceded by a lot of other work. Lots of people come to similar kinds of conclusions. Perhaps I can give you an example to illustrate this: the notion of basic needs.

When I was head of the secretariat of the World Employment Conference, I suggested at some stage that basic needs should become the overriding objective and the theme of the conference document. Now, of course, if you go back, you will find many people who also advocated a basic needs approach. There is nothing great about this. All I am saying is that we pick up ideas from many different sources. You can't even know where these ideas come from. But when you are in a responsible position, you start thinking and you say, "Well, this makes sense." Now, who knows the origin of these ideas? A lot of people work on related things, and things come together. An idea becomes important when it is articulated in a major report or book. These ideas go around very fast in our little international community. The donors read it, bilaterals, UN agencies. It even filters into the academic world.

World conferences are a major vehicle for propagating ideas. The gender issue may have been percolating for some time. But then this conference in Mexico City brought it to the world's attention. I think there has to be something in the idea for it to catch on. Similarly, the basic needs idea caught on because it was unveiled at the World Employment Conference. It was endorsed by the international community, employers, workers, and governments—north, south, east and west. Everybody agreed at that time. Then the World Bank picked it up. Other agencies picked it up. But it was the World Employment Conference and the conference document—*Growth, Employment, and Basic Needs*, that were responsible for spreading the idea.

Jim Grant, then director of the Overseas Development Council (ODC) came to Geneva, and said he had read the document, and it was just extraordinary. He would like to bring it out under their imprint. He got the document published as a book because he was very impressed by it. He thought it did a very good job of putting forward the notion of basic needs.

The idea has to have some power. It must be relevant. And it should fit the time. These days, things go very fast. The international development community is well connected. So when some good ideas come, either from within or from outside, and they are relevant and they make sense, people try to join the bandwagon. And I think this is the way that ideas spread quite rapidly. But they must be meaningful in a given context.

Take the example of micro-finance credit. Mohamed Yunis started it. Maybe others did it too. It proved very successful. And it has everything going for it. It reaches the very poor, the poorest. The poor receive loans. They repay. A lot of them are women. So the idea should have some power in that sense, not just originality in the academic sense. It must make practical sense, be meaningful. You know, a lot of the time these things are in the air. And then, certainly, a concept emerges which captures this. People just accept it. Then it spreads very rapidly.

TGW: I want to stay with the ILO for a minute. I wondered if I could just go back and ask you, on a personal basis, what led you to leave Nairobi and actually join the ILO? Was this professional, personal, financial? What was the mixture?

DG: Well, I think you should have some background to this. First, I lived very well in Kenya. In fact, when I went to Geneva, my salary shot up several times, but my living standard went down massively. In Kenya, I was a professor, and my wife worked in the attorney-general's department. We lived in a big house, my study was huge, we had a swimming pool, a

tennis court, a guest house, a beautiful garden, and so on. All of this for the princely sum of $20,000, before we were hit by globalization! We had two cars, and four servants—somebody looking after our daughter, somebody looking after the garden, somebody cooking for us, somebody cleaning the house. Kenya was a beautiful place. Crime hadn't hit us hard. Corruption wasn't big because salaries were reasonable. So, in that sense, my job was very satisfactory. Financially, it wasn't that bad.

I should also mention that when I was with the Pearson Commission, the World Bank made me some very attractive offers. I said, "No, I am on leave of absence. I have my institute. I want to go back. I have a lot of contributions to make there, so I am not interested." There is an interesting story to how I ended up taking a job with ILO. I was approached by ILO. Your friend Louis Emmerij was the one who offered me the job. I got to know him because he came to Nairobi as a member of the advance party to set up the employment mission in Kenya. He met with me. He saw the IDS. He saw how we worked. Then I participated in the ILO employment mission as a full member. I wrote bits of it. He himself got promoted to be the director of the employment and development department. So he was looking for a successor to head the research branch of the employment department. He made me this offer. Originally I turned it down. I was just due for a sabbatical for three months.

I met Louis Emmerij again at the regional preparatory meeting for the World Population Conference in Cairo. I had prepared a paper for the conference. Louis came from ILO. By that time we knew each other. We were sitting in the Hilton swimming pool on Sunday before the conference started. I said, "What was this job that you sent me an offer for, which I turned down?" He described it and it seemed a very interesting job. I said, "Look, this is exactly what I am doing in Kenya. I am heading a research institute. I am promoting multidisciplinary research

on anti-poverty programs, employment generation, income distribution, and things like this, and institution building, and enhancing the research capacity of Third World scholars." That was my job in Kenya. And the way Louis described the ILO job it seemed very interesting. So I said, "That seems interesting, and I would be interested in considering it." Then he came back with a three-year offer. I went to the acting vice chancellor. I said, "I am interested in this offer. I am interested in going there." Although the salary offered was vastly superior to what I was getting in Nairobi, to me the challenge was an intellectual one—the issues that the World Employment Programme was dealing with. I was working on those same issues in Kenya. Then I thought, "I can do this at a global level." I had been managing research, directing research at a national level. It would be good to do the same job at the global level. I also thought, "I live in Africa. English-speaking and the French-speaking Africans cannot communicate with each other." I thought it would be an opportunity to learn French.

So the acting vice chancellor agreed to give me a leave of absence for three years. By the time I signed my contract, the vice chancellor came back and said, "Sorry, Mr. Ghai. It is too long a period. We can't let you go. So I am afraid either you don't go or you resign." I said I had already committed myself to it. So I had to resign my post as director of IDS. Otherwise, I would have probably gone back after three years as I did after my Pearson Commission assignment. That is how I got to Geneva, and stayed on there. In the meanwhile, the university went down and down and down. If I had come five years later, my salary would not have been enough to cover three days of living costs. It made such a sharp difference in five or six years. When I was there, it was like a British university. Our degrees in the early years were London University degrees. We used to mark the papers, then send the papers, and they would be approved by lecturers at the University of London. The student quality was very good. Maybe I

left at the right time. It just went down soon after I left. Real salaries took a downward dive. Student unrest started. Riots became quite common. The university was closed down every other year. Before that, none of this was there. But it happened pretty soon after I left. The question of my going back did not arise, as I had to resign my post before leaving for Geneva.

TGW: Not when the university deteriorated, but let's say in its heyday, or at the Yale Growth Center when you were there. What are the advantages and disadvantages of trying to do work within a UN secretariat within an international civil service as opposed to being on the outside?

DG: I must say I have been very fortunate in the UN system, and maybe that accounts for the fact that I stayed on for twenty-three years. My situation was very exceptional. I came to a program which was very dynamic and creative, very exciting. We were getting a lot of resources. We were building up research programs worldwide. At lot of credit goes to Louis Emmerij, of course. Secondly, I had a lot of independence and autonomy. Louis' style of management you don't find these days. That is, there is more and more centralization, bureaucratization. It was a very decentralized operation. I was heading research, and then I headed the secretariat for the World Employment Conference. Then I headed the Rural Employment Policy Branch. Thus I did three different things in my thirteen years in ILO. In all these jobs I had a lot of freedom. I could try out new ideas. I could introduce new programs like gender and participation. The participation program especially, was very sensitive in ILO at that time. Even now—in fact it was killed a few years after I left ILO. That program doesn't exist anymore.

So it was a very exciting period. There were very good people around. I had a lot of autonomy and independence. You asked me how the work in a UN agency differed from the

university. For me, it was not all that much different. It was a research program, essentially. We were promoting research on some very important issues which had not been so well explored. For me, it was important because a lot of this research money was also going on for capacity building. It was bringing Third World researchers into the global networks. Again, that was not so common in those days, or even now. I had a lifetime commitment to institution building, to building up the research capacity in Third World countries. I was able to do precisely that through the World Employment Programme. We commissioned studies from scholars in different countries, and brought them together at workshops and seminars. So, to me, it was what I was doing in Kenya, but on a global scale with vastly more resources. In Kenya, IDS had outstanding visiting scholars like Joseph Stiglitz and James Tobin, subsequent Nobel laureates, and others such as Belshaw, Livingston, Ken Prewitt, your present director of statistics, Mike Todaro, and Jonathan Harris. So they were very high quality people. I have always been used to working with people like this. ILO was the same. You worked with some of the best scholars from all parts of the world.

So for me it wasn't that different. But I must say that this is not a general experience. People find the UN environment not that open and receptive to new ideas. You know very well; you have worked there. But I was lucky. And I had a similar experience in UNRISD (UN Research Institute for Social Development), when I became its director in 1987. I had the same freedom, the same possibilities—even greater because we were not inter-governmental. So we had even more freedom. It was much closer to university than even ILO, because ILO was still a tripartite organization. There were unions and employers and governments on the governing body. UNRISD didn't have any of these things, so the degree of freedom was even greater. You set up global research networks. All that I was doing in ILO I could do on an even bigger scale.

In fact, we depended heavily on global research networks. At the ILO there were a lot of good people. We recruited a lot of very young, bright people, in the 1970s, many of whom are still there, and occupy key positions in ILO today.

So I would say for me—but this is very personal—I found the environment in the ILO and the UNRISD very satisfactory and fulfilling. I had a lot of freedom. I could try out new approaches. I could take risks. I could innovate and so on. And my bosses were understanding. And, of course, in UNRISD I became the head myself. But this is exceptional in my view. This is not a normal experience in working in UN agencies.

TGW: I was trying to actually get at that point: the extent to which an intergovernmental context makes certain kinds of ideas more or less politically correct at a moment in time. How you resist pressures within the ILO at the moment from, I would guess, governments.

DG: I think we had lots of freedom because of the phenomenal success of the World Employment Programme. It just took off. It became very successful, attracted a lot of funding. It was high profile. It brought ILO a lot of credit. So there was a lot of envy and jealousy around the place, because others weren't getting resources; they weren't getting the prominence; they weren't getting the publicity. So there were a lot of very unhappy people. But a lot of this is gone now. ILO has become a relatively mediocre organization. There are still some very good people, and some good work is done. But, boy it is not a place that it was in the 1970s and early 1980s.

TGW: We are going to skip a period, because you have just finished looking at ILO for the new director-general. What did he say when you told him this is a mediocre institution?

DG: I am not sure I told him just that! It is probably too harsh a judgement, because they still have good people. And some of these good people were recruited before. But an

interesting observation was recently made by Gerry Rogers, who was recruited to ILO in the early 1970s straight from the university. He had a Ph.D. from Sussex. He joined a few months before I joined, in September 1973. Ambassador Juan Somavia, ILO director-general elect, and I asked him to join the ILO transition team. Now he is in the cabinet with the director-general. He told me recently that he doesn't remember in how many years they recruited three or four Ph.D.s in ILO. In nearly twenty years only three Ph.D.s were recruited. Now, to me, this is a shocking indictment of an organization. In the 1970s, we were recruiting ten or fifteen Ph.D.s a year. Of course, it was an expanding program then. Now it is not expanding anymore.

So, while maybe mediocre is a very harsh term—there are some good people, some good programs—but there isn't excellence the way there was. I went on secondment from ILO, to UNRISD, but it was more like detachment. So I wasn't that much in touch with ILO during my years at UNRISD. When I got back, I found it really had deteriorated quite a lot. I shared this perception with Juan Somavia. And he knew that the World Employment Programme was a very successful program, and things have gone down. He is hoping that he will bring them up again.

TGW: Shortly after you joined the ILO, and just before we get to the World Employment Conference, we have the high or low point of North-South relations in terms of the oil price increases, and the coronation of the New International Economic Order (NIEO). How did this jar, or help, or hinder your own work, particularly on domestic issues? In some ways, the international dimensions and the domestic dimensions are usually considered separate. But this was the main stimulus to international consideration of issues. I am just wondering whether this actually helped or hindered?

DG: I don't think it had such a big impact on ILO. The reason for this is because of the kind of issues that ILO dealt with—social security and labor standards, employment oriented strategies. So, in terms of programs, and ILO activities, I would say, because of its very nature, NIEO was not a big influence. Because of my own preoccupation with poverty reduction and human development and social development—they have always been my life-long preoccupation—I looked upon NIEO as an instrument to promote these objectives, since it could bring about greater sharing of the benefits from international cooperation in trade, investment, technology, improved commodity prices, etcetera. So I thought, to the extent there is more equitable sharing of the benefits generated by cooperation, with more benefits accruing to poor countries, it is good, and we should welcome this. But I must say again, my position is different from that held by many others; I did not get too excited by NIEO because it was seldom linked to poverty eradication and social development. At the global level, there was all this drive for NIEO to enhance national ownership of natural resources, control over multinationals, greater inflows of capital, and jacking up of commodity prices to have a fairer distribution of wealth and income. That was all right. I am in favor of it.

But I found that people did not link the two things together in terms of the improvement of people's living standards. I don't think the developing countries did a very good job of selling NIEO. As my interests and preoccupations were really centered on poverty eradication, human and social development, I did not get too excited by NIEO. This is a very personal reaction. And I would say, in ILO—I had just joined ILO at that time, when this happened—I don't think there was a big impact in terms of the wholesale changing of programs or priorities. The North-South divide in the ILO is attenuated in many ways, not least because of its tripartite structure, which cuts across this division. And the issues it deals with are less affected by NIEO.

TGW: I wanted to actually come back to something you mentioned briefly earlier, namely the utility of global *ad hoc* conferences. Some people dismiss them as junkets and jamborees, and others see them as an essential—perhaps one of the few ways that one can crystallize ideas, popularize them, spread them around, mobilize the media and NGOs. Where do you come down on this issue? We can use the World Employment Conference or others, if you wish. But where do you come down on the importance of conferences?

DG: I have wavered, especially in the 1990s when there were a lot of conferences. At one stage, I was beginning to get somewhat cynical or skeptical, rather. But I think, on balance, they have been very good things, for the reasons you have mentioned. As you were saying, gender came on the radar screen following the World Conference on Women, and one can say the same thing about the environment, and the population conferences. I think the global conferences have done a hell of a lot in increasing awareness and sensitivity to gender, the environment, and population issues—promoting national and international action. My experience in Vietnam, to which I referred earlier, is very interesting in this regard. We were assessing the contribution of the United Nations agencies to capacity-building for poverty reduction in Vietnam from 1985 to 1997. So we looked at all of these operations. One of the things that came out was how seriously the Vietnamese took the world conferences.

First of all, advocacy was very important, on environment, gender, participation, poverty, and governance. As recently as the late 1980s, in Vietnam, poverty reduction was regarded as a diversion from economic development. They used to say, "This poverty thing is the product of global imperialism. The moment imperialism is brought to an end, poverty will disappear." Subsequently, they became converts to poverty reduction, and they have done an excellent job. I think the UN conferences and advocacy played an important role in their conversion! The UN

agencies have done a lot of good things in Vietnam. At one stage, the UN agencies were the only ones that were working there, outside of CMEA, the socialist bloc. They were there at a time when nobody else was there from the western side, except Sweden. So they appreciated the real contribution made by UN agencies.

I referred to this example from Vietnam because they took these conferences very seriously. They had definitely an awareness-raising role in the country, for example, on the environment and on women and on participation. And also the Social Summit, as well, in terms of poverty eradication. They prepared themselves well for it. They produced good documents, with the help of UN agencies. Secondly, they took the declarations of principles and the programs of action very seriously. When they returned from the conferences, they followed up on the recommendations. On the World Conference on Children, they were the second country in the world to sign the Convention on Children—the first country in Asia. Not only to sign it, but to implement it. Similarly, on the Women's Conference, they came back and set up a National Program of Action on Women. They did the same on the environment. A whole new agency was created. New legislation was brought into being. And they have become very environmentally conscious now. On social development, they came out with a big national program of poverty reduction and hunger eradication, after the Copenhagen conference.

So, when I see these, I am impressed by the results achieved by these jamborees. This may not be the case in every country. But Vietnam is an example of a country where you can point to things that happened precisely because of world conferences. But of course, you can also have too many of them. There has been some pressure on governments to deliver on certain things, because they have signed on to these conventions. So, on the whole, I am now a lot more

positive about this than, say, I might have been after I had lived through all these conferences one after another.

TGW: Actually, before you starve to death, I think we are going to make this the end of tape number two.

DG: No, please, it's very interesting. I am enjoying this.

TGW: So am I. But I think we will call it a day. This is the end of tape number two.

TGW: This is the beginning of tape number three, on 9 February, a continuation of an interview of Dharam Ghai by Tom Weiss. I just wondered whether there was any place in the UN system in which the Cold War was more in evidence than in the ILO in the period when you were there. And indeed, everything from the U.S. withdrawing to, I presume, the way that trade unions in East, West, and South were polarized—what impact did this actually have on your work or on the production of research and ideas at that time?

DG: I think the Cold War affected ILO more than perhaps most other UN agencies. The reason for this goes back to the creation of ILO. When ILO was created in 1919 one of the main motivations was to stem the tide of Bolshevik-type revolutions. It was felt that there should be a global organization which should work to improve the working and living conditions of the workers of the world. So, if you like, it was a capitalist response to the communist onslaught. Don't forget, this was just after the Bolshevik Revolution had taken place. There was instability in many countries in Europe, as there was a lot of worker unrest. So this really goes back to ILO's origins. One of its basic principles, incorporated into its governing structure, was that it should be tripartite. There should be governments, workers' and employers' organizations represented in an equal manner in its highest policy-making organs. But it was also stated that these should be autonomous and independent organizations, and not creations of the state.

So, of course, the communist model did not quite fit the ILO's governing structures. On the one hand, the employers there were managers of state enterprises. So they were not representatives of the private sector. On the other hand, the unions were, of course, very important in the communist system, but they were again subservient to the party and the state. And the leaders of the organizations were carefully selected by the party and the state. Therefore, there was a feeling that they were not autonomous, and some people even questioned whether they represented the interests of the workers. As you know, the trade union organizations at the global level were divided into at least two major blocs—ICFTU (International Confederation of Free Trade Unions), and the WFTU (World Federation of Trade Unions). The communist bloc trade unions were represented in WFTU. So there was that divide. And on the employers' side, of course, the employers' groups from the western industrial countries never accepted the authenticity and the representative nature of the employers' groups from the communist countries, because they said they really represented state enterprises. So it was very difficult for both the workers' group, as well as the employers' group, to work in the dominant trade union and employers' organizations. Decisions are reached on the basis of compromise and consensus among these groups. So that already created tensions in the system.

But over a period of time, as communist countries were members of ILO, they developed a *modus vivendi* and managed to coexist and work together. But it affected our work in various ways. One would think, for example, that ILO would be strongly in favor of the right to work. The communist countries many times introduced resolutions in ILO stating this as one of the rights of workers, the right to work. Surprisingly enough, there was constant opposition to it from the western employers, and many of the governments as well, because they somehow linked it to the communist system. Well, in the communist countries, everybody had a job. In

fact, they had to work. So it was not only a right but also an obligation to work under the communist system.

Another way it affected ILO's work was that it proved very difficult to do research which would compare the experiences of the socialist bloc and the capitalist countries from the point of view of economic growth, employment generation, income distribution, and things like this. So that kind of comparative work was practically nonexistent in ILO. There were very few studies on the experience in the communist countries. ILO did very little work on their problems and policies. Incidentally, the World Employment Conference had chapters on industrial country, socialist country, and developing country experiences with regard to basic need satisfaction, employment generation, poverty incidence and so forth. It became quite controversial, because employers and some other groups felt that perhaps the section on the socialist countries was a bit too favorable to them. They felt that issues of human rights and the freedom to form associations were not emphasized in the documents, which is absolutely true. The documents looked more at issues of economic growth, employment generation and living standards.

So I think there were quite a number of issues which were considered controversial and therefore were not often put on the agenda, and were not even researched. It was difficult to get those things done because of the Cold War. And, of course, as I said, it introduced divisions within the employers' and trade union groups. On the whole, the communist countries, the employers' and workers' groups from there took a back seat. They were not too aggressive and assertive in ILO forums. They tried to be cooperative.

TGW: If we could fast-forward just a moment, how do you think that the end of the Cold War and, more particularly, an additional veneer of globalization have actually changed the

tripartite structure and the internal dynamics of the ILO? Is it more propitious for research and discussion?

DG: Yes. First of all, I think these tensions in the governing body have become much less, on all three sides. On the employers' side, the new employers' organizations from most of the erstwhile communist countries are now representing both state enterprises, where they still exist, but more and more the private industry. The trade unions also, I imagine—I do not have the data on that—are more affiliated with ICFTU. So there is not that divide in the trade union movement or the in the employers' group as there was before. Their representatives are similar to those from other countries. And on the government side, too, there is much less division on social and economic issues. Although much less research is done in ILO now than used to be done before, I think it is much less taboo now to talk about the experience of the centrally planned economies and the socialist countries in an earlier period.

Of course, now ILO has technical cooperation programs in these countries which, for all intents and purposes, it did not have before. And there is an ILO multidisciplinary team, based in Budapest, covering eastern and central European countries.

TGW: The ILO actually is the only, I believe, part of the UN system that, in its official deliberations, includes parts of what we now call civil society, at least in terms of the trade unions and the employers. There are lots of other parts of civil society. But to what extent do you think this experience is relevant as we look toward the future? Lots of people talk about the people's assembly, or a third chamber. Is there something from this ILO experience that we might apply in the twenty-first century?

DG: I think so. The mere fact that there were nongovernmental actors, very important social groups represented at the heart of the ILO's policy-making organs is an important

precedent for any future initiatives by the UN system. In terms of the day-to-day working and policy-making, I think the tripartite structure played a useful role. It brought the world of work and the world of business to the deliberations of the ILO. For the ILO, these things are very important because it is supposed to be an organization dedicated to improving the quality of work, and to improving the living standards of workers worldwide, through the establishment of norms, standards, and technical cooperation activities. So it is good, then, to have the real experience represented in the highest echelons of policy-making. In addition, ILO has always had, under different names, an employers' relations department, and a workers' relations department, built into the bureaucratic structure of the organization. These people were either appointed by, or at least nominated by, their respective groups. They were answerable to, of course, the director-general, but also it was understood they represented the views of the employers' and workers' organizations. So all these perspectives were brought to bear on the ILO's work, both in its governing structures and in the secretariat.

This, therefore, meant that they exercised a certain power. They could veto certain programs which they thought would go against the interests of workers', or employers' organizations. And they would introduce other programs which they felt would be beneficial to workers' or employers' organizations. So, in that sense, I would say they had a lot of influence. And my own feeling is that, over this twenty-seven year period, from 1973 when I joined the organization, and to now, when I am an outsider, but a close outsider, I find their influence has increased. So this is the positive side of it. It shows it can be done. It has been done. It is workable. Government representatives learned to work with employers' and workers' organizations, even if they sometimes regarded it as a nuisance. The tripartite structure

introduces new sources of tensions, new divisions, differences, naturally, because you have different organized interests expressed there.

But the only negative comment that I would have on this is that once they have a seat in the deliberative council and policy-making organs of the organization, they are not very happy to have other civil society organizations represented there. They think, somehow, that their influence will be diluted. Nobody is proposing that other civil society organizations, like development NGOs, and other organizations dealing with work and social security, and employment, and human rights should have a seat in the governing body. But somehow or another, the two groups, and I would say the employers' group especially, are fairly hostile to having these outside bodies take part. So, paradoxically enough, an organization which was almost the first in the UN system to have civil society interests or institutions represented, is now the least receptive to NGOs and other civil society organizations.

TGW: Oh, the paradoxes of life within the UN system! Actually, starting with the World Food Conference, and there were a host of other conferences in the 1970s, and you have mentioned a host of conferences in the 1990s. Since we have mentioned NGOs, they have come to play a crucial role in these international gatherings. What do you think that role has actually been in terms of either production or massaging or selling of ideas?

DG: I think they have been important players in all these domains. Let's talk of the influence. They try to influence the outcomes of these conferences, even of the wording of the declarations and the programs of action adopted by these conferences. They do it in many different ways. First of all, they are represented at these conferences more often in parallel events that are organized to coincide with the conferences. So their presence is there. Second, many countries now have civil society representatives in their delegations. So they have an

opportunity to influence the formulation of the texts as accredited members of delegations. This is not, of course, a global practice but it is happening more and more. Third, even if they are not members of official delegations, they put pressure on their governments to adopt certain courses of action. Once the program of action has been adopted, they play an important role at the global level and also at the national level in influencing policies and programs. They are able to point to the governments, and say, "These are the things you signed on for. You are not implementing them or you are not taking them seriously." So I think this gives them a bit of leverage in their campaigns at different levels.

However, their own work is affected by the results of these conferences. I think it affects their activities, how they spend their money, how they raise their funds. Thus, there is an impact on their own operations, on their own activities. And they are very important actors, as you know better than I do. More money, as I understand it, is now being channeled through NGOs (non-governmental organizations) than through the whole UN system. So, in that sense, they are extremely important players. Then, I think, publicity at the global level—through media, through conferences, through journals, workshops, and all the way down to demonstrations in the street that we have seen on many different occasions. There are all these different ways in which they exercise influence.

TGW: I am wondering whether the ILO, which is amongst the oldest of intergovernmental institutions, are there any peculiar problems that result from age? I am feeling creeks myself these days. In organizational theory, one talks of sclerosis of institutions. Other people have talked about the importance of having sunset clauses. So I am curious as to your observation as an inside-outsider, or an outside-insider, about the state of an organization eight decades later.

DG: I am sure age has an effect in all kinds of ways. I think, probably the general work environment in ILO would be somewhat different from what you find in other organizations. It is very difficult to define what it is, but you notice it when you are there. Secondly, in terms of methods of work and so on, it has a long tradition. This distinguished ILO from other agencies. Thirdly, it has this body of international norms and standards, which have greatly influenced its work. It goes back to its origins. I think if it had been created after the Second World War there would probably be much less work on norms and standards than is the case now.

Now whether it inhibits creativity and new initiatives and responsiveness of the organization to new developments is a more difficult question to answer. I do feel that the ILO, after the Second World War, adapted quite well to a different world. Let us not forget that the ILO was primarily an organization of industrial countries. There were no developing counties in those days, when it was created. So the issues it addressed, the methods of work, the instruments of action, were all, of course, born in that era when it was dealing with the problems of industrial countries. But, in the 1950s and more in the 1960s, it adapted itself to a different world, a world in which the majority of its members and, in subsequent years, the great majority of its members, were poor countries. They were ex-colonies, and their problems and priorities were somewhat different from what ILO had been doing before. So, to begin with, in the 1950s and early 1960s, they developed technical cooperation activities, which I don't think ILO had done before. Even this term didn't exist. Of course, they did technical work. They worked on standards and things like that. But what we call technical cooperation, assistance to developing countries in the field of labor, was either nonexistent or tiny. So this was one adaptation that ILO made.

In the 1960s, it adopted the World Employment Programme. This was a very imaginative and creative response to a new situation. Employment problems in developing

countries were becoming very acute. So this is the way ILO adapted to this set of problems. Of course, it had worked on employment issues before. That is the bread and butter of ILO. But its focus was on industrial countries. So this was a whole new departure from its earlier work. I think even in its traditional areas of activity, it tried to reorient them to the needs of developing countries.

On the other hand, coming back to your earlier question of how the age has affected it, there are some critics who say, or at least in the 1950s and 1960s used to say—such as Lord Thomas Balogh, from Oxford and a few others—that ILO had done a lot of damage to the developing world because it has tried to apply to them the standards that it had developed in the industrial countries and that were relevant to the experience of those countries. It has tried to impose this model of industrial relations in poor countries where trade unions and organized labor are relatively insignificant in terms of the total working population. Therefore, this has diverted attention from the problems of the poorest people, because it has focused its energies on the organized sector. While the workers in the organized sector in developing countries are still poor in absolute terms, in relation to other groups they are better off. There are some critics who still make this critique. The neo-classical economists, for example, would say, "All the paraphernalia of ILO labor standards, conventions, and recommendations have a negative effect on employment and economic growth. Therefore, in the long run, they hurt the interests of the working population in those countries."

TGW: I wondered if we could just spend a moment on your role in the transition team for the present ILO director-general, as the coordinator of this transition team. We are not so much interested in the recommendations as the vehicle. I am trying to get my hands on the extent to which outsiders to an organization are an important way to jolt existing institutions, or

whether academics, expert groups, who are basically outsiders, are usually selected because they are going to say what the people within the institutions would like them to say. We have all hired consultants to say things we would like to say ourselves, but we wouldn't be taken as seriously. Could you generalize, not just from that experience, but others as well, as to the relative importance of outsiders for institutions and the production of ideas?

DG: First of all, I would like to say that the mechanism of transition teams is extremely important and useful to the incoming leader of these organizations. It is extraordinary that it has been used so little. We are used to having the new American administrations come in, set up their advisors, and consultants to help the presidential candidate. They help construct an agenda for the new administration. The same thing goes for political parties when they are fighting elections. But somehow in the UN system, it seems to be a rarity for an incoming head of an organization to do any preparatory work. The main reason for this, I think, is that often the heads of agencies are appointed just a few days or a few weeks before they have to take up their responsibilities. This, of course, is preeminently the case with the secretary-general of the United Nations. Usually she or he (it has only been he so far!) has about ten days to prepare himself for these awesome responsibilities.

I shall draw from my own experience and that of WHO (World Health Organization), because WHO's Director-General, Dr. Gro Brundtland, was elected a little earlier, and had set up a transition team with whom we had meetings, and tried to learn from them. In Juan Somavia's case—this is through very exceptional circumstances—he was elected almost one year before he was to take up his duties. That can be very bad, because the incumbent director-general might feel he is a lame duck. There is somebody overlooking upon him. He can't really take many

initiatives because his successor has already been appointed. So, Somavia's election a year before he took office was very exceptional, and there was a lot of debate about it.

Their early elections gave these two heads of international organizations a wonderful opportunity to do some preparatory work. Now Brundtland herself was quite busy, so she set up a transition team brought from outside—in fact, the head of the team was a senior civil servant who had worked with her very closely when she was prime minister. But I don't think they had anybody from WHO as a member of the team. So it was mostly outsiders, but of course they consulted extensively with WHO officials. Now, with ILO, we had a little bit of a different model. I headed the team. I had past experience in ILO, but I had been away for thirteen years from the organization. We had two sorts of members—one was people from outside, whom we recruited. They were either seconded by their governments, or we recruited them ourselves. We also had some consultants for short periods. Then we had some people that Somavia and I chose from within ILO. These were detached from the organization, because we maintained our independence from ILO. We had separate financing. Ambassador Somavia raised funds for the cost of the team. But ILO officials were paid by ILO. We also had independent premises.

As to your question of consultants and outsiders, I would say that in both these cases you had outsiders who had no personal axe to grind. In the case of WHO, of course, some of the key people knew WHO, but they didn't have any close relations with them. In my case, I had worked with ILO for thirteen years in fairly senior capacities. But then, for eleven or twelve years, I became a total outsider. So I used to describe myself as insider-outsider. This had its advantage, because I knew the place from inside. At the same time, I had an outsider's perspective on that, and I could be quite objective. I had more knowledge of the shortcomings of the organization than somebody coming in totally from the outside, who wouldn't have a clue.

And to have some knowledge of the organization is good also because when you are coming out with ideas and programs, you could come out with ideas which are not going to work at all, because organizations have their own histories. Certain things are not doable, and outsiders can make that mistake. But, I think if you have inside-outside experience, there is less risk of that.

So we tried to combine the two, the inside expertise and then people from outside who did not have much to do with it. One advantage of having some insiders is that when the director-general takes over, there are people who have gone through the whole process. In this case, we had about five people that were picked from ILO. So they had got used to new ways of thinking, the new programs, the new priorities, the new directions. So when the DG assumed office, he took them with him, so he has some people who worked with him before. I am told that WHO said to the transition team that none of the transition team members would become full-time WHO officials. So they wanted them to speak freely. But some WHO officials have complained to me, because in the end, a couple of them, or more, did go and join the organization, including the head of the transition team. He became effectively *chef de cabinet*. In my case, I had already retired from ILO. So it was quite clear that I would not be going back there. Nor did the other people who were taken from outside. On the other hand, these five people who were from within—it was very useful to have them go back with the director-general.

So I would say, in answer to your question, I don't think the consultants said things that would be considered as biased towards the organization. To begin with, the director-generals were outsiders. They came from outside, and they wanted to see what the problems were, what these organizations should be doing after they assumed their responsibilities.

TGW: One of the topics that you must have looked at was the International Institute of Labor Studies. I just wondered the extent to which, well, this is a kind of internal think tank whose reputation has gone up and down over the years. Have there been important ideas that have come out of the IILS, and to what extent does this really depend on the leadership of the institute, or the leadership of the ILO as a whole? Bob Cox has expressed himself on this subject. But I just wondered what your thoughts are.

DG: I think it is very important for any organization to have, if possible, an autonomous think tank. When the institute was created, at least it was considered to have a semi-autonomous status. But a good deal of its work has been educational: organizing courses, preparing reading materials for learning experiences of government officials and officials from trade union and employers' organizations. So in that sense it has not been a pure think tank. It has had this outreach function, and this educational role, *vis-à-vis* ILO's constituency. But I personally feel that its full potential as a think tank has seldom been realized. This is a very complicated matter, and it concerns issues such as, how this institute has been looked upon by the director-general and to some extent by the governing body. But my experience—I am now making a generalization based on twenty-five to thirty years of the existence of the institute—is that, at least in some of the early years, apart from Robert Cox, who is an outstanding scholar and first-rate thinker, they did not have very good leadership. Part of the reason is that, at least in the earlier periods, it was used for political purposes.

It is like the House of Lords. If you wanted to promote somebody who the director-general liked, and wanted to give him high rank, then you sort of appointed him as director of the institute. But there were also instances where you had some rivals within the organization. There is one case in particular: Mr. Toeverdjoeré, who fought the Director-General, Francis

Blanchard, and lost. But he had a lot of backing from the French government. He had close friends in the French government, let's put it that way. So more or less the French government instructed Blanchard that he is not to be sacked. Blanchard then made him head of the institute, with the status of deputy-director-general, which he was before. But of course, in the process, that marginalized the institute.

So there had been problems of this nature. And because of that, I feel that the institute has not fully realized its potential. The new director-general does want to use it as a think tank. But there have been delays in the appointment of the new director of the institute. So I think the institute has suffered over the last two years because of not having a full-time director to give leadership to it.

TGW: What led you to go to UNRISD in 1987? What do you think were your best moments and best ideas, and what were the most disappointing moments?

DG: UNRISD was the culmination of my career within the United Nations system, and, in fact, of my career as a researcher and institution builder, a builder of research institutes—these are the two things that have occupied most of my professional life. Well, I was asked by the then outgoing director whether I would like my name to be put forward to the secretary-general of the United Nations for consideration for this post. He was going to put forward several names for the consideration of the secretary-general, who makes this appointment. I was not unhappy in the ILO. I was enjoying my work. I had a lot of autonomy. I had a lot of independence. We had a good program going, good technical work. I had very good staff members.

Without thinking seriously about it, I said, “Well, yes, please go ahead.” I guess in bureaucratic terms—but those things frankly never meant much to me—I would get a promotion. I joined ILO as a D-1 in 1973, and I was still D-1 after having headed the research program,

having headed the World Employment Conference secretariat in 1975/1976, and after coordinating ILO's work on rural development. But promotion was not a major consideration, because I had happily lived as D-1 for thirteen years, when a lot of other people had moved up. To me, the work is a lot more important. But anyway, there was the possibility that I would be heading a little UN agency myself. But, again, I didn't know too much about the UNRISD. I had some friends there, and at that time they had a lot of differences and conflicts within the organization. So I used to get the two sides from different groups.

Anyway, I let my name go forward and, lo and behold, I was told the Secretary-General had appointed me to this post. But then they had to clear it with ILO. They went to Mr. Blanchard. At that time, the Secretary-General was Javier Pérez de Cuéllar. He made a request to Blanchard to release me. I am glad he did that. At that stage, I was not ready to resign. Well, I would have if it were necessary. But if it were not necessary, I preferred a secondment, because I thought I wanted to try out certain things and if they did not work, at least I had the possibility of going back to ILO.

Anyway, that was what led me to go there. I thought I would be doing the same sort of thing I was doing in ILO, but with greater autonomy. UNRISD is a global think tank. And in ILO, also, most of my work was promoting and heading research and participating in research. But, UNRISD was a very different kind of organization. And its mandate was very different, of course, from the kind of work that I was doing in ILO. So your question was what were my high points and low points. Well, my low point was this. Before I got there, my predecessor said there was money to appoint two people. Either because the money had been spent or because of fluctuations in dollar values, when I got there, I found I had a princely sum of $30,000 for contracting out research and for initiating any ideas that I might have. My first few weeks and

months were dedicating to cost-cutting. I tried to cut corners everywhere, so as to generate a minimum amount that I could use to initiate some of the ideas that I had come with. I had come with five ideas I will tell you about that I wanted to promote as global research programs. But I found that I couldn't do anything there.

The second thing I found was that of the five or six staff members, one was based in Copenhagen and one in Dakar. Without going into names and details, at least a couple of them did more or less whatever they wanted to do. Some of these things had very little to do with UNRISD. I was used to very high quality staff throughout my professional career. I mentioned to you the quality of people we used to get as visiting professors in Nairobi. Similarly, in the ILO, some of the world's leading development economists worked with us. And the staff that I recruited and worked with were of very high quality. I found the quality was just not the same in UNRISD. And I realized that it was very difficult for me to work with this.

Anyway, I sort of saved what I thought was $70,000, or $80,000 by cutting this corner here and that corner there. Then I went on leave in Nairobi, a couple of weeks at the most. One fine day—in those days there were no emails or faxes—I got a cable telling me that SAREC (Swedish Agency for Research Cooperation), which provided forty percent or more of the support for UNRISD, the institute was funded one-hundred percent from outside, including the director's salary—that its governing board had met and it had decided to cut twenty-five percent from their grant from the past year. By the way, before, I had worked with SAREC in ILO, and also in Nairobi, when I was head of IDS, and I had a very good relationship with them. They were aware of my track record. So one of the first people I called when I became director was the director-general of SAREC. I said, "I hope you will continue support for UNRISD." He said, "Sure. We like it. Now we are even happier that you are there, because we have worked

with you. You can count on us." So this twenty-five percent cut meant about $200,000 less than expected, and this, after I had worked so hard in order to save, to initiate my own research program.

Anyway, the long and the short is that I was very upset with them. I happened to be in Stockholm and I met with some members of the board. I said, "This is a great welcome gift you have given me." I told them the problems I had encountered and what I had to do to save $70,000 or $80,000. And I told them, "What you have done is to knock everything out." I was quite angry. The chairwoman of the SAREC was a very powerful woman. She was a provincial governor in Sweden. She said, "Well, Mr. Ghai, we took the decision because of the evaluation carried out by SAREC before you came." While they were reasonably happy with one program, the other couple of programs they were very critical about. So they said, "It is on the basis of that evaluation that we have decided to cut our grant to UNRISD." The words are still ringing in my ears, as she went on to say, "Mr. Ghai, if you don't shape up the organization, don't expect any money from us." And of course, if they pulled out, that would have been the end of UNRISD because they provided forty percent of the support at that time.

So, that was my low point. I said, "My God, should I just forget about that whole thing and go back to ILO?" Because I was on secondment for two years, my initial contract was for two years. All my contracts at UNRISD were for two or three years, because it was related to how much funding we had. I toyed for a minute with the idea of going back. Then I thought, "No, I am just going to have a go at it to see what I can do with this organization." Then I decided that I am going to restructure the place from top to bottom; nothing quite like this, I don't think, has happened in the UN anywhere else. Fortunately, because we got no money from the United Nations, our budget doesn't go through the General Assembly or any of its

subcommittees. We report to ECOSOC (Economic and Social Council), but they don't scrutinize our budget or anything. It also meant the secretariat does not dictate too many things to you because you are not using regular budget sources. They don't give you any money. This was a help.

I decided that I had to undertake major reforms, or this place would close down. It was as stark as that. I had five ideas that I came with in terms of research programs. I could not implement them. There was an ongoing research program on paper, but it was too general, too wide. So my initial efforts were to sharpen it and to make it more policy-oriented. And I did that. And I felt it was difficult to work with several of the people I had there. Frankly, I encouraged them to look for jobs elsewhere. There was at least one person who was very nice, and she said, "Well, you have taken over. If you do not want me to continue, when my contract expires, feel free not to renew it." I said, "I can renew it. But you have to raise money now. We have to raise funds." So I guess she got the message. That was easy. But others were very difficult. Fortunately, at that time the UN system was expanding. I am now talking about 1987. It wasn't going through a period of crisis. So there were more openings in UN agencies.

The long and the short of it is, that I managed to persuade most of the people to look for jobs elsewhere. There were one or two people whose contracts had come to an end. They were externally funded anyway and they left. So I was able to recruit new people, and I chose young people, some graduate students and some fresh Ph.D.s. I trained them on the job. There was only, in the end, one researcher who I inherited who was extremely good. And I kept her. The others found jobs elsewhere and they left. But it still created a good deal of tension and bitterness.

At least one official accused me of being a racist in this process. He wrote letters to people around the world accusing me of racism. A lot of these people were my friends, so many of these letters came back to me. And it went up all the way to Ken Dadzie, who was then secretary-general of UNCTAD. I went to Dadzie because he had complained. First, I said, "I am encouraging people to leave. There has been nobody who has been sacked. Only if they find a job do they go." Secondly, he is not the only one. There are four other people who have been encouraged to leave. Thirdly, I have been accused of racism. He said, "No, no, no. He wouldn't accuse you of this." I then said, "Unfortunately, I don't have the letter with me. I could show it to you." Dadzie was an old friend of mine from a long time back, and I said, "Look, Ken, all my life I have fought against racism. I have been a victim of racism all my life. Now how dare somebody accuse me of this." Anyway, this is just an aside on this. It shows, even when you have authority, it is not easy to restructure a place and let go of unsuitable officials.

Fortunately, within a period of two years or so, I was able to bring a whole lot of new people, young people, very able and dedicated. And I was able to implement my own research program.

TGW: I wondered whether you might just summarize the argument you made in this piece called "Building Knowledge Organization: Achieving Excellence." What are the most important factors in building what you call "development knowledge organizations," both internal and external?

DG: It depends, of course, on the nature of the organization, the resources, the size, and function. But let's talk of smaller institutions, because many of the think tanks worldwide, within the UN and outside, are relatively small, with a budget of two to three million dollars or something like this. I think there are two or three things that are very important. One is the

quality of staff. All of the activities of a think tank are, in the end, team efforts, and no matter how good the head of an organization is—that person may be a genius, may be a Nobel Prize winner—you can't get very far in a research outfit if you don't have good people to work with. So the quality of staff is absolutely vital. That is the reason I felt I had to do what I did. The second point I would like to emphasize is a good and exciting research program. There, I think you have to see what is your comparative advantage. What are the big issues of the future? You have to try to anticipate the future a little bit. Be one step ahead of everybody else, if you can be. It doesn't always work. Therefore, it means risk-taking. So if we have a good, relevant research program which relates to the big problems of the world, and on which, perhaps not much work has been done, you are likely to do well. In the case of UNRISD, some of the themes I came up with were relatively new in the UN system at that time. Because they were too delicate and too controversial, the UN agencies did not touch them: ethnic conflict and development, political violence and social movements, illegal drugs, and reform and participation in centrally planned countries. They were not high on the UN agenda. UNRISD was among the first to put them on the agenda for international discussions. And now, of course, a lot of work has been done on these areas. At that time, there was very little.

The third point concerns building strategic partnerships. For small organizations, that is vital. If I had just relied on my five or six professional staff members, we would have put out two or three books a year. If we are to make an impact at a global level, we have to have a very distinctive program in the UN system. We have to fill some gaps. At the same time, we must address some big problems there. And in order to do that, you need lots of partners there. Our partners consisted of the global network of scholars, the global academic community. Without them, we couldn't have done very much. I would have had to rely on the five to six

professionals that I had. But with this partnership, we had a staff of hundreds of people around the world. One of the major partners was the UN system. We were part of the UN system, and the UN has a lot of resources. So I worked very closely with the whole UN system. There were a lot of joint activities. There is also the donor community. I never went around begging for money. I spent very little time fundraising. It is extraordinary, for an institute that depends 100 percent on outside funding, I don't think I even spent a week just doing purely fundraising; I combined it with other activities.

My priority was quality and productivity and relevance. That is what I went for. I thought if I achieved those things, money will come. And, in a way, it did. But I never raised huge sums of money. I increased the institute's budget. When I came, it was $1.1 or $1.2 million a year, and maybe at the height of its activities it was $4 or $5 million. But it had already started going down. And some of this $5 million was due to the War-Torn Societies Project, which I started. The project coordinator, Matthias Stieffel was a very active and dynamic fundraiser. So if you exclude that, I don't think our budget ever exceeded $3 million or so. So from the point of fundraising, I can't say I was a spectacular success. But it was not a big priority to me.

We also started working quite a lot with the non-governmental organizations. We would invite them to our seminars. They received all of our publications. We built up a good relationship with them. So these were the three or four partners for us. These partnerships were real in the sense that there was a common understanding and joint activities. It was not just "blah, blah, blah," sitting around the table. It led to very concrete initiatives, which were beneficial to all parties concerned.

TGW: There was one thing, actually, that you didn't mention, that I was struck by in the monograph, which is tolerance, or diversity of ideas, and the extent to which you can make room for people who have politically, or economically, incorrect ideas. What role does this play?

DG: I think this is very important in any think tank. Universities fully recognize this. But I don't think it is well recognized or accepted in international organizations because of the constraints under which they work. Many of these agencies have their boards, whose membership consists of representatives of governments. If they are not the right type of representatives, it becomes very difficult to initiate research on sensitive but profoundly important issues. They think you are treading on their toes. And this is a question of national sovereignty. My predecessor's predecessor did say that he had some of my ideas, but he couldn't do it because the board members were not very sympathetic.

In my case, I had a very good board. I was very fortunate. They were scholars from different parts of the world. During all my ten-plus years, they really backed me and fully supported me. But I think this issue of diversity, tolerance, encouragement of dissent, and criticism are very important in any research organization. They are more difficult to realize in a UN organization. But, to the extent one can, it is important to encourage those qualities.

The other point I didn't mention relates to management style. This is very important, and this applies to the whole UN system even more than to research institutes. By management style, I mean a kind of style which creates an environment where people give their best. How does this happen? It happens first when there are no penalties when you speak up your mind, even if it goes against the director. I found some of my proposals were vetoed by the staff. They weren't the most profound proposals—linking up with somebody or other. So I said, "Fine, this is a

collective place. Since a majority is not too happy with this, I will drop that idea." So I think an environment where people can speak freely is very important.

I think decentralization, giving responsibility, is also important. People feel a lot more motivated when they think they are responsible for a project, and are given authority to contact researchers, think of new ideas, even search for funds. I had to approve all the expenditures. This was my duty. But once we were on the same wavelength, I remember very few cases where I said, "No, this is not on."

So, autonomy, collective deliberations, and lastly, appreciation. I have always felt that if people do good jobs, tell them so. This is especially important with young people. Many of our staff members were relatively new, and they hadn't done this kind of work. So I worked with them closely. But, if they did good quality work, I made it a point of telling them, "This is high quality work." I was very appreciative of the quality of work they did. At the same time, I was critical. But you don't have to put people down. You don't have to humiliate them. You don't have to be nasty to them. You can put it in a way that says, "Look, this is not correct, and this is not the way to go about it. This quality is not acceptable." You can do that in various ways. The issue of management style is one of the central challenges in the UN system. If we can achieve the style of leadership, I have been talking about, I am convinced that it will lead to enormous improvement in the performance and effectiveness of UN organizations. But in bureaucratic structures, I realize it is more difficult to achieve this. I tried to do that in ILO also. You are welcome to talk to any of the seventy, eighty, or ninety people I worked with at ILO and UNRISD. I find it really works. And I practiced the same thing in Nairobi. In all of my managerial career, I found it a very effective and powerful approach. I have never been let down by it; I have been richly rewarded by this.

TGW: I would certainly not disagree that getting more from the system is one of the main challenges. If it is possible for you to generalize, how would you compare the quality of international civil servants in research institutes or policy parts of the system, with either a good national civil service think tank, or a university think tank? There are obviously problems within the UN system. Paul Berthoud said, "There is a coefficient of inefficiency," which is a nice phrase. I think I would not dispute that. My question is whether the coefficient of inefficiency is acceptable or not. So I just wondered what your views are on this.

DG: My views on this are that there are some UN research institutes—I think UNRISD is certainly one of them, and also in WIDER (World Institute for Development Economics Research); I know much less about, but probably INTECH (Institute for New Technologies) as well—where the quality of staff is certainly comparable to good universities. In fact, many of them recruit from universities and people then go back to universities. By the way, I think that is quite important in research organizations of the UN system, to have this kind of arrangement where people come for three or four years to do a project, and then have some fresh blood come in. This does not happen so much in bureaucracies where there are lifetime careers that people expect. But I don't think there is the same staff quality in all research outfits in the UN system. I don't think they would compare with the quality of academic staff in the better universities, let's say, in the United States, Europe, or the U.K.

But there is another problem in policy-making units in international agencies. There are always some very good people who do a lot of work, and are overworked. But there are a whole lot of people whose output is very little and their contribution is minimal, negative even. But this is a question of management. You load lots on to people who deliver. And those who are not good, they get away with very little work. This is almost a universal problem, in large

bureaucracies. I have yet to go to a bureaucracy where I find everybody is good and everybody is delivering. So the answer to that, really, is first that those who do good work should be rewarded in terms of upward mobility, promotions, and so on. Secondly, those who are just no good, the system has to find ways of letting them go. I have always argued that the UN salaries are a very expensive system of unemployment insurance!

TGW: What role do you think, in all of this, does the geographical quota, and now lots of other kinds of quotas, play in determining staff? And what kinds of pressures did you come under to accept certain kinds of people? I don't know about a small place like UNRISD, but you have certainly seen it in other places, like the ILO. To what extent does this system work against getting the right people?

DG: This is a real problem. By the way, in UNRISD, one of the advantages is we were low key. We were not high on the radar of the UN system. I didn't have too many pressures. Only when we advertised for my successor, of course it was an open competition and some missions called me to bring some candidates to my attention. But it was open competition. There was a selection committee. But, talking of large UN organizations, of course there is a quota. But I firmly believe that you can find good people in most countries. But it means making an effort. My experience is that most big agencies are not willing to make that effort, and to spend the time that is necessary to identify good people from all over the world, and from different countries, even so-called least-developed countries. In UNRISD, I had staff from Nepal, from Sierra Leone. I had a girl from Iran. They are all of outstanding quality. Now these are not the countries known for their abundant supply of good quality people.

The other question, you say, is pressure from outside. I cannot speak so much from personal experience. But from what I have heard, there is no doubt that there is this pressure. I

won't say from developing countries. I think it is more from industrial countries for senior posts. Because they have a larger quota, they say, "Well, a German must be appointed to this, or the French to that post." From what I have heard, I would say it is less from the U.S., and certainly less from the U.K. But Italians, or the Germans, and others would say, "It is our turn, now. This is a post that we have had for a long time." People think that the problem is caused because in developing countries you don't have good candidates, and in the industrial countries you have. My experience has been almost the opposite, and for good reason. In developing countries, often the conditions are in a mess. So some of the top professionals want to get the hell out of there. Also, the salary differential is much greater. A person like you has no incentive to go to work in the UN system. You are earning a lot more, and you could earn even more. You would be taking a cut by going to the UN system. This is not the case with developing countries. Plus, the working conditions are not ideal in most developing countries. So I find that you can pick up very highly qualified people from developing countries, which you cannot do from the rich countries because we are just not competitive in the UN system.

TGW: How would you compare the quality of research in the Bretton Woods institutions and the UN system? It is a hard comparison to make. I am thinking, in particular, of a quote. How would you respond to our friend, Jacques Polak, who basically said that the IMF was able to draw on better minds than the UN because they pay better; they offer the freedom to publish; and it is a more challenging intellectual environment in which to work. Is he correct?

DG: I don't know. Those two agencies mostly employ economists, although the World Bank has diversified in this regard. I think in terms of purely technical background and training, no doubt they get much better candidates than the UN system. They are more professional about the way they go about recruiting people. They spend a lot of time on it, because they know that

for each person you take on, they are investing $10 million or $15 million or something in that region. If they stay thirty or forty years, when you add everything, it is a big investment. So they put a lot of effort into it. I have a feeling the recruitment mechanisms in the UN system are somewhat primitive as compared with the Bretton Woods institutions. So, no doubt, they get better quality staff.

But the problem is that they think within a paradigm and framework that tends to be rather narrow. Therefore, you find, that when it comes to innovations, new ideas, new approaches, breaking out of existing intellectual frameworks, there the UN system has done much better. It is more open. It is eclectic. There isn't a strict regime that is imposed from above. It is partly because these are not such tight organizations. They are not such disciplined organizations, like the World Bank. The World Bank and IMF have a party line, and you have got to conform to the party line. And within that, they do excellent work. The quality of their documents is very good. But it is all within a certain paradigm of neoclassical economics. The development world is a very complex world. It is not just for economists. You need contributions from all disciplines. Therefore, I would say that when it comes to creativity, in terms of opening up new perspectives, new ways of looking at things, addressing new issues and so on—I think the UN system, with all its weaknesses, has been a lot more productive and creative than the Bretton Woods institutions.

TGW: What are the best examples of breaking out of the box, or moving beyond paradigms? And to what extent does a kind of competition among members of the UN system, or between the UN system and the Washington-based financial institutions, actually help the production of ideas?

DG: I think a certain amount of competition is very good. I am totally opposed to people who say, "From the point of view of efficiency, cut out duplication. The World Bank is doing this, everybody else should stop working on it. UNCTAD should not work on trade issues or investment issues, because the World Bank is doing it. This is wasteful duplication." I think that is utter nonsense. If we believe in competition in other spheres of life, we should believe in competition in the realm of ideas—even more, because nobody has answers to these complex questions. Thus, competition in the realm of ideas is extremely important, and I have a feeling it is very productive. It has led to new insights, and an enrichment of the concept and practice of development.

Now, you say, what are some of the new ideas? Well, that is what your project is all about. Let me just rattle off something off the top of my hat. I find the shift towards employment-oriented strategies was done mostly in the UN system. Then, going on to a basic needs approach, which the World Bank took seriously and tried to operationalize, also originated in the UN system. The human development angle—all these, of course, are related—came from the UN system. The World Bank then got onto the bandwagon. The whole emphasis on poverty eradication—I know McNamara made his speech, but by that time a lot of work on this had been done in the UN. But even then, McNamara's famous speech in Nairobi was not fully absorbed by the World Bank.

By the way, a lot of these ideas emerge from other agencies, too. But they don't receive any recognition. They don't make the same splash as a speech from the president of the World Bank, or the IMF managing director. They are powerful organizations, so the whole world links the ideas with these institutions, whereas if you dig into it you will find the ideas came from other agencies. The environment and development linkages—I don't think we can say this was

originated by the World Bank. It came from Stockholm and other sources. It came from other things. Gender issues—I don't think we can say that the World Bank originated it. They do damned good work once they get onto it, but the issues were initially raised from outside, from universities, from academic work. The UN has been much more open to outside influences than organizations like the World Bank and IMF. And human rights—it's still not integrated into development. But human rights is very much a UN idea. And now more and more people think, if you talk about development, you have to have human rights at the core of development objectives.

So one can go on and on, for a lot of these ideas, as I said, it is very difficult to trace their origin to one single person or institution. All I can say is that the UN is very open and receptive to such new ideas in the world. Then they give them currency and run with them. They do advocacy work. They do normative work in these areas. They organize conferences around key concerns. The World Bank and the IMF often come in later. But they do excellent quality, good solid work in these areas.

TGW: How would you summarize the changes in development thinking over the last fifty years. Perhaps more particularly, how has your own thinking changed over this period?

DG: I think all of us have moved away from a relatively narrow concept of development to a much broader one. I was trained as an economist. Even as a development economist, we thought the discipline of economics was the central one and people equated development with economic growth and an increase in per capita income. Now we all realize that this is a very narrow view of development. We have to be concerned with the living standards of the people. We have to, therefore, be concerned with income distribution. We have to be concerned with employment. We have to be concerned with the satisfaction of the basic needs of the people.

They should not only have enough to eat and adequate clothing, but also a reasonable shelter and access to primary health care, education, clean water and sanitation. The notion of development has been expanded further to include emphasis on certain groups that are left out of the development process—women, children, ethnic minorities, racial groups, people in remote areas, indigenous people. All this has now become very much part of what we talk of as development. People never thought of those things. Environmental issues have also come in. You have to think of sustainability of natural resources. Human rights are becoming more and more central.

So in all these ways, the notion of development has been enriched. It has expanded. Because of that, you feel now that it has to become multidisciplinary. A holistic approach, as people say. All these things are inter-linked. Anyone who has worked in Africa knows that unless the political system is right, the government structures are right, that there is reasonable accommodation, that there is tolerance, that there is compromise and consensus among key groups—unless you are able to achieve this pluralistic system and a reasonable acceptance of the interests of different groups, you are in trouble. So political stability and some sort of accommodation between the interests of different groups—therefore tolerance, decentralization, power-sharing are profoundly important. If you cannot get your political system straight, if there are conflicts and there is violence and war going on, then you can just forget about development. Dozens of African countries have been afflicted by this.

So, in other words, we now see development as a much more complex affair then it was thought of in the early post-war decades. Development has many dimensions. The very objectives of development are multifold. It is not GDP (gross domestic product). It is not industrialization. It is a lot more complicated. These are the different ways in which my views have evolved over time.

TGW: I think in much of the UNRISD literature when you were there, was called "unified" or "integrated" or "comprehensive." And you mentioned earlier that your board had been important. To what extent did board members help you? There are prominent names. Jan Tinbergen and Gunnar Myrdal were there in the early years. But to what extent were board members helpful in the formulation of this, or did they just pat you on the back?

DG: That was, of course, much before I came on the scene. So I only know the history of it. I think they, in fact, played a very important role. To begin with, UNRISD was created as an initiative of the Dutch, and Tinbergen was the force behind it. The reason was that they felt that the social dimensions—what we are talking about now—were neglected in the development debate and development work and research. There was a need to institutionalize this concern. That's what led to the creation of UNRISD. There were these two famous individuals on the board. But I was told—I was not there—there was a lot of tension between them, because Tinbergen was a very technical economist, whereas Myrdal was much more of a political economist, who emphasized institutional and historical dimensions. Some of the projects were due to the initiative taken by them. One was the social indicators project, on which UNRISD worked for fifteen to twenty years. Even when I came in, the institute was working on this, and I said, "No, no, no. Let's move on to other things. We have spent twenty years already on this."

This was Tinbergen's initiative. He said, "We need solid data and social indicators. Otherwise, how can we measure social progress?" Then they had a databank, and they tried to make the data comparable so that you can compare the performance of different countries. There was a lot of work of this nature. Myrdal's influence was felt, I guess in projects like cooperatives, agrarian reform, and things like that that UNRISD did in its earlier years. Later on, since I became director, I found the board members to be very supportive and they gave good

ideas. But I would say, most of the initiatives came from the staff. The director and the staff put forward new ideas for research programs. The board members could criticize them, add to them, and enrich them. But I do not remember many cases where ideas came from the board.

Keith Griffin, as chairman, drew my attention to the question of narcotic drugs. He had worked on Latin America, and had had a meeting with Perez de Cuéllar, who told him that this was one of the biggest issues for the UN system. But they weren't doing any analytical work. So I can pinpoint that particular idea that Keith Griffin brought to my attention. And I thought, "Yes, it's a great idea because it's a very important problem and very little analytical work has been done in the UN system." But I would say that on the whole, it was more the director and the staff who initiated ideas for new research. The board members were very good, friendly and constructive critics of the program that we put forward.

TGW: The legacy of social development of Tinbergen and Myrdal maybe reached its climax at the Copenhagen conference, which we mentioned briefly yesterday. I wondered whether you might spell out your own contribution. What did UNRISD do before, during, and after Copenhagen? I am particularly interested in the origins of the *States in Disarray* book that came out about that time.

DG: This was a new dimension of UNRISD work that didn't exist before. I tried to relate UNRISD work to some major events, especially organized by the UN system. When the social summit idea was accepted by the General Assembly, I thought, "My God. It's a world conference on social development. UNRISD is a research institute on social development. So we must take it seriously; we had to make a contribution to it." My first meeting with Somavia was in connection with that. It was in New York. We talked about the kinds of contribution that UNRISD can make. The institute played a significant role in promoting analysis and discussion

of some key issues before the Social Summit. First, we organized quite a few discussion papers, occasional papers, and briefing papers on some major themes that were to be debated at the Copenhagen Summit. In part, we drew upon the global research programs that I had introduced, because I had been director by that time for about four or five years. Then, on the basis of our ongoing work, and also on the special new research that we initiated in response to the Social Summit, we organized four major conferences, often timed to coincide with the meetings of the prepcom for the Social Summit. So we would have it in New York, Geneva, and other places. Two of the meetings we had in New York. And at those meetings, we focused on some very big problems like ethnic conflicts. At that time, ethnic conflicts had erupted in various parts of the world. And we had done about fifteen country studies on this subject. So we were able to bring some of the best thinking to bear on this question, and to present it at this conference where we brought together policymakers, UN agencies, academics, the media, and NGOs. These mostly were open, so there was extensive NGOs participation. These were big meetings with 200 to 300 people. We got some first rate speakers to participate.

Another conference was on global economic restructuring and social policy. This was a special project that we initiated in response to the Social Summit. We were among the first to organize brainstorming on the Social Summit. This was at the twenty-fifth anniversary of UNRISD, and I said, "Let's have an event in Geneva. Why not use this event to brainstorm on some major issues coming before the Social Summit?" This was before the first prepcom, just before the idea had been accepted by the General Assembly and before Somavia had started to work on this. We brought some prominent people to begin to debate what the Social Summit should address, what should be the key issues. Juan Somavia was present because he came for ECOSOC meetings. He sat through all three days of this conference.

We were lucky to get some funding from UNDP (UN Development Programme) to support our work. Without that, I don't think we would have been able to do the amount of work that we did, because our resources were limited, and tied to ongoing projects. We also did quite a bit of work on gender issues, especially on macroeconomic policy and its impact on gender questions. The institute started to work on the social impact of globalization in the early 1990s. I know globalization has been going on for a long time, but UNRISD was among the first agencies to explore its social dimensions.

We thought that, in addition to all these conference papers and discussion, occasional and briefing papers, we should do one document bringing all the material together for presentation at Copenhagen. And that is what led to this document that you have just referred to. We sought to draw upon our relevant work in a number of areas, such as structural adjustment, reconstruction, refugees, ethnic conflicts, drugs, etcetera. But the focus of *States in Disarray* was the forces of globalization and their social consequences. We commissioned some papers on specific issues. We also drew upon the knowledge and expertise of our global networks, and upon the research that had already been done. Again, a lot of people had talked about the social implications, but I think we were among the first to put them down in a fairly systematic way. We wanted to make the publication highly readable and accessible to a wide audience. We commissioned an editor to work with us on the text. I think that made a lot of difference.

The document highlighted the major social effects of globalization, many of them negative. The debate in the last ten years has been on the same issues—unequal distribution of benefits, people getting left out. But we went beyond. We talked about power shifts brought about by globalization from governments and multilateral agencies to new actors, especially transnational enterprises. The document discussed the institutional changes that were taking

place. The unions and organizations were becoming weaker. The private sector was becoming more powerful. The book also analyzed the changing role of civil society. The state was becoming much weaker, because it was responding much more to market pressures, and to globalization. All these issues were brought together into this book in a fairly coherent way.

The book concludes with an exploration of the idea of global citizenship with all the rights and obligations implied by citizenship. With all this talk of globalization—integration of economies, mobility of people, intermingling of cultures, spread of information technology, the world becoming a little village—how come we have not thought of global citizenship? The UN has all these conventions and declarations on social, economic, political, and cultural rights. Are these to be applied only at the national level? Can the international community not guarantee a minimum core of rights on a universal basis? Can we not put this into a framework of world citizenship? The book puts forward some perspectives to further the reality of a world citizenship.

Subsequently, I organized an international conference on this subject. But I am afraid this idea has not been picked up. But I have had the satisfaction of seeing a lot of my ideas become fashionable at some stage. I am confident that the idea of global citizenship will catch on at some stage—perhaps in the generation of our grandchildren!

TGW: This is the beginning of the fourth and final tape on the ninth of February, Dharam Ghai and Tom Weiss. As a follow-up question to the *States in Disarray*, I just wondered to what extent or when you and other people in the UN system became aware that perhaps economic liberalization was not the panacea for all of our evils. Certainly by Copenhagen it is quite obvious. But this consensus, or so-called consensus, probably began much earlier in the 1980s, with Margaret Thatcher and Ronald Reagan. So I was just wondering,

when do you think that we finally came to the realization that there were at least a few shortcomings?

DG: I should preface by saying a little bit about some of the earlier thinking on development issues before the emergence of the new orthodoxy, as you have called it in your book. In the 1950s and 1960s, most people felt that the state had a very important role to play in economic and social development. They also believed strongly in each country or each government having its own development plan. This was a standard practice in those years. Every country, the moment it became independent, prepared its own development plan, a five-year plan. All this has dropped out completely and we operate in a world without development plans. I personally think it is a great step backward. The big transnational corporations all have their plans. They do their strategic thinking, and make plans for the short and medium term. It seems to me that for any institution or organization, it is the most normal thing to have a development plan incorporating its vision, goals, objectives and the steps to be taken for how to get there. But planning has disappeared in most countries.

I remember Kenya used to produce very good development plans. Even if we didn't always abide by them, their quality was very high. But I have not seen any development plan for ten or fifteen years. So this is a dimension of the change that has taken place in thinking on development problems. Until the 1980s, most people believed the state had a very important role to play in development—in Africa, even more so than elsewhere, because apart from issues of growth, there was a question of infrastructural development. There was also the question of Africanization that we talked about earlier. The government had to play a central role in promoting Africanization or indigenization of the economy. If you left everything to the market

forces, you would not be able to make as rapid a progress as was politically necessary to do in this domain.

So I grew up with this legacy of the important role of the state, the need to have a plan which specifies goals and strategies for the next five years in all the key areas of economic and social concern. Planning became in disrepute because many countries identified it with other things such as the large-scale nationalization of productive enterprises. The government did not accord autonomy to state enterprises. They became almost an agency of government social policy and, in many cases, a source of patronage for the ruling elite. The other element that came in was that they abandoned reliance on market forces. You can have the state play a very important role in development, and you can have your five-year plan setting out where you want to go. But it doesn't mean you should abandon market forces for resource allocation. Unfortunately many governments introduced all kinds of direct controls and administrative methods of resource allocation. In my view, that is what created a lot of the problems and distortions in development system—not so much the concept of planning.

There was disillusionment with state intervention in the economy, and this combined with shifts in power between different economic and social groups in industrialized countries, and also generated the conservative ideologies espoused by the Reagan and Thatcherite revolution with demands for a sweeping reduction of the role of the state. States were to get out of the economic field. Taxes were to be lowered. State expenditures were to be curtailed. Privatization was pushed. And the counterpart to this was, of course, the imposition of stabilization and structural adjustment policies in the developing countries. These were facilitated by the debt crisis of Latin American countries. If they did not have the debt crisis, I am not so sure these ideas would have spread so rapidly in developing countries. Because most

of these countries, especially in Latin America, found themselves in a state of foreign exchange crisis, and the debt crisis, they had no choice but to follow these policies dictated from outside.

Initially there was not a conversion of the ruling groups to this new orthodoxy, but gradually, a large group of technocrats and some political leaders became convinced that the only way out of the economic crisis of the 1980s, was a wholesale radical shift in economic policy as it had been practiced up to that time. The economic problems of the communist bloc, and the eventual disintegration of the communist system in a large number of countries spelled the death knell of the earlier model of development, and contributed to the great triumph of neoliberalism as advocated by Reagan and Thatcher and other conservative leaders.

While I have never been a convert to the new orthodoxy, I did change my thinking on ownership of enterprises. I still believe there is nothing inherently wrong with public ownership of directly productive enterprises. As I told you, in Africa, country after country moved to nationalization of enterprises. Part of the impetus behind this was Africanization, and I supported that because I thought that this would be one way of shifting the balance in the economic domain and also it would be much easier to promote Africanization of the economy through these means.

But then we saw all the horrors that this led to—huge losses, misappropriation of resources, corruption, the abuse of enterprises for political purposes to distribute resources, and to extract resources for personal, and factional, and party gains. For this reason, many people favor a much greater role for private enterprise. But the problem in our part of the world is that the private enterprises generally do not operate in a competitive environment. Often a few companies dominate the scene. Therefore, some of the distortions associated with state

enterprises were also prevalent within private enterprises. When the economy was dominated by one or two giant enterprises, they acted as monopolists in terms of buying and selling.

I think these are the two areas where things went very wrong in Africa. From that point of view, liberalization of markets, letting the market determine prices and resource allocation was a net improvement in many ways. But I have never believed that this, in and of itself, will solve the problems of underdevelopment, of inequality, of poverty and of deprivation. I think we still need an active role of the state. I come back to planning. We ought to resuscitate the practice of planning, so that a country can say, "Over the next five or ten years, this is where we want to go. This is our mission. These are our goals. And these are the policy instruments we will use to get to that stage." The pendulum has swung too far in the other direction. The state has been greatly weakened. Its capacity to deliver the things that it should be delivering—roads, utilities, power, transport, health, education, water supply—has been so debilitated that it cannot play that role. We have thrown overboard some very useful services that only the state can provide. It is time to reinstate this role and maybe this is already happening. Certainly problems of employment and poverty are not going to disappear by sole reliance on private enterprise and market forces.

TGW: I wonder whether we might explore one other topic that I actually don't think we have sufficiently covered in the project. Shortly before you left UNRISD, you were involved in this UNRISD/UNESCO project of the Commission on Culture and Development. It seems to me that culture has been left out of the equation, even though we seem to have thrown everything else in. So we have one more to mention in our multidisciplinary effort. What do you think the result of that commission's work was, and where is it heading?

DG: I read that report, which I found very good. It argued persuasively that cultural dimensions have a big role to play and are important determinants of the social and economic performance of a country. And they proposed an ambitious program of action. I got involved with UNESCO on their project on social and cultural indicators, because UNRISD had done a lot of work on the former. We organized a couple of workshops on this topic and made good progress. A list of indicators was prepared. Some useful papers were prepared, some of which were published jointly by UNESCO and UNRISD. And we had a good group of people who had been thinking about some of these issues. But then I felt something happened on the UNESCO end. We got bogged down. The progress was not as rapid as it should have been.

The original idea was to have some papers prepared on some of the key ways in which culture and development interact. And some of these major themes were identified. But in the end, I believe that some people in UNESCO felt that this would become too controversial. They, therefore, abandoned the idea of developing cultural indicators and applying them at the country level. And even the idea of preparing and publishing papers on important themes was abandoned. Originally, there was the idea of producing something like the UNDP report, a culture and development report every two years or so and addressing certain themes as the Human Development Report does. That idea was also thrown out.

TGW: One of the themes in the project has been the importance of big events. We talked earlier about decolonization and the formation of the Group of 77 and NAM (Non-Aligned Movement), events predicted by some after the Second World War, but the speed was not obvious to everyone. But then the end of the Cold War, as an event during your tenure at UNRISD—neither the speed nor the speed with which the collapse would occur was predicted

by virtually anyone, I think. What impact did this have on the development conundrum and thinking about addressing development problems?

DG: Just by way of a footnote, one of the UNRISD projects I started in 1987 was called "Participation and Property Relations in Centrally Planned Countries in Eastern and Central Europe." I then had a feeling that things were moving in very interesting directions in that part of the world. Of course, I never thought communism would collapse. But I thought liberalization was coming in. There was talk of people's participation at the enterprise level, or in other forums. So there was this thing in the air. In those days, as I told you before, most UN agencies did not work on problems of Eastern and Central Europe. So, we started this project. Unfortunately it took too long to complete the project. The final book did not come out until after the collapse of the communist regimes in those countries.

Now, coming back to your broader question of what impact it had, well I think it was a big shock to lots of people because many people thought that in certain areas, socialist countries had done well. I am one of them. In 1950s, 1960s, and the early 1970s, economic growth was very rapid in most communist countries. Secondly, the income distribution there was more equal than in most industrial countries. It would be comparable, perhaps, to Scandinavian countries after the substantial redistribution they do through taxation and public expenditure. Thirdly, most of the basic needs of the people were largely met, in terms of health and education. They had a reasonably good educational system with universal access and free education and health care. At that time, life expectancy was comparable to that in industrial countries, before it started to fall. And jobs—everybody had jobs. In fact, the people were almost compelled to work. A lot of women especially had the burden of a double day.

So my view of the experience of socialist countries, in the domain of social development, was quite favorable. I am not talking of the political dimensions—human rights and freedom of association. Some developing countries were influenced by this model. There were two models. There was the western model, the way that industrialized countries had grown from being poor to affluent. It took 150 to 200 years. But there was an alternative model. And way back, many countries thought that this could be a shortcut to development. They felt that they did not have to take 150 years to achieve a certain level of efficiency, maybe the socialist path was a shortcut to that. So in that sense, in terms of development, development thinking and policies, people felt there were options from which they could pick and choose. Already in the 1980s, these communist countries were running into economic difficulties and problems. But certainly after the collapse of the system, more or less people wrote off everything to do with the socialist kind of economies. I am not speaking just of state ownership of all means of production, and central planning, and doing away with markets, relying on direct allocation, but even in terms of health, and education that were relatively universal and egalitarian. There was a tendency to throw the baby out with the bath water.

The Reagan and Thatcherite revolution got massively reinforced as a result of the collapse of communism and the end of the Cold War. At a political level and in terms of bargaining power, it has been a loss for developing countries. I am not saying that communism was good for them. But in a sense, it gave them some leverage, some room for maneuver. At one extreme, the flows of development assistance were stimulated by the rivalry and competition between the two camps. The rapid growth in the 1950s and 1960s may have been due in part to altruistic and humanitarian reasons, but the fear of developing countries falling under communist camp influence was also an important factor in development assistance flows and other aspects

of international economic policy. With the end of the Cold War, and the collapse of communism, the strategic interest in giving aid has declined and in some places it has totally disappeared. In the U.S., for example, Africa has lost all strategic importance. More generally, the influence of the G77, the Third World, has declined because there is less room for maneuver. In crude terms, developing countries could play one camp against the other. I don't know how consciously they did it. But at least there was the potential for them to try and get the best deal because of the rivalry between two groups. And that kind of thing has practically disappeared.

TGW: What about in terms of thinking? Do you think the disappearance of a model constricts minds? You said that this fed into neoliberalism. Any other impact?

DG: As I mentioned earlier, another consequence has been a reaction against development planning. Development planning does not mean state ownership. It does not mean central allocation of resources. It means thinking about your future in a focused way, and building consensus on societal goals. It is gone. And I will say partly because these plans were in some way associated with communist countries.

On the other hand, China and Vietnam, while maintaining many elements of the communist system carried out major reforms in their economic organization and management. This spurred a massive growth rate in both China and Vietnam. The 1990s were phenomenal—around nine percent growth rate.

TGW: You used the phrase "looking toward the future." And we said earlier this morning that probably management challenges were high on the agenda for the United Nations—getting more from people who are on the staff. On the intellectual side, what would you see as the main challenge or two in the next couple of decades for the UN system?

DG: First, I am not sure the intellectual quality in the UN has declined. I think it varies from institution to institution. But what you have brought out in your manuscript is probably true. At the level of advocacy, and the level of world conferences, and programs of action, the 1990s have been a very creative period. We have made progress on integrating the environment, human rights, and gender, into a broader concept of development. But in terms of development strategies and paths which will integrate these concerns, and relate them to globalization, I don't think the progress has been that impressive. So I think the big challenge at a global level, and therefore for the UN, is to ensure that there is equitable distribution of benefits brought about by globalization. These benefits have tended to be concentrated in some countries. And even in poor countries, some of the more affluent groups have benefited a lot more.

A large number of people have been left out. In Latin America, Africa, the Middle East, and the former Soviet Union republics, the problems are severe. There is a growing appreciation that dominant models, paradigms, are not delivering. They have not delivered in the last ten years. Latin Americans have gone as far as any part of the world can in terms of implementing the new paradigm. You could say Africa hasn't done it. Well, they have done quite a lot. But I am impressed that Latin American growth rates are only three or four percent in the last few years. In the 1960s, they were six or seven percent. And the progress they have made in the school and health domain, and in poverty reduction was much greater in the 1960s and 1970s, before they were hit by the debt crisis, than they have done in the 1990s with the new policies.

So I think there is a tremendous challenge to develop new kinds of strategies and programs and policies which will work for the majority of the people, which will deliver for the masses of the people. What new institutions do we need at global and regional levels? What are the new kinds of policies? What are the new kinds of regulation that may need to take place? In

what way does the behavior of key players—governments, transnationals, and civil society—need to change in order to enable us to make rapid progress in elimination of absolute poverty and deprivation? To me, this is a big challenge.

I hope the UN can make a big contribution here, and others too—the World Bank, the IMF and academics. But to me, that remains the central challenge for the United Nations. If in two decades we can eliminate absolute deprivation, I think it would be a phenomenal achievement of humanity and the UN system.

TGW: In our book, we are trying to figure out how ideas make a difference. And in our conversation over the last couple of days about social development, it seems to me that we have illustrated sensibly that a couple of these things—how it has changed the terms of debate, and how it has provided a guide for action, how it has actually changed the definition of the way states look at themselves and what counts as national interests. But there are two other things that we haven't illustrated, and I just wondered whether we could spend a few minutes on those, too. How exactly has social development, as a notion, altered the prospects for coalitions of political forces, both within countries and then among countries at the international level? This made a difference?

DG: First of all, I think social development is like motherhood. It is a good thing that nobody opposes. The question is how to go about it. But in terms of specifics, absolute poverty, or sickness, or diseases, or AIDS (acquired immune deficiency syndrome), and things of this nature, there has been a great sensitization of people willing to do something about it. In that sense, I would say that now there is at least consensus that the biggest—apart from questions of war and peace and nuclear arms—global priority for the international community, or world leadership, is eliminating absolute poverty and destitution. I am talking about people not going

hungry; not being illiterate; having a roof over their heads; having jobs; and having access to primary health, and family planning. This has always been the purpose of development, but I think it has acquired new urgency. The Millenium Summit endorsed these goals. The Davos people talk about this. The transnationals talk about this. Of course, more and more civil society organizations talk about this. The World Bank, the IMF talk about this. So in that sense, there is a growing convergence of thinking on this. The problem is how we go about it.

In terms of coalitions coming together, I don't know if at a grand global level it is happening or not. The Secretary-General's initiative—by the way, a lot of radicals are very unhappy with it.

TGW: The global compact?

DG: Yes, the global compact with transnationals. I expect more movement on that front in the years to come. We haven't talked about civil society. Despite their many limitations, the growth of international civil society has been among the most promising things to happen in recent decades. To me, the attractiveness of civil society—all these 25,000 to 30,000 international NGOs—is the ethical and moral dimension of their work. Some of the people sitting here haven't a clue about the obscure tribes in Brazil or Malaysia, on whose behalf they are agitating. They are trying to make sure that justice is done to them. To me, this is just great. This is where global society can contribute to the emergence of a global community.

TGW: Actually, that is the other area that we have been looking at—namely, that the power of ideas is measured once they become embedded or encapsulated by institutions. These elements of social development, whether it is ministries of the environment, which we didn't have, or NGOs that are focusing on poverty alleviation, or HIV (human immunodeficiency virus)

research, these ideas, once they become concretized in one way or another in an institution, they then continue on a life of their own.

DG: Yes, this is part of a new coalition of forces. They are certainly an important force in this new configuration of forces operating at a global level.

TGW: Thank you very much.

DG: Thanks a lot to you, Tom.

INDEX

acquired immune deficiency syndrome (AIDS), 94; *see also* human immunodeficiency virus (HIV)
Africa, 1, 5, 8, 13, 19-22, 24, 29, 42, 79, 85, 87-88, 92-93
  and employment, 22
  problems of development in, 20
agrarian reform, 80
aid, 25
Algeria, 4
Aristotle, 9
Arkadie, Brian Van, 16
Asia, 33, 49
  informal economy in, 33
Asian-African Conference (Bandung), 5, 8-9
Athmadali, Athul, 13
Balogh, Thomas, 58
Bandung, Indonesia, 5, 8-9; *see also* Asian-African Conference
Bangladesh, 13
basic needs, 39-40, 78, 90
Begnin, Antonine, 37
Bell, Philip, 21
Benaria, Lourdes, 38
Berthoud, Paul, 73
Bhagwati, Jagdish, 12
Blanchard, Francis, 62-64
Brandt Commission, 23
Brash, Don, 24
Brazil, 27, 95
Bretton Woods institutions, 10, 75-76; *see also* International Monetary Fund *and* World Bank
  staff of, 75
Brundtland, Gro, 59
Brundtland Commission, 23
Brussels, Belgium, 30
Budapest, Hungary, 53
Cairo, Egypt, 41; *see also* World Population Conference
Cambridge University, 12, 14
Canada, 28
Carayannis, Tatiana, 38
Caribbean Development Bank (CDB), 28
Carson, Rachel, 39
Central Africa, 15
China, 92
civil society, 53-56, 94-95
Clark, Paul, 16
Cold War, 27, 50, 52, 89, 91-92
Commission on Culture and Development, 88
Commission on Global Governance, 23
Commonwealth of Nations, 10
communism, 50-51, 87, 90-92
Convention on Children, 49
Copenhagen, Denmark, 49, 65, 81-82, 83-84; *see also* World Conference on the UN Decade of Women
Corea, Gamani, 31
Cox, Robert, 62
Dadzie, Ken, 68
Dakar, Senegal, 65
Davos, Switzerland, 95
debt crisis, 86-87
decolonization, 1-4, 89
Descartes, Rene, 9
developing countries, 5-6, 8-9, 25, 31-32, 36, 47, 52, 57, 75, 86, 91-92
  and the Asian-African Conference, 8
  and ILO membership, 57
  and the socialist development model, 91
  economic differences amongst, 31
  employment problems in, 58
  women in, 32, 36
development, 14, 19, 21, 24-25, 30, 34, 36, 69, 78-79, 82, 85-87, 93
  and ethnic conflicts, 69, 82
  and human rights, 79
  and migration, 21
  and poverty reduction, 36
  models of, 14, 19
  role of states in, 85-86
  strategies of, 93
development assistance, 23-26
  declining U.S. support for, 26
Development Decades, 17, 35
  First Development Decade, 17
development economics, 9
Dias-Alesandro, Carlos, 24
Dillon, Douglas, 27
East Africa, 1, 3, 14-16, 18, 21, 33
  and independence, 1
East African Economic Review, 29
East African Institute of Social Research, The, 16, 20
Eastern Europe, 90
Economic and Social Council (ECOSOC), 67, 82
Egypt, 6
Emmerij, Louis, 41, 43
environment, *see* sustainable development
Europe, 6-7, 19, 73
European Bank for Research and Development (EBRD), 16
European Union, 31
  and least-developed countries, 31
Federal Reserve Bank of India, 24
France, 7-8, 27, 63
Frank, Charles, 16
gender, 36-38, 48, 78, 83, 93

General Agreement on Tariffs and Trade (GATT), 25
Geneva, Switzerland, 31, 40, 43, 82
Germany, 27
Global South, 31
globalization, 83-84, 93
Grant, Jim, 40
Green, Reg, 16
Griffin, Keith, 35-36, 81
Group of 77 (G77), 31-32, 89, 92
Growth, Employment, and Basic Needs, 39
Gutt, Wilfred, 27
Hamilton, Edward, 23-24
Harris, Jonathan, 44
Hart, Keith, 22, 33
Harvard University, 12, 14
Heath, Edward, 27
Heyzer, Noeleen, 38
Hicks, John, 12
Hirschman, Albert, 9
Human Development Reports, 89
human immunodeficiency virus (HIV), 95; *see also* acquired immune deficiency syndrome (AIDS)
human rights, 52, 78-79, 91, 93
Hussein, Kamal, 13
ideas, 1-3, 5, 21, 26, 28, 38-39, 44, 48-49, 50, 61, 72, 92
  and Africa independence, 1-3
  and the collapse of the Soviet model, 92
  and global conferences, 39, 48-50
  and non-alignment, 5
  diversity of, 71, 77
  institutional context of, 69-72
  propagation of, 38-39
  sources of, 21
  UN receptivity to, 44
  value of consultants in generating, 59, 61
India, 4
  independence of, 4
Institute for Development Studies (IDS), 16, 20, 22, 41-42, 44
Institute for New Technologies (INTECH), 73
international civil service, 43
International Confederation of Free Trade Unions (ICFTU), 51, 53
International Institute of Labor Studies (ILLS), 19, 62
International Labour Organization (ILO), 22, 32-33, 35-36, 38, 40-45, 50, 52-53, 61, 64-66
  Employment Mission of, 22, 32, 38
  Rural Employment Policy Branch of, 43
  tripartite structure of, 53-55
International Monetary Fund (IMF), 25, 75-76, 94-95
Iran, 74
Jain, Surendra, 37
Jalan, Bimal, 24
Jolly, Richard, 12-13, 16
Kenya, 1-2, 4-5, 7, 11, 32-33, 38, 40-41, 42, 44, 85
  independence of, 1-2
Kant, Immanuel, 9
Kenya, 12, 15, 21-22
Kenya African National Union (KANU), 15
Keynes, John Maynard, 12
Keynesianism, 3, 9
Kibaki, Mwai, 15
Kissinger, Henry, 16
Koopmans, Tjalling, 13
Kuznets, Simon, 12
Latin America, 33, 81, 86-87, 93
  informal economy in, 33
least-developed countries (LDCs), 28-29, 31
Lewis, Arthur, 9, 24-28
Locke, John, 9
London, U.K., 7-8, 16, 42
MacDougal, Donald, 12
Madagascar, 6
Makerere Institute of Social Research, 16
Makerere University, 1, 15-21
Malaysia, 95
Marjolin, Jean, 27
Marseille, France, 6-8
Mau-Mau rebellion (Kenya), 1, 4
Mauritius, 6
Marx, K., 9
McNamara, Robert, 23, 77
Mernissi, Fatima, 38
Mexico City, Mexico, 39
Middle East, 93
Mill, John S., 9
Millenium Summit, 95
multilateralism, 1
Myrdal, Gunnar, 9, 80-81
National Program of Action on Women (Vietnam), 49
Nerlov, Marc, 13
Ndegwa, Philip, 16
Nepal, 74
Netherlands, the, 80
New International Economic Order (NIEO), 46-47
New York, New York, 14, 31, 81-82
Nobel Prize, 12, 28, 44, 69
Non-Aligned Movement (NAM), 5, 8-9, 89
non-governmental organizations (NGOs), 38, 48, 55-56, 82, 95
North Africa, 8
North-South relations, 46
Northern Rhodesia (Zambia), 15
Nuffield College, Oxford, 12
Nyasaland (Malawai), 15
Ohlin, Goran, 24
Okita, Saburo, 27
Organisation for Economic Co-Operation and Development (OECD), 19, 27
Overseas Development Council (ODC), 40

Oxford University, 4-10, 12-14, 19, 58
Pakistan, 4, 13
  independence of, 4
Paris, France, 8
Partners in Development (Pearson report), 26
Pérez de Cuéllar, Javier, 64, 81
Person, Lester, 23, 28
Pearson Commission, 23, 26, 30, 41-42
planning, 86
Plato, 9
Polak, Jacques, 75
poverty, 35-37, 42, 47, 49, 77, 88
population, 48
Princeton University, 12, 16
Prewitt, Ken, 44
Rahman, Majibur, 13
Reagan, Ronald, 84, 86-87, 91
Rhodesia (Zimbabwe), 4
Rockefeller Foundation, 16-17
Rogers, Gerry, 46
Ruiru, Kenya, 3-4, 6
rural development, 21, 64
rural poverty, 35
Scandinavia, 90
Sen, Amartya, 9, 12
Sen, Gita, 38
Sierra Leone, 74
Silent Spring, 39
Smith, Adam, 9
social development, 81
Somavia, Juan, 46, 59-60, 81-82
South Africa, 2, 6
South Commission, 23
Southern Rhodesia (Zimbabwe), 15
Soviet Union, 93
States in Disarray, 81, 83-84
Stern, Ernie, 23
Stieffel, Matthias, 70
Stiglitz, Joseph, 44
Stockholm, Sweden, 66, 78
Suez Canal, 6
Sussex, U.K., 16, 46
sustainable development, 48-49, 77, 79
  and the World Bank, 77, 79
Sweden, 49, 66
Swedish Agency for Research Cooperation (SAREC), 65-66
Tanzania, 4, 15
Thatcher, Margaret, 84, 86-87, 91
Third World, 5-6, 29-30, 31, 42, 44, 92
  scholarship and, 42
Tobin, James, 12, 44
Todaro, Mike, 21, 44
trade issues, 25, 29
trade unions, 36, 50-53
transnational corporations (TNCs), 29, 83, 85, 94-95
UN Conference on Children, 49
UN Conference on Trade and Development (UNCTAD), 17, 25, 29, 31, 68
UN Development Programme (UNDP), 28, 83
UN Educational, Scientific, and Cultural Organization (UNESCO), 88-89
UN General Assembly (UNGA), 66, 81-82
UN Research Institute for Social Development (UNRISD), 44-56, 63, 65-66, 69, 73-74, 80-82, 83, 88-80
UN staffing, 68-69, 74
UN World Conference of the International Women's Year (Mexico City), 38
Uganda, 4, 15
United Kingdom, 1, 4, 6-7, 11, 14-15, 17, 73, 75
  colonies of, 4
United States, 1, 6, 10-11, 14-15, 17, 19, 23-24, 26-27, 50, 73, 75, 92
  and development assistance, 24, 26
  withdrawal from ILO, 50
United States Agency for International Development (USAID), 23
University College of Nairobi, 18, 23-24
University of London, 42
Vietnam, 37, 48-49, 92
  and poverty reduction, 49
War-Torn Societies Project, 70
Washington, D.C., 24, 77
Weeks, John, 22, 33
West Africa, 22, 33
West Bank, 21-26, 75-78
  and sustainable development, 78
women, 32, 36, 38, 40, 49, 90; *see also* gender
  in developing countries, 32, 90
World Bank, 39, 41, 94-95
World Conference on the UN Decade of Women (Copenhagen), 49
World Employment Conference, 43, 46, 48, 64
World Employment Programme (WEP), 32, 34-35, 42, 44-45, 52, 57
World Federation of Trade Unions (WFTU), 51
World Food Conference, 55
World Health Organization (WHO), 59, 61
World Institute for Development Economics (WIDER), 73
World Population Conference (Cairo), 41
World War II, 57, 89
Yale Economic Growth Center, 16, 43
Yunis, Mohamed, 40