

*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

SURENDRA J. PATEL

BY

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Ahmedabad, 18 November 1999

RICHARD JOLLY: Surendra, perhaps before we turn to your work within the United Nations, you could give us some feel about your background. Where did you get the values that influenced you in your work in the UN? And tell us something about your early life.

SURENDRA J. PATEL: To begin with, I should say that there are two main things that gave a direction to my life and career. One was our family, the personality of my parents and their achievements. The second thing was the independence movement in India.

I was born in India, in Southern Gujarat. I was the eldest of the family, with two brothers and two sisters. Both my parents were exceptional people. My mother, Divali Ben, was the very first girl to be educated in the district. Her father was very respected in the area. He had great clout largely due to his outstanding personality. He was the one to insist on my mother's education, even if in the early part of twentieth-century India, girls' education was very rare, almost unheard of, especially amongst common people. She made a career as a teacher until she became a school inspectress and received several awards. She was very well known.

My father, Jivarajbhai, was also an exceptional man. He was a teacher as well but soon decided to change his profession and became a farmer. He established a modern farm experimenting with the scientific growth of a particular fruit in India, which is known as *bher* (commonly called the poor man's apple). In his own right, my father gained recognition and received the prestigious President of India's Award for his contribution to scientific farming. My father had a very quiet personality, but he was very inventive and had a very scientific mind.

Moreover, both our parents were not only educated, but they also were very politically conscious and principled. My father became very involved in the politics of decolonization. My mother not only supported him but she was also very active. For instance, my father organized the very first students' and teachers' strike against the British. As a punishment, my parents and

their colleagues were posted far away from their hometowns. It was my mother who got them rehabilitated.

What gave me the incentive to study was the constant encouragement and support of my parents. I had good marks at school. I was therefore privileged to obtain scholarships, which permitted me first to join the Commerce College at Ahmedabad. Thereafter, I received a fellowship to go to Wharton School at the University of Pennsylvania in Philadelphia. It was from the Wharton School that I had the wonderful opportunity to meet Professor Simon S. Kuznets. He was one of the most remarkable economists of this century, who later got the Nobel Prize in economics. I completed my doctoral thesis under the directive of Professor Daniel Thorner in July 1949 on what was my special subject—income development and distribution.

RJ: When one speaks of the independence movement in India, one immediately thinks of [Mohandas] Gandhi. How did Gandhi influence your thinking and your values?

SJP: Gandhiji greatly influenced my thought process and my whole attitude in life. Gandhiji had organized the Salt March in 1930, and its impact had been so strong that in less than five years the whole atmosphere had changed in India. I was twelve years old in 1935. All over the country we would hear the slogans of “long live the country,” “long live the motherland,” and so on. I did not really understand the meaning of these slogans, but even then I joined in the general mobilization. The political situation was changing rapidly. There were also many stories of martyrdom and sacrifices for the motherland. All these events influenced me strongly in my early life.

RJ: When did you meet Gandhi for the first time?

SJP: When I was fourteen years old. For one month the Congress Convention was held in Gujarat in 1937. Gandhiji had already started his campaign against the caste system. He had

renamed the poorest sections of the society “Harijan”—“God’s people” in English. In his struggle for freedom, Gandhiji powerfully upheld the values of equality. Gandhiji refused to have any bodyguards or any fancy type of surrounding. He had asked the organizers to form three groups of young boys from twelve to fourteen years old. Each group would guard Gandhiji’s tent for three to four hours, in turn. At night, he would not have anyone there. Our school curriculum included gymnastics and all sorts of physical exercises, so we were very fit young boys with all the enthusiasm teenagers can have. I was privileged to be one of those selected for the task of guarding Gandhiji’s tent.

Every day coming in or coming out of his tent, Gandhiji would address each of us personally, asking a few questions, such as “where are you from?, what are your parents doing?, what are you studying?,” and so on. He would take deep interest in us in the most simple and touching manner. I cannot remember a single boy who would not be overwhelmed by Gandhiji’s attention. He was so popular. He had such a presence. It was amazing! As he would come out of his tent we could hear whispers full of emotion: “It’s Gandhiji, it’s Gandhiji, it’s Gandhiji.” Of course, at the time we knew very little, but we were all caught up in the general atmosphere. We all felt part of the process, and our determination for India’s independence grew day by day.

RJ: How did you personally take part in the movement for independence?

SJP: Well, after the Government of India Bill had been passed in the British Parliament in early 1935, a great deal of political activities were taking place in the Bombay Province and elsewhere in the whole of India. At the time, the Bombay Province included Bombay, Gujarat, and Maharashtra. It was the main center of power of the British Raj. The bill was meant to give more powers to local administrations. It brought about a significant change in the political landscape of the country. At the time, we were living in a small village called Dandhuka, in the

south of Gujarat. Soon after I turned fourteen years old, two of our great national leaders, Mrudula Ben and Prabu Das, took me and my sister, Niru Ben, with them to tour Gujarat. On the 26th of January 1937, for the first time I addressed a large crowd of people in our area. My sister had a beautiful voice. She was singing nationalist songs. From then on, we became very involved in the national movement for independence.

In 1942, Gandhiji had launched the Quit India movement and was jailed. In protest, the students of Ahmedabad and most of Gujarat forcefully got the schools and universities closed for a whole year. I had been nominated as an executive member of the All India Students Federation. For one year, with other boys of my age, we traveled through the whole country. We were touring cities and villages, talking to the people, mobilizing them and organizing the local units. We would raise the national flag everywhere we could. Under the circumstances, this was an act of heroism.

In summer 1943, I had come back home. With a few friends we had decided to do something even more significant. We wanted to blow up a bridge at a place called Nilka Nadi. We had no experience whatsoever in handling explosives so we blew up the bridge but very little damage was caused. Nonetheless as freedom fighters, we felt very proud. I was arrested along with my sister. Niru Ben was released the same day, but I was brought to Sabar Mad Jail in Ahmedabad. My mother recalls how worried the whole family was. The police reassured my family that I would be released very soon. That is indeed what happened, but I was not deterred from carrying on the struggle. Later, for several months, like many other friends, I had to go underground. One of our most famous revolutionary Gujarati poets, Zaverbhai, gave me shelter for several weeks.

There are many other stories but it would take too long to go into details. At one point in February 1946, we came to know that the police were searching for me and a price had been put on my head. Incidentally, as I had been successful in my studies, I had been given a grant to study in the USA. My mother accompanied me to Calcutta where I took the steamer which brought me to Philadelphia.

RJ: What about the other members of your family?

SJP: I already told you a little about Niru Ben, my sister. In Gujarati, Ben means sister and Bhai means brother. Niru Ben was to become a very famous social activist and a political leader. She was known as the Lioness of Gujarat because she led a group of hundreds of women to force the Portuguese to vacate some territories in the South of Gujarat. My two other brothers, Vittubhai and Vallabbhai, as well as my second sister, Kamal Ben, were quite young at the time of independence. But they have also been influenced by these unforgettable days. All of us were brought up with immense love and care by our parents. They also gave us a solid education. All brothers and sisters have devoted their personal and professional lives to what I consider are noble causes.

RJ: Having discussed the early part of your life, now I would like to know how did you join to the United Nations?

SJP: On reflection, it seems to me that in 1949, I was among the first Asian economists who were recruited by the Department of Economic and Social Affairs (DESA) of the United Nations in New York. Professor M. Kalecki, a very enlightened and well-known economist was leading the department. It was on the recommendation of Professor Kuznets, under whom I had studied, that Kalecki took me straightaway. I joined the United Nations in New York in January 1950. I was to be part of the team that had to prepare the first major *World Economic Survey* of

the United Nations. In this famous team, which consisted, amongst others, of Sidney Dell and Dudley Seers, I was to start working right away on the *World Economic Survey* without any previous experience and hardly any briefing. I did not have a clear idea of how to write an economic survey for the United Nations. Kalecki must have seen some of the confusion in my mind. After about fifteen days, Kalecki came to my office. "How are you?" he asked. "What are you doing?" I replied, "Sir, I am not very sure about what I am doing." Kalecki literally burst at me. He was well-known for his high temper. I added, "Sir, if I knew that I could do it, why would I give you such a reply? I was simply being honest!" I think he appreciated my sincerity. From then on, we established a very good collaboration and we even became very close friends.

RJ: Wonderful. What happened thereafter?

SJP: I had been in the United Nations for two years when my first son, Mahesh, was born in August 1951. Mahesh was about four months old when I took my family on home leave to India. On our return journey, I applied for a visa to the consulate of the United States in Bombay. My passport was returned blank. I wrote to Kalecki about the refusal of the United States to grant me a visa to return to my job at the United Nations. He was absolutely shocked that a regular staff member of the United Nations could be denied a visa. Thereafter, for a long period, Kalecki as well as I corresponded with the USA administration without success. The matter became public knowledge in India. The press caught hold of the story and extensively reported on my case. Krishna Menon was India's foreign minister at the time. Krishna Menon placed the matter before the Parliament. Meanwhile, I continued to stay in India for about nine months.

In placing the problem before Parliament, the foreign minister underlined the fact that an Indian citizen and a permanent staff member of the United Nations had been denied the right to

return to his job in New York. Furthermore, as he had to attend the UN General Assembly, Menon stated that he would raise the issue with the American administration and make it publicly known to the delegates of the General Assembly that an Indian citizen has been refused a visa without any reasonable cause. This, he said, was in violation of the diplomatic agreements between India and the USA as well as between the USA and the United Nations.

This threat of Krishna Menon must have influenced the American administration. I was finally given a visa to the United States, but with strict restrictions on my movements within the country. Moreover, my name had been added by the American administration to the long list of “undesirable people,” amongst whom were some great artists, writers, actors, and researchers—for example Paul Robeson, Charlie Chaplin, Gabriel García Márquez, and many others. My professor, Daniel Thorner, was also on the list. The U.S. visa restriction continued even after I retired from the UN in 1984.

RJ: Would you have called yourself a communist at the time?

SJP: Not a communist, but I had been to the left. I really believed in activism. The people have to struggle to get their due. I always stood by the people. This is at the center of my entire life and career. I was very young when the independence movement was at a momentum in India. This was my country. I was very active and proud of our country. I have never been a communist party member, but there were several friends and students whom I knew who were party members. At the time, many of my friends and colleagues regarded the communist ideology and the achievements of the then Soviet Union with a degree of admiration.

RJ: What do you think were the precise reasons for your visa to be withheld?

SJP: Well, it is only a guess on my part. I was never given a detailed explanation. But there are several reasons why the American administration would have put restrictions on me.

First of all, you may remember that the McCarthy period had started. Anyone remotely associated with communism or considered “left” had a hard time. As far as I was concerned, in my student days I had been a member of the All India Students Federation. That organization was clearly to the left. Moreover, I was quite known as a student. I had already written a lot and was very active. In my student days the independence movement was at its peak. The communist ideology was very appealing to many intellectuals at the time. Later in 1946, when I joined the University of Pennsylvania, several of my friends and schoolmates were leftists. We would meet, talk, go to the movie, et cetera. I got my doctorate from the University of Pennsylvania. My thesis, *Agricultural Laborers in Modern India and Pakistan*, traced back the social evolution of India and Pakistan’s agricultural society from pre-nineteenth century onwards. It was my first published book in English.

Before that I had written a number of articles, both in Gujarati and in English. One of the main pieces I wrote was as a tribute to [John Maynard] Keynes. He had just died. It occurred to me that Keynes’s and [Karl] Marx’s contributions to modern economics were immense. I decided to write a piece titled “Marxism and Recent Economic Thought.” I submitted the article to Kuznets. He liked it and distributed it in the class. Kuznets also advised me to send it to *Science and Society*, which was a reputable publication from New York. My article was published in the winter 1947 edition.

This article argued that after the Great Depression, a re-evaluation of the earlier capitalist thinking was inevitable. While Marx had been ignored, rejected or mocked in the past decades, the Keynesian concept of the income stream was divided into the channels of consumption and investment, which strikingly resembled Marx’s reflection on the dangers of disequilibrium. The Great Depression had definitely shaken the arrogant posture of over-confident capitalism, and

Keynes had no doubt redefined the rules of the game in a structure that appeared to me as very close to Marx' s own thinking.

After my graduation in 1949, I returned to India. I started teaching economics at the Bhavnagar College in Gujarat. In only a few months, I was invited to join the United Nations in New York in January 1950. On my first assignment to the United States I had no problems of visa. It was on my return in 1951 that the problem arose. I am sure that as the U.S. administration was enquiring all over the places to identify leftist or communist elements, they also checked the UN staff members. It was not difficult to trace out my records.

RJ: In terms of its significance for the UN, and for honest intellectual work by the UN, do you think it did have any significance?

SJP: Of course it must have had an influence. People were simply singled out on the basis of their genuine beliefs or academic analysis—leave alone political inclinations—rather than been selected on a mere merit basis. But as far as I am concerned, I always did my job as best as I could and did not think any restriction of any kind would prevent me to do so. But, indeed if there have been cases where people could not join the UN on this basis despite their merits, then this has been a great loss for the world community as well as a sort of political manipulation of the unique world forum.

RJ: Did you intend any action against the U.S. government?

SJP: Not as long as I was with the United Nations. After I retired, however, I asked one of the most renowned lawyers to take up my case.

RJ: What happened afterwards?

SJP: After I retired from the UN in 1984, I was invited by the World Institute for Development Economics Research (WIDER) in Helsinki. I wrote five volumes on

Technological Transformation in the Third World. Meanwhile, I had been invited to Puerto Rico as an advisor to the president's economic team. I went there and was stopped by the airport authorities. I was told that my American visa was not valid. The same restrictions to entry to the United States I referred to earlier were also applicable to Puerto Rico. In other words, I had a U.S. visa but which limited my visits strictly to New York and for a limited period of time. The Puerto Rican president had to intervene for me to be allowed on Puerto Rico's territory. After some years, the American ambassador to Canada called me in Halifax where I was teaching at the University of Saint Mary's. The ambassador informed me that I would be issued a U.S. visa but that it was still not completely cleared from restrictions. I categorically refused to take a visa that would still bear a restriction or another. Finally, after much legal arguments and battles, my lawyers succeeded and I was given a proper five years visa. In a way, it is a shame that I had to endure this restriction problem all the way through my UN career. This, in fact, was a factor in accepting [Gunnar] Myrdal's offer to join the Economic Commission for Europe (ECE) in 1956.

RJ: Yes, coming back to your UN career, how did you join the ECE?

SJP: After Gunnar Myrdal had become the executive director of the Economic Commission for Europe (ECE), he had come to New York in 1955. He invited me to join the ECE in Geneva. The ECE was planning a number of European economic surveys. I was indeed interested in the subject. Kalecki also agreed to release me. Kalecki knew that I was not very comfortable in New York mainly because of this visa problem. Moreover, the United Nations was going through an extremely difficult political period. I was therefore very happy with the prospect of going to Europe. But I was also worried about obtaining the permission of my transfer from the Secretary-General. Gunnar Myrdal reassured me instantly saying that Dag

Hammarskjöld had been his student. He would certainly respect Myrdal's choice of having me as a staff member of the ECE.

It was motivating to start working on new issues under the guidance of Gunnar Myrdal. Here was the third great economist in my life after Kuznets and Kalecki. What a great piece of luck! I worked in New York until early 1956. I joined the ECE immediately and enjoyed the work all along the next eight years, including one interesting return to the USA for three months in 1961.

I really enjoyed working in the ECE on new ideas, particularly on the patterns of consumption and expenditure in the European countries. And yet in the corridors of the ECE, as different European faces saw my presence, they wondered why I, a non-European, had been invited to the ECE. On a day-to-day basis, I did not pay any attention to the fact that I was distinctly different—albeit in color. But one afternoon as I strolled out of my office, one of my colleagues casually stopped me and said, “What are you doing here? Don't you think you should be in the Economic Commission for Asia and the Far East?” I thought he was arrogant and nonchalantly replied, “Considering the number of years, in fact centuries, that you Europeans have been in the Asian and other countries, my presence here is almost irrelevant.” No such incident ever occurred after that. At the time I was working on how to raise the poorer European economies to the level of the advanced industrial European countries.

RJ: Before taking up these issues, I wanted to know why you went to the UN in New York for three months in 1961.

SJP: I was invited to New York for a couple of months to participate in the first UN conference on the risks of nuclear devices and the prevention of nuclear conflicts. Sidney Dell and I helped compile all the proceedings of this important meeting. The meeting emphasized the

high risks of nuclear wars and pressed on the total abolition of nuclear conflicts. When I came back to Europe, the *Bulletin of Atomic Scientists* invited me to write an article on the subject. I wrote an article called “Economic Consequences of Disarmament,” which was published in 1962.

RJ: What were the main features of your work at the ECE?

SJP: I spent the first two years in getting familiarized with the European scenario. I originally worked on several general issues. After two years, however, I started working on an aspect of Europe that had never been analyzed in depth before. That was about the poorer countries in Europe. I suggested to Gunnar Myrdal that the peripheral zones of Europe—Turkey, Greece, Yugoslavia, the south of Italy, south of France, Spain, the south of Portugal, and Ireland—were amongst the poorest part of Western Europe and needed to be studied. Myrdal agreed for me to take up the issue. I picked up the subject and the final study was published in 1959-1960. The 1960 issue of the *Economic Survey of Europe* included about 110 pages on the subject.

The study was entitled “Development Problems in Southern Europe and Ireland.” This was the first time I had started reflecting on the causes and consequences of the disparity between nations that left some countries behind as compared to those which had come up. In Europe, it was so striking to see that countries which were geographically so close did not follow similar or reasonably close patterns of economic development. This theme has greatly influenced the rest of my career and work as an economist. I took this subject forward when I was at the Economic Commission for Africa (ECA), the Economic Commission for Asia (and the Far East), and the United Nations Conference for Trade and Development (UNCTAD).

RJ: Is it not that Gunnar Myrdal was particularly interested in the study of center and periphery relationships?

SJP: Yes, Myrdal was very much interested in that aspect and worked on it himself. He was therefore very satisfied with me sharing this interest and taking up the subject.

RJ: Looking at the Economic Commission for Europe as a whole, what do you think were its contributions over the period when you were there?

SJP: The ECE had done remarkable work. There were many separate studies. Some were on transport in Europe, others on trade, on currency, on the banking systems, et cetera. Secondly, there were the quarterly reports, each relating to the trends of economic affairs in Europe. And then there was the annual report, published for the yearly meeting of the European countries. In the early days, there was very little expertise or evaluation on Eastern Europe and the Soviet Union. When Michael Kaser from Oxford University joined the ECE, he made a major contribution to the understanding of the Soviet bloc. At that time, there was practically no literature emanating from East European countries and the USSR (Union of Soviet Socialist Republics). Michael's work did help very much in understanding the trends of the changes occurring in Eastern Europe and the USSR.

Without overemphasizing it, I also think that we made a very unique contribution to the European economic thinking when we undertook these studies on center-peripheral Europe as described above. Take some of the 1970s publications of the *Economic Bulletin for Europe*—for example, “Changing Comparative Advantages in Manufactured Exports From Southern Europe,” or “The Relative Performance of Southern European Exports of Manufactures to OECD Countries in the 1970s: An Analysis of Demand Factors and Competitiveness.” The ECE no longer considered only the Western and Eastern countries but also the “developing” countries of

the south of Europe. These issues were taken up right at the beginning of our work at the ECE in the 1950s.

RJ: Do you feel that you had been markedly influenced by the work you had done with Kalecki in New York?

SJP: Certainly, I learned a lot working with Kalecki. But, while working with Kalecki I was still a newcomer and my work was mainly on the *Economic Survey*. At the Economic Commission for Europe, I felt more confident and started taking new initiatives. I was more experienced and more familiar with the international economic scene. As I said earlier, Kuznets, Kalecki, and Myrdal were three great economists with whom I had the privilege to study and work. I learned a lot from them.

RJ: Can you tell us how the Gandhian philosophy and ideas affected your work in the UN?

SJP: Well, in my personal life and my philosophy of life, Gandhiji had surely put a seal on profound values that will forever be with me. But as far as my work at the UN was concerned, it is difficult to say. It is such a different context. Perhaps it is Gandhiji's unshakable commitment to people and their wellbeing that made me turn towards Marxism, that made me search and dig always for the best of what would serve peoples and nations, especially nations of the South. But I always felt that I was an independent thinker. I would not take things at face value and rather applied my own judgment and creativity. My personal inclination has always been to look at history in order to understand the present. I think that nothing really happens by chance. There is a historical process that explains today's situation and shows the way for a better tomorrow.

I had started writing very early. At the age of twenty years old, I had already written two books in my mother tongue, in Gujarati. My very first book was a translation from French of Jules Verne's *Ninety Days Around the World in a Balloon*. It was a real challenge. I dedicated that book to my youngest brother Vallabbhai, who was ten years old at the time. After that many of my articles were published. For example, in 1945, the *Indian Journal of Economics* carried my article titled "Effect of War-time Prices on Agricultural Indebtedness." In 1947, it also published "British Economic Thought and the Treatment of India as a Colony."

RJ: I understand that your doctorate, *Agricultural Laborers in Modern India and Pakistan*, was translated into Russian.

SJP: Yes, I was in New York at that time. Kalecki came back from Warsaw and handed me over something wrapped in a newspaper. When I opened it, to my great amazement, I recognized my book. Kalecki was amused. He advised me to write to the publishers very politely underlining that the proper procedure would have been to request my permission. I could then have re-written the preface, made improvements, et cetera. I wrote to them and also mentioned that generally the author should be given a financial contribution. I got a reply while I had already been posted to the ECE in Geneva. The Russian publisher awarded me \$2,000 and also invited me to tour the USSR with my family. We departed from Geneva in 1959 to Moscow, Leningrad, et cetera. We went up to Tashkent and back. It took us about three weeks. It was a fascinating journey.

RJ: Were you fluent in Russian?

SJP: Well, I could manage. I had some basic knowledge, and in 1957 I had followed a four months course organized by the United Nations.

RJ: Coming back to your UN carrier. From the ECE you went to the Economic Commission for Africa and the Economic Commission for Asia and the Far East before joining UNCTAD. Can you say a few words about these assignments?

SJP: At the end of 1961, my colleague and friend Arthur F. Ewing had joined the Economic Commission for Africa. I was deputed by the ECE and invited to join the ECA to form the first team in early 1962. There was a lot of work to be done. The Nigerian Ministry of Economic Affairs had thrown a tremendous challenge on the prospects of industrialization of Africa. We published a study in 1962 entitled *Industrial Growth in Africa*. The study was policy-oriented. It demonstrated the capability for industrialization and economic growth with a particular emphasis on the need for sub-regional cooperation.

I moved to Addis Ababa early 1963 with my companion, Krishna, and the three children. At one point, the government of the Republic of Congo requested me to prepare the outline of its development plan. At the beginning, there were practically no data available for us to work with. All I knew was that Congo's principal export was almost limited to bananas. That led me, in a steady and progressive manner, to learn in depth about the country's economy. I prepared an estimate on foreign trade, the country's GDP (gross domestic product), the structure of the country's economy and the possibility for future development. I soon realized with great enthusiasm that Zaire had an immense exportable hydroelectric capacity and wrote the *Inga Project*. I also found that Zaire had enormous resources and could be a model of development in the region.

From the ECA, I moved to the Economic Commission for Asia and the Far East (now Economic and Social Commission for Asia and the Pacific, ESCAP) and arrived in Bangkok in the mid-sixties. I had more time to reflect and write while in Bangkok. The "distance" and

“transition” principles had struck me as the most fascinating. I wrote several pieces. One was “Educational Distance Between Nations,” published in September 1965 in *The Indian Journal of Economics* journal. Thereafter I wrote, “Asia in the Changing World Economy,” which was published in the *Journal of Development Studies*, London, 1967.

All along I have also been fascinated by the potential of rivers and water resources. I realized that there had been substantive technical input on power generation, irrigation, and flood control but almost nothing resembling an economic analysis on the prospects of such resources used toward development. I then wrote a comprehensive economic analysis known as *The Lower Mekong Project*, which could have considerably benefited Thailand, Cambodia, Laos, and Vietnam.

RJ: You wrote the article “Economic Distance Between Nations: Its Origin, Measurement and Outlook,” which was published in the *Economic Journal* in March 1964. It seems to signal a turning point in the maturity of your economic reasoning. Could you comment on that?

SJP: Yes, the article was published in 1964, but the basic concepts that led to this article had been reflected in many of my personal and professional work before. The article analyzed the fast drive of economic development in the industrialized countries. It also applied rigorous arithmetic to comparative trends, which demonstrated that several countries of the Third World could theoretically but unequivocally reach a comparable level of development to that of the industrialized countries in a relatively short span of time. The merit of that piece is perhaps the fact that I had elaborated a method of measurement of the real distance separating the rich and the poor, not just the income gap. The methodology started from the real distance and then considered differences in the rates of economic growth between the North and the South. It put

historical data together and showed how the difference had come about. The study is an attempt to answer fundamental questions that are mentioned in the preamble of the article: When did the distance evolve? How long did the process take? How large is it? What are the dimensions of time and space that brought it about? Can it be bridged in the foreseeable future?

It has indeed been a landmark both in my career and in my personal reflection. For many years I consistently built on these fundamental principles. In 1995, with Krishna and my son, Mahesh, we published a book called *Development Distance Between Nations*. Apart from my articles, Krishna made an outstanding contribution with her chapter on “Gender Inequalities Among Countries,” and Mahesh with his chapter on “Reducing Social Distance Between Nations.”

RJ: Could you describe the thought process that brought you to these concepts?

SJP: I was thinking of economic development in the long-term—from before the industrial revolution, which really changed everything. In 1850, the world economic landscape was not especially characterized by peaks and valleys.

I started looking at India and the features of its trade between 1957-59. I argued that India’s trade, which had started from 10 percent to 12 percent of British imports after the Napoleonic wars, had fallen to practically 0.4 percent in the 1950s. I demonstrated how the regression had occurred and highlighted the difficulties India would have to face in improving its trade balance. The precise figures are available in the book. In the article, I have shown how the decline occurred.

RJ: And this article was published in the *Economic Journal*?

SJP: Yes. The article was called “Export Prospects and Economic Growth: India,” in the *Economic Journal* of September 1959.

RJ: Now, the question I was asking you was more optimistic. How did you come to the idea that it could be possible within a generation or so to narrow the economic distance between countries? The example you had given was how India's trade with England had slipped from the early nineteenth century to the post-Second World War period. What made you feel that one could suddenly have an optimistic reversal from this downward trend into upward trends in trade and economic expansion?

SJP: I started with the example of India, a terrain I was perhaps more acquainted with and certainly attached to. But I further expanded my reflection by comparing India's growth with that of the United States. It is not simply out of attachment that I chose these countries. I based my research first of all on the availability of statistics. Secondly, these two countries represent the complete opposite ends of the spectrum in terms of their economic landscape.

If you take the statistics at that time in terms of the "sacrosanct" per capita income, the difference between the United States and India was thirty-plus in favor of the United States. This comparison of per capita income brought me to reflect on the fact that there should be a critical evaluation of the notion of per capita income. If one is to have a clear idea of the *real* economic distance, one should establish a fair system of comparative references. In which case, since the dynamics of both economies differ widely, we must first analyze the data per sector.

At current exchange rates, agricultural output per head in the USA was four times higher than in India. But if the difference is expressed in terms of U.S. prices, then the ratio was only 2.2:1. So, while per capita income in the U.S. is thirty times higher than in India, agricultural output per head was only 2.2 times higher. Once the gap is measured in this way, at an annual per capita growth rate of 2 percent, agricultural output would reach current U.S. levels in only forty years. A higher growth rate would of course only shorten the time. These calculations

could be easily performed on a slide-rule, a fabulous tool for complex arithmetic that is sadly no longer much used.

Exploring further, at current exchange rates, industrial output in the U.S. was forty times higher than in India. But measured at comparable prices, the ratio would seem to be only twenty-five to thirty times higher. India would need roughly seventy years at a per capita growth rate of industrial output of 5 percent to reach the current per capita level of the U.S. At a growth rate of 7 percent, this would take only fifty years. Although the gap is very big, these rates of growth for industrial output are not very unusual. In recent years, many countries have attained and maintained them for several decades.

This analysis can be applied to total commodity output. And of course the actual volume of services provided by a schoolteacher and a barber are not that much different in these countries. Thus, the time required for a transition from abject poverty to relative affluence are not that forbidding. It could be achieved in the lifetime of an adult.

Japan is a striking example that can illustrate my point. Now I can only add that what succeeded in my thinking was not only India. I applied this method to the whole of East Asia as well. In East Asia, Japan caught up with the U.S. from nowhere through a sustained 10 percent rate of growth. Saburo Okito had put forward the thought in the fifty- to sixty-page Imperial Plan during the war, aiming at doubling the national output of Japan in ten years. They did that doubling for catching up three times over. In the next ten years, they doubled again and in the next decade once more. That amounts to a twelve-fold increase in thirty years.

Now, I had not thought in these terms at that time, but I had looked at the simple mathematical calculation that if you start with 2 percent, 3 percent, 4, 5, 7, and up to 10 percent,

what will happen and how it will go. I had always hoped that India would do it. It is in this spirit that I wrote *The India We Want*. This book gives an account of all these calculations.

In fact, apart from Japan, it was the “Little Tigers” that achieved this transition, due to a variety of factors such as policies on the economy, health and, importantly, education. And, in terms of population, these “Little Tigers” are not so little. Their development was a major achievement. They used to be counted as part of the development problem. Now they are considered as competitors in the global economy.

In my opinion, in the *Human Development Report* you use the same purchasing power parity (PPP) calculation. I had established this PPP for India and the United States as early as in 1959.

RJ: But I want to press you more. You still believed in an optimistic potential for India in the global situation of the 1950s, when the trends had been the reverse and this was before India’s post-independence actual surge of growth. There were ambitions. There were [Prasanta Chandra] Mahalanobis and Pitambar Pant in the Planning Commission, aiming for higher growth in India.

SJP: They had basically done well. In the third plan of India, the rate of growth was already 5.5 to 6 percent. But after Nehru’s death, Mahalanobis did not stay at the Planning Commission. There were a lot of political and economic uncertainties during the years that followed, even under Indira Gandhi.

RJ: Now, I am still trying to find out why, while working at the ECE, did you have these very optimistic ideas?

SJP: As you remember, while at the ECE, I researched and reflected on the causes for the disparity existing between the European advanced countries and the left-behind economies in

Europe. I expanded my thinking at a worldwide scale. Naturally, I first looked at the situation in India, not only because this is my country, but also because, as a developing country, it has an immense potential. I was full of hope that it could do well. That was how I thought that, first of all, one needed to be pragmatic and bring sheer hope down to economic calculations.

My essential question was that if the per capita in the United States was thirty times higher than in India, how long would India take to catch up? I evaluated commodities and what I called the service sector size in pure economic terms without looking at other factors like the political context, et cetera.

RJ: But here you were working in the ECE on center-periphery relationships. You were working alongside Gunnar Myrdal, who had written this great book, *The Asian Drama*. Was he not talking about the problems faced by countries which needed to catch up? Your writings were in this context, isn't it?

SJP: To be precise, when Myrdal wrote his book, he had already left the ECE. He had gone to India. His wife, Alva Myrdal, had become an ambassador there. Alva had been awarded the Nobel Prize for her work on disarmament, and Gunnar had written *The Asian Drama*. I am not sure that I was in complete agreement with Gunnar's perceptions and analysis. For example, even in the subtitle Gunnar referred to "the poverty of nations," in contrast with, for example, Adam Smith's school of thought, which believed in the "wealth of nations."

RJ: Did you continue your work on center-periphery after Myrdal left the ECE?

SJP: Yes. There I realized that the gap between the advanced European countries and the periphery was not as wide as the gap that existed between the South countries and the industrialized world. So I dared challenging the European countries for leveling their rate of

growth more rapidly. I wrote a good two chapters on these ideas in the commission's annual report.

RJ: Now, from today's perspective. We have seen that the gap in per capita terms between the richest fifth and poorest fifth in the world had gone from 30 to 1 in 1960 to 60 to 1 in 1990. The latest *Human Development Report* even gives a figure of 74 to 1. What is your reaction?

SJP: I do not think that we can club all the developing countries together. There are different models followed by the South countries. For example, the achievements of East Asia are distinctly different than those of other developing countries. Take Korea, for example. Though Korea hated Japan as an imperialist power, it borrowed Japan's model of central economic planning. Korea took its own time to catch up, but it eventually did. Japan led the countries of East Asia on a flying geese pattern, whereas India inherited and followed the British model. Also take China, Taiwan, Hong Kong, Singapore, Malaysia and, a little later, Indonesia—here we are talking of around 1.7 billion people. That comes to almost a third of the population of all the developing countries combined. On the other hand, there are the “in-between economies” where we could look at countries like India and Pakistan.

There are also those, like the African countries, which have not particularly done well. Today, African countries are often blamed for their mis-governance. This may be a factor affecting the economic development in Africa, but I think we should not neglect the fact that in the 1960s when African countries gained their independence, the global economic context was completely different than in the earlier decades.

Then there are the oil-producing countries, which would fall in a third category. These distinctions are studied in depth in the five volumes I wrote on *Technological Transformation in the Third World*. To my knowledge, no other in-depth research has been done on this basis.

RJ: In the *Human Development Report*, we have somehow done a similar classification of the Third World countries in three categories. One of the questions, however, with respect to each of these parts and their different performance is essentially the problem of national policy. While the East Asian countries had done pretty well, to what extent do you think the failures in Africa are almost entirely due to the failures of domestic policy? Or to what extent do you link up some of the failures to the global economic trends and system?

SJP: Well, first, postcolonial Africa has seen the emergence of countries that from the start faced both internal and external problems. The legacy of colonialism has been very hard on African countries. Remember that, at the time, Arthur Ewing, Dudley Seers, and I were together in Africa. From a strict economic point of view, we had pointed at possible ways for the African countries to overcome their difficulties pretty fast. On the background of our analysis, we had based our recommendations on principles of conscious industrial development with emphasis on intermediate and capital goods. We thought that sub-regional cooperation was also needed. We had argued at that time that within forty to fifty years, it was feasible that more than half the gap between the African countries and the industrialized world could be eliminated. But we were wrong to be so optimistic.

After I left the ECA, I did not closely follow the developments, but I believe that most African countries are still faced with a number of conflicts both on the domestic front as well as with their prior colonial masters. Even Ghana, which was pretty well off, could not maintain its pace of development.

RJ: Did you join the ECA under Robert Gardiner?

SJP: No. I was at the ECE and was asked to help build up a team and guideline policies for the ECA. Arthur Ewing was in charge at the time. Robert Gardiner, who had been in Congo, came later as the executive secretary. Dudley Seers came from Chile, where he was at the Economic Commission for Latin America. So, for some time, I combined both assignments with the ECE and the ECA. This was in 1962, and in early 1963, when the Organization of African Unity was established.

RJ: Before we get on to the substance, tell me a wee bit about who do you think were the big characters, the leading thinkers in the Economic Commission for Africa, and also what was your impression about Robert Gardiner's leadership.

SJP: I am not very sure about Robert Gardiner. I think that Dudley and I saw things slightly differently. Hans Singer thought that Gardiner did quite a good job. I only worked with him for two years. I felt that he did not give enough guidance to his staff. Personally, I did not have much to complain about. He did not put any restriction on my work. But, somehow, I felt that he did not inspire our team, make it more dynamic, more enterprising. He did not call in people and say this is how we will do this or that; this is what we should look at. I didn't perceive much enthusiasm in his approach.

RJ: Did he at least show intellectual courage in his leadership, or was there nothing much coming out from the ECA that would have required being courageous about?

SJP: Africa was and remains a challenge, especially in those years. I believe that we could really have made a difference. The ECA was a new set-up, so in fact the ECA was to become what we would have made of it. Dudley, Arthur, and I took our assignments very seriously. We were also full of ideas. Apart from the three of us, the other staff members did

not have the experience and maturity we had. I think we had a vision of pragmatic measures that could have helped the African countries, but Gardiner did not encourage such initiatives. He did not consult us or say anything bad or good, no matter what. That is all I replied to Hans Singer when he had asked my opinion about Robert. I had only been there for two years. So I felt that I was not the right person to be asked for such comments.

RJ: Tell me about some of the other giant thinkers.

SJP: Dudley Seers was there. Arthur Ewing was there in a different manner. Arthur was a sober, solid man and took deep interest in the direction Africa should go. He worked on a whole variety of things. We were on the same wavelength. After he retired, Arthur worked with me in UNCTAD for five years. Afterwards, I have a feeling he took a different path. I think you also had mentioned that you did not quite like his book.

RJ: That's right. What about Hans Singer?

SJP: Singer did not stay there. But he did come off and on. I liked him very much and also appreciated him intellectually. I had known him from the time I was New York, and I also interacted with him in Europe.

RJ: What did you think of some of the leading African economists, like J.H. Mensa of Ghana or Philip Ndegwa of Kenya?

SJP: Mensa did not stay long at the ECA. He left after one year, having been appointed minister of planning in his country.

RJ: How do you remember him?

SJP: I did not work closely with Mensa. He was in Arthur's unit. I and Dudley were together. I appreciated him very much though. He was bright. I also met him when I went to

Ghana in 1963 and 1964. I visited many countries of Africa, but I took a particular interest in Ghana. Mensa was highly respected in his country.

RJ: What about Philip Ndegwa? Did he work with the Economic Commission?

SJP: Philip Ndegwa was in touch with the ECA, but he did not work with us on a regular basis.

RJ: I remembered him because he was in Makerere in Uganda at that time. Coming back to the *Economic Survey for Africa*, it was the first major production of the Economic Commission for Africa. You had been working on the European surveys as well as on the *World Economic Survey*. Did you think this survey of Africa was path-breaking?

SJP: I do not think there was anything wrong with the survey. Moreover, if the African countries had been given the necessary support from the West and if the natural resources available in African countries had been exploited with appropriate technologies, industrial knowledge and political leadership were adequate, then Africa could have moved forward significantly. Unfortunately, many African countries got caught in the political games of the Cold War and their development got held up. In retrospect, I would say that if we did not get on the right track at the ECA, our optimism was to be blamed. We may have been too optimistic in our thinking and planning. We thought that so much could be done, even more in Africa than perhaps in Asia or in other parts of the world. Today, it is clear that with roughly the same potential some countries made it and some did not. Most of the African countries have undoubtedly stayed way behind.

RJ: While working at the ECA, were there any particular points of analysis which you thought were interesting? For example, I remember Dudley Seers talking to me about his visit to South Africa where he was trying to find out about the political situation and its economic

components. Though the politics of apartheid were horrifying in human terms, the economy of apartheid was intellectually fascinating. In narrow economic terms as a case study of an aberration, it was very interesting. In fact I remember Dudley Seers saying. “Oh Richard, you must go. It is as interesting as the Cuban economy.” Do you have any comment on the South African component at the time?

SJP: There are two things here. The first point you raise in terms of analysis, I did not think that there were very salient points arising from the work we did at the ECA. At that time, we concentrated purely on economics, with little creativity and a relatively narrow orientation towards which type of industries should be established. The second point you raised was about my reflection on South Africa’s apartheid economy. I was very little in touch with this problem. The only thorough study I made was on Congo, where I was called there in order to give my opinion on the country’s opportunities for its economic development. I spent quite some time in Congo. I was invited to prepare an economic plan, which I wrote in English but it was translated and published in French for the official record. It is called, “Données Générales pour le Premier Plan Quinquennal de la République du Congo (1965-1969), Rapport Patel”—at the Ministère du Plan et du Développement Industriel, République du Congo. For the anecdote, I remember saying that one could grow gold in Congo considering its enormous natural resources.

RJ: Was it Patrice Lumumba who requested you to do this study?

SJP: Yes, and though Lumumba got killed after Congo’s independence, I was in Congo for a good four months. I started by writing an outline on the economic potential. In the report that followed I still distinctly remember two major points which I had underlined. One was that in the whole of Africa there are no comparable resources and such an enormous energy potential as there were in Congo. Congo is watered by five rivers, which come like five fingers. What I

unveiled in this report is that if one envisaged the construction of eight big dams, the total electricity that could be generated from these rivers on a distance of 100 to 120 kilometers would be equal to the total energy production of the entire West Africa.

The second aspect of my report pointed at the immense natural resources of Congo. The forests, for example, could supply the needs of most of the world industries relying on wood. With the type of climate in Congo, the forests also had the capacity to regenerate very fast. So the wood you had cut would grow up again in twenty to thirty years. With careful planning, one could really exploit these resources. Not to mention the diamonds, the copper, mineral resources, cotton, coal, et cetera, which were in plenty in Congo. Of course, most of these resources had already been exploited by the colonial powers. And I did not look into the political question of how these resources were managed post-independence.

RJ: One might say that you were not very sensitive to the complexities of environment. When all the trees are cut, you do not get the same sort of trees re-growing and indeed, in the way that much timber had been cut, you would not get the replanting that is implied by that vision. Do you think, in retrospect, you were enormously downplaying the environmental issues?

SJP: Perhaps. But one can also think about it differently. When a tree has been cut and the roots have not been taken out, there is always a point where the tree can grow again. So you can very well cut a tree and it keeps growing. I had learned a lot with my father. I told you earlier that he had given up higher studies to dedicate his life to farming and forestry. I have seen how the trees grow. If you cut the tree a foot or two from the ground, there is always a point where the tree grows up again. One also has to trust and rely on indigenous knowledge. People are traditionally very skillful in preserving their environment.

RJ: But if one thinks of development, one would also note that there were hardly seventeen graduates at the time of independence and the literacy rate was very low.

SJP: You are certainly right, literacy and formal education was and is extremely important. But, what I actually mean is that informal education or indigenous knowledge should not be disregarded. Traditional societies have developed such a relation with their environment that it is extremely important to take their knowledge into consideration while assessing and elaborating development programs. Generally in former colonies, perhaps more in Africa than elsewhere, the drama is that people's knowledge-basis has been destroyed.

RJ: Coming back to the Economic Commission for Africa, do you think in retrospect that the ECA was too narrowly economic, too narrowly focused on a conventional view of resource inputs, and far too neglectful of the human capital, let alone of organizations?

SJP: Or even just simple physical capital. I mean forests, all their water, all their wonderful trees, teas, and coffee, and cocoa, all these resources were there. They could have got a lot more output in relation to their income. For example, if we compare it to India at that time, they were far better off in terms of exports. India's exports had fallen to 4 to 5 percent of the national output, whereas both French and English-speaking Africa were still exporting quite a lot.

RJ: Is there anything else we should mention about the Economic Commission for Africa? Perhaps I might press you just to put on tape the story you were giving me the other night about Barbara Castle's visit to Addis Ababa. A number of the core ideas for founding the Institute of Development Studies in Sussex were formulated, weren't they?

SJP: Yes. It all started with the visit of Barbara Castle to Addis. Arthur Ewing and Dudley Seers introduced Barbara to me. I had heard about her but had never met her. Dudley

said the reason why Harold Wilson had sent Barbara to Addis was that the Labour Party was expected to win the forthcoming elections in the UK. Moreover, Barbara had some things in mind, which she wanted to discuss with us.

The question then arose as to where the meeting should take place. It was finally decided that they all should come to my place so that Krishna could also participate in the discussions. If the Labour Party won the elections, Barbara had offered Dudley Seers an important position in the government. Dudley was interested in that offer. But, in the course of the evening, Dudley suggested quite reasonably that supposing that the Labour Party only stayed in power for a four years term, he would have left his post with the UN. What would he do next? He then made a suggestion that there could be a long-term project such as the creation of a development institute in England. The whole project was discussed in depth on the basis that the main feature of the institute would be to offer training in development studies to students from Third World countries. It was also suggested that the government should devote the needed resources to the creation and sustaining of the institute. The idea of such an institute was the first of its kind at that time.

Barbara also mentioned that we could think about Hans Singer. I think she had already talked to Hans. He got involved in the project from the very beginning. I was also invited to join the institute. I agreed to devote time to the institute after I would retire from the UN. I still vividly remember the wonderful time we had that evening. We were all very enthusiastic about that project and anxiously waited to see it materialize.

RJ: Wonderful! I suggest we now move to UNCTAD. How did you join UNCTAD?

SJP: After completing my term at the ECA in Africa, I was invited to the Economic Commission for Asia and the Far East in Bangkok. After a few months, I received a letter from

[Wladek] Malinowski inviting me to join the United Nations Conference on Trade and Development. Raúl Prebisch, who had been appointed secretary-general of the newly formed UNCTAD in 1964, had suggested my name. Arthur Ewing and others also might have told Prebisch that it would be useful to invite me. I immediately accepted. I was delighted. After a three months windup in Bangkok, I came to Geneva to join UNCTAD in 1967.

RJ: You spent a number of years in UNCTAD. Looking back, what do you think were UNCTAD's major ambitions at the time?

SJP: In its early days, UNCTAD focused primarily on commodities, trade in manufactures, money and finance. Raúl Prebisch did a great job as UNCTAD's first secretary-general, but I worked with him for two years only. [Manuel] Perez-Guerrero, from Venezuela, succeeded him in the 1960s, till around 1974, and then Gamani Corea was appointed secretary-general. During Gamani's term as secretary-general of UNCTAD, a large number of issues gathered momentum.

I had participated in UNCTAD II in India in 1968. At the time, the question of science and technology had been raised. Government policies in India were certainly technology-oriented. But many things had been taking place simultaneously. For example, Brazil had tabled a resolution at the UN as early as 1961 and that was discussed in 1962 and 1963. The resolution was asking the United Nations Secretary-General to consult with member countries in view of organizing an international conference. The Brazilian resolution specifically pointed at the need to examine the strengths and weaknesses of the existing patent laws in order to accelerate the process of development of the South countries. At the second session of UNCTAD, India, too, had suggested that developing countries urgently needed assistance in order to acquire needed technologies at an affordable price.

The Secretary-General at that time did not give it high priority. So, it took time to negotiate and all the technology issues only emerged from the early 1970s onwards. Chile was another very active country on the subject of transfer of technology. UNCTAD III was held in Chile in 1972. Chile's president, Dr. [Salvador] Allende, and his government were very supportive. They had built new premises for the UNCTAD conference and had provided all the facilities and support staff.

At the UN, it was Prebisch and Malinowski who had initiated the creation of a technology department within UNCTAD. Wladek Malinowski was a man of integrity and vision. I think that he made immense contributions to the UN system, including the fact that he had been an architect of UNCTAD's policies. In his overall assessment, the technology division in UNCTAD was essential. Till then, all issues related to technology were neither raised in development strategies, nor were they at the central stage of a debate in international economics.

RJ: Tell me more about Malinowski.

SJP: Malinowski had been under-secretary-general of the UN in charge of economic and social affairs. By the time I joined UNCTAD, he had become an advisor to the Secretary-General. He had previously worked a lot on sea traffic regulations, the importance of shipping policies, and related labor laws. Interestingly, it was also at UNCTAD III—Chile 1972—that all issues related to sea transportation, trade and commerce were recognized as crucially important to the poor countries.

As I told you, it was originally Malinowski's idea to create a technology department at UNCTAD. When I was asked to head the UNCTAD technology department I was quite surprised. I told Prebisch that I knew very little about technology. How could I head a technology department? Raúl smiled at me and said that the question of whether I knew or not

was irrelevant. Moreover, as an outcome of UNCTAD II in India, ten pages of UNCTAD's report were devoted to science and technology. That had highlighted the pressing need to take up the subject. Prebisch reassured me and drew my attention to the fact that it was not a question of having technical knowledge per se and remarked that I should rather consider the economic implications related to transfer of technology and access to technological knowledge. I realized that the subject of technology was essential to the developing countries. So, I embraced my work with great conviction and enthusiasm.

I started with a detailed study on the industrial property system, as a basis for the revision of the Paris Convention. Of course, this subject was handled by the World Intellectual Property Organization (WIPO). But UNCTAD's study was essential in giving guidelines to the developing countries' position. I have commented on that work in two of my articles: "The Patent System and the Third World" and "Trademarks and the Third World," published in *World Development* respectively in September 1974 and July 1979.

RJ: Tell me more about Chile, 1972.

SJP: That was UNCTAD III. In that conference, as the head of UNCTAD's technology department, I was in a unique negotiating position with respect to all issues related to technology. What was achieved in Chile 1972 was a culmination of several events.

In the early 1960s, after the wave of decolonization, two new entities were born: the Group of 77 (G-77) and UNCTAD at the UN. In its early phase, UNCTAD had already started working on the question of intellectual property rights (IPRs) under resolution 48 (VII), which was followed by three other resolutions: resolution 62 (IX) on September 1969; resolution 74 (X) on September 1970; UNCTAD conference and resolution 39 (III) on May 16, 1972 at Santiago de Chile. This last resolution recommended an examination of the effects of patents on

the developing countries, which was to be carried out jointly by UNCTAD, the United Nations Secretariat, and the World Intellectual Property Organization.

In Chile, one of the very important issues that was also taken up was after Perez-Guerrero had asked Venezuela to draft a document on the rights and obligations of states. In addition, I proposed three things, amongst which was the drafting of a Code of Conduct on Transfer of Technology. I was convinced that there should be a regulating code facilitating the transfer and access to technology for Third World countries.

With Amartya Sen, Charles Cooper, Frances Stewart, and K.K. Subrahmaniam, we were the first to analyze the way in which transfer of technology to developing countries was actually taking place. Of course we came across the predominant role played by multinational corporations.

We published a study entitled “Guidelines for the Study of the Transfer of Technology to Developing Countries.” Through that study we demonstrated that there was a need for the formulation of a reliable universal code facilitating the access to technology by developing countries. We were naturally re-questioning the entire licensing system. We put all the proposals saying, number one, that there must be a way in which transfer of technology can be placed into some kind of a reliable system in which the developing countries could gain access to it rather than licensing. Secondly, we looked at the issue of intellectual property rights. The World Intellectual Property Organization had not done very much on the issue. I therefore studied the issue and concluded that IPRs were not appropriate. So one of the issues I raised at UNCTAD III were related to IPRs, urging member states to take appropriate measures.

The concept of least developed countries (LDCs) was also formulated at UNCTAD III. It took a few more years to formulate trade policies and international aid programs for LDCs. It

was from 1972 onwards that UNCTAD set up a unit devoted to assist LDCs in their negotiations. This provoked both good and bad results. One of the problems that emerged was that it divided the developing countries' stand. In my opinion it was nonetheless important to pay special attention to LDCs.

On the other hand, in New York, Sidney Dell, Farley, Briggs, Arguelles, Arsenis, and others formed a very good team. They were pressing on the IMF (International Monetary Fund) and the World Bank to formulate sustainable development policies. They were working basically on finance, pressing on the World Bank and the IMF, for example, to create a new international type of currency or a unit or something which could be much more useful to the developing countries. But none of these actually worked.

RJ: These were the special drawing rights (SDRs)?

SJP: Yes, SDRs. These were introduced on a short scale here and there, but they did not bring about any basic change in the system. Sidney Dell unfortunately died quite early after he retired and could not continue his work.

RJ: Tell me a little bit more about your approach to the intellectual property rights and how did it contrast with WIPO's policies?

SJP: Well, WIPO had become a relatively powerful organization. At first it was dominated by the developed countries. But in the 1970s, a number of developing countries had joined WIPO.

Bosch, a Hungarian, was WIPO's director-general. I worked quite a lot with Bosch. I wrote a paper on the proposed changes to the Paris Convention. It was a sharp paper. Before its publication the language was made much softer. I said that the obviously outdated Paris Convention needed to be revised with more flexibility. You see, the context was completely

different. In the 1970s, negotiations were carried out by ten times more governments, representing twenty-five times more people than at the Paris Convention in 1883. The combined research, development, and technological personnel of all these countries was many times larger and their R&D (research and development) expenditures many times greater.

In this field, it is interesting to note that India had set up committees for revising the existing patent laws which had been enacted by the British in 1911. The first Patents Inquiry Committee (1948-1950) was appointed under the leadership of Shri Bakshi Tek Chand. It was followed by the Ayyangar Committee (1959). The Joint Committee of the Patents was established in 1965. The next one was more specific in its title and mandate. It was named the Joint Committee on the Patent Bill (1967), which finally led to the new independent Patent Laws of India adopted by the Parliament in 1970.

The Indian Patent Laws became very inspiring for developing countries, especially countries of Latin America. Argentina revised its patent laws on the Indian model in 1971. Mexico and Brazil did the same in 1972. The legal spread of Indian laws was spectacular.

RJ: What were the highlights of the Indian patent laws?

SJP: I can cite at least six aspects of relevance: 1. The introduction of national objectives instead of imperial ones; 2. Patents to be granted for national use for production at home, and not for import monopolies; 3. The introduction of compulsory licenses and also a novel system of licensing rights; 4. The exclusion of various items from being patented, e.g., in the fields of agriculture, food, medicines, chemical products, atomic energy, and others. Only processes—but not products—were to be patented in the chemical sector and that, too, for a limited period; 5. The reduction of the duration of patents; 6. Finally, the progressive registration fees for patents in relation to their economic importance.

After I negotiated with the governments of Mexico, Brazil, and Argentina for their adoption of national patent laws, which were inspired by the Indian model, a consensus amongst developing countries could be built.

RJ: Could you comment a little more on the negotiation of the code, starting in 1972, and the next steps that were taken?

SJP: Let me first recall the historical context. If you talk about modern history, technological knowledge and advance, as an engine of rapid economic growth, had started with the creation of the steam engine in 1776. It was between 1850 and 1875 that the industrial application of technological innovations became more widespread and penetrated the production processes leading to an increase of the real per capita output of the currently developed countries by about twelve times in a short span of time. All this growth was dependent on industrial production processes. Once these processes were patented, it became very difficult, or at least very expensive, for other countries to follow the same paths.

In the post-Cold War era, particularly from 1950 to 1975, there was a change in the international scenario, principally with the independence movements resulting in the creation of a large number of countries that became members of the United Nations. These new countries were less developed and owned no patents.

Transnational corporations were concerned to establish worldwide recognition of developed country patents to protect their interests. James Enyart was director of international affairs of Monsanto Agricultural Company in the U.S. Monsanto built a coalition of key companies, including Pfizer, FMC, IBM, Dupont. This lobby aimed to create an enforceable minimum standard for protecting intellectual property. Lobbyists convinced their governments to develop the GATT (General Agreement on Tariffs and Trade) Code on Intellectual Property.

These laws were heavily slanted in favor of industrialized countries and have to this day continued to inhibit the industrial development of the South.

It is in this way that all the efforts made to develop a Code on Intellectual Property Rights that protected the South were slaughtered by a group of powerful corporations. Even after I left the UN, there was little headway.

RJ: Would you like to comment on your work on the “brain drain?”

SJP: In UNCTAD we called it “reverse transfer of technology.” We did a lot of research and evaluated the human factor in technology. It is all based on the principle that when companies in developed countries recruit highly trained professionals from developing countries, this results in a brain drain for the developing world. Ultimately, it becomes an added value for the developed economies. We monitored that phenomenon and estimated its economic value. Jagdish Bhagwati and Amartya Sen, both from Harvard University, joined me in this research.

RJ: How did you calculate this?

SJP: We calculated how many people went to England, how many went to America, and other countries. We calculated their annual income over a lifetime period, how much they would earn, et cetera. Ultimately, we quantified their economic value and estimated that in an overall balance this human potential was coming to nearly 40 percent of the debt of all developing countries combined.

RJ: How were you proposing that compensation to be paid?

SJP: We thought it could be counted against the debt of the poor countries, particularly the LDCs. The argument actually came from the developing countries themselves, which felt that some countries’ debt should be looked at in priority. We made that proposal because we

were almost certain that their debt will never be discounted or written off. Therefore, if this human potential could be taken into account, it could help them.

RJ: What happened to that process?

SJP: We did quite a lot of work on that subject but after I retired in 1984, no one followed it up. In a final analysis, none of these inputs really made their way. The forces in play were too uneven. For example, at the last session that I officially attended in 1984, nine points of the Charter on IPRs and amendments to the Paris Convention were agreed upon between WIPO and UNCTAD. Bosch was representing WIPO and I was there on behalf of UNCTAD. Post 1984, I noted that all these issues got diluted. The UN itself was slowly weakening in many ways.

RJ: To what extent did you feel that there were pressures on the secretariat staff, either to be more cautious, or perhaps more ambitious, in terms of the analysis and the conclusions you were reaching?

SJP: Up to the early 1980s, there was certainly a great deal of enthusiasm. We had ambitious and daring programs. There was also a very substantial input made into our work by the developing countries themselves—from Latin America, Asia, and Africa. A lot of material was prepared on technology. The change came about in a fairly radical manner when the corporate sector stepped in. Furthermore, the concept of a new organization was shaping up and a lot of energies got diverted towards new arrangements with GATT. GATT took up the issue of technology at the very beginning of the Uruguay Round.

In the Uruguay Round negotiations, which would ultimately lead to the creation of WTO (World Trade Organization), the issue of technology was integrated into the debates on agriculture, services, investment, intellectual property rights, et cetera. They were also taken up

by the Monsanto group, which was leading the entire corporate sector from Japan to the United States. That lobby, as I mentioned before, may have acted behind the scene as well. That made it very difficult for any further progress thereafter.

RJ: But what about the way these pressures operated? Were you conscious of people taking political positions or national bloc positions and trying to steer the discussion in a different way?

SJP: It was not immediately clear to us. Until the last minute we were calling representatives from all over the world to attend the conference in Geneva. We generally had a good response. But, at the conference itself, while negotiating clause by clause, we realized that there was a very strong resistance from the bloc of western countries. We were not clear if it was straightforward government policies or if governments were influenced by some powerful lobbies. One thing was certain, they would definitely not let the process move forward.

RJ: What about the developing countries, did they cooperate with UNCTAD?

SJP: Very much so. In the early days, until the 1986 Uruguay Round, UNCTAD had complete access and high-level cooperation with the developing countries and the G-77. UNCTAD was officially invited to their meetings and we would reciprocate. The G-77 was even in favour of making UNCTAD a permanent UN agency. But, there was strong resistance against it and it never came through. UNCTAD is still called the UN *Conference* (emphasis added) on Trade and Development. On the other hand, the United Nations Industrial Development Organization was made into an organization. Today UNCTAD cannot even formally participate in the G-77 meetings.

RJ: Would you say that UNCTAD gradually lost strength, and what would you attribute it to?

SJP: Step by step, everything that UNCTAD was discussing got taken over by the GATT. The real problem for UNCTAD arose when the Uruguay Round negotiations began in 1986. Earlier, GATT never had the mandate to discuss issues pertaining to investments, intellectual property rights, agriculture, et cetera. Their mandate was to calculate income from trade. They would evaluate how income went up and down over time. Some people used to laugh as they were cynical about the usefulness of GATT's work.

But, before the Uruguay Round, the developed countries developed a common strategy. The aim was to broaden the mandate of the GATT. The developing countries started opposing this in a very concrete fashion. Three ambassadors were the key players: Rubens Ricupero, who is now the secretary-general of UNCTAD from Brazil; S.P. Shukla from India; and Amir Jamal from Tanzania. They stood as tall leaders on behalf of the G-77. If you note, they also represented three continents: Latin America, Asia, and Africa.

RJ: Was that in the 1980s?

SJP: Actually during the Uruguay Round in 1986. At that time, the United States and the western bloc started scoring points and put immense pressure on the developing countries. The latter did not really succumb to that pressure until the Montreal mid-term meeting in 1988. But the pressure finally worked. Ricupero was called back by his government. Shukla was called back to India. And [Julius] Nyerere! Well nobody could tell Nyerere to call Amir Jamal back! Unfortunately, Amir Jamal was ill and in another year and a half or two he died.

RJ: Now, what I saw was going on in the 1980s were several things. First, of course, there was the [Margaret] Thatcher election, [Ronald] Reagan coming to power, and both together, in different ways, introducing a strong ideological pressure in favor of free markets economy, privatization, and so forth.

SJP: You are right. Nonetheless, this had started even earlier, in the 1970s, when the OPEC (Organization of Petroleum Exporting Countries) was formed. Petroleum prices had risen and so did interest rates, which went up to nearly 21 percent. All this happened before the Uruguay Round negotiations. The Uruguay Round brought the issues to a peak.

In the 1980s, there were simultaneous processes taking place. The debt that the developing countries had contracted as a result of the recycling of petrodollars made those countries weak in a political and a negotiating sense.

Simultaneously, the IMF was arguing the case of orthodox finance and the need for economies to rein in their expenditure and growth so they could repay their debt. All of this came together as the second big force of the 1980s, an emphasis on orthodox economic adjustment. As a result, the countries' national policies in other areas changed as well. This was all part of the pressure of the adjustment processes.

Thirdly, in terms of international politics, there was the 1974 resolution passed at the UN General Assembly (GA) on the New International Economic Order (NIEO). NIEO was born from a consensus of the developing countries at the GA. It was indeed a great achievement. As a historic event, the NIEO aimed at eliminating the widening gap between the developed and the developing worlds. The western countries resented that new philosophy. They made that abundantly clear to the developing countries, which ultimately had to compromise.

At UNCTAD, we were at the heart of the debate. The UNCTAD secretariat was not formally invited to participate in the negotiations by GATT. But the developing countries invited us to attend the negotiations. Simultaneously, there were discussions on problems relating to commodity prices almost along the lines suggested by Keynes in the 1930s.

RJ: Were these discussions related to the Common Fund and other commodity agreements?

JP: Right, in the earlier phase. But afterwards, it all came to a standstill. All in all, about five or six issues were being negotiated in UNCTAD. From the 1980s onwards, some of the developing countries started experiencing severe debt crises. The high levels of debt combined with rising interest rates made it impossible for these countries to honor their repayment commitments. Countries, particularly from Africa, started getting divided. The others followed suit, including the OPEC. The East Asians moved towards Japan because of increased trade relations with Japan. All these factors significantly weakened the G-77.

RJ: Was this responsible for the changed position of the developing countries at the Uruguay Round negotiations?

SJP: Yes, and the most striking effects were felt when the ambassadors were called back, as I mentioned earlier. Shukla being back in India, someone else was sent to attend the meeting in Geneva. He traveled via Washington. This created quite a lot of suspicion as to what was going on. It had become a mystery. The Indian media commented on the Indian position quite strongly.

RJ: Which year was that?

SJP: This was in 1989. After the Montreal meeting, the United States proposed to have further consultations and insisted that no decision should be taken in a hurry. India supported this position.

RJ: Coming back to UNCTAD, there are people who say that all the real intellectual work was done in the 1960s and 1970s and that in the 1980s there was very little intellectual originality. Do you think that it is too harsh of a statement?

SJP: It is true that there were many more opportunities for us to elaborate plans and strategies in the 1960s and 1970s. We could then develop a more creative approach to the work at UNCTAD. On the other hand, I feel that there should have been a continuity of the programs launched in those years. There is no point constantly innovating without being able to implement. A major quality loss perhaps is that, as I mentioned earlier, in its early days up to the eighties, UNCTAD worked in close cooperation with the developing countries. This cooperation had weakened, mainly due to the split within G-77.

I am not sure whether one can say that we were no longer innovative. There was a great sense of direction and commitment at UNCTAD in those days. But, there was also a lot going on. The conference and the negotiations would monopolize almost 60 percent of the year. Most of our staff was absorbed in this process. On the other hand, there were programs and processes that were going on. For example, in the area of pharmaceuticals we were engaged in an ongoing process with WIPO.

RJ: What were you standing for?

SJP: We held the view that intellectual property rights should be kept at a very low level so that the purchasing prices would remain affordable. You can compare the prices of pharmaceuticals in a country with low IPR standards, like India, with those in a country with high IPR standards, like the United States. The prices in the U.S. would be about twenty times higher.

Several developing countries made lists of essential drugs in the mid-1970s and restricted imports to generic versions of these essential drugs. The first four were Sri Lanka, Bangladesh, Tanzania, and Cuba. The chief government pharmaceutical officer in Sri Lanka, Balasubramanian, later came to work with me in UNCTAD to explain to other countries how to

set up these lists. The pharmaceutical companies and the developed countries reacted very strongly. In Sri Lanka, the companies interrupted the supply of vaccine during a cholera epidemic. In Bangladesh, three ambassadors, including from the USA and Switzerland, visited the president and threatened to withdraw development assistance if the essential drugs policy was not reversed.

UNCTAD also supported local production of essential drugs. But drugs produced under license could only be used in national markets. The license contract did not allow them to be exported. And national markets were sometimes quite small. This was a way of maintaining high prices.

In Switzerland, for example, Bayer sells aspirin at ten times the price at which it sells in India. Besides the IPR regime, the difference in prices applied in the respective countries also exists because the production cost in India is lower. Yet, Indian enterprises cannot—are not allowed to—export to Switzerland or other countries where Swiss companies operate.

The discussions on which restrictions should be maintained and which should be dropped took place when we were negotiating the Code of Conduct on Transnational Corporations. Switzerland was strongly opposed to altering the current practices, particularly in the area of pharmaceuticals. It argued that the present system should be maintained. On the other hand, the developing countries argued that if the prices of pharmaceuticals were higher in Switzerland, and Switzerland could not export, at least they should find an interest in importing cheaper products from the developing countries. Unfortunately, this is one of the issues on which the negotiations on the code broke down. If we could have achieved this in the field of pharmaceuticals, it would have been a great precedent.

RJ: Were you conscious at your time in UNCTAD of the pressure from the World Bank to moderate some of these conclusions or to make the analysis more palatable to the companies?

SJP: Not directly. But then one didn't know much about what was happening and what all the corporations and others were conspiring among themselves. The understanding came much later. We were aware of the political trends. As you mentioned before, we realized that the rise of the conservative governments of Reagan in the United States, Margaret Thatcher in the United Kingdom, Helmut Kohl in Germany, and [Yasuhiro] Nakasone in Japan had pushed the welfare state aside, and adopted old neoclassic conservative financial policies. These policies were changing the profile of the world economy, and certainly not in line with our ideals. But, when you have four of the main powers combined, they are practically taking care of 75 to 80 percent of the world exports. They would naturally be a driving force. So they had both the responsibility and the power in their hands.

RJ: What did you perceive or would you have identified as the most immediate effect of the conservative policies of these governments?

SJP: I think one could divide the twentieth century into two parts: up to 1973-75 and post-1975. Up to 1973-75, the developed countries were growing at a rate of 4.3 to 4.5 percent. In contrast, the developing countries were growing at a rate of 5.2-5.3 percent and sometimes even higher than that. Then the policies of globalization, marketization, and privatization were introduced. The consequence is that the growth rate of the developed countries dropped to 3 percent or lower. Similarly the growth rate of the developing countries dropped to 3 percent or lower. Having just emerged from colonialism, the developing countries did not have that much resilience economically speaking. On the social and political fronts, they had a much larger

populations with young and relatively fragile institutions. With such a slowdown in their growth rate, they were facing much greater difficulties than the industrialized world.

RJ: Now you see the slowdown in growth in the late 1970s, in the 1980s, and indeed the 1990s. What would you identify as the key causes of that slowdown?

SJP: Serious recession had hit the western powers. The pressure at home was immense. As a consequence most of these governments wanted more freedom in dealing with the corporate sector. The need for restructuring their economic policies made them preach in favor of privatization and free market economy with little regard for the developing countries' needs or capacity to cope. On the other hand, most of the developing countries' governments could hardly resist the temptation of private capital inflow. They did not fully realize the consequences. Coming back to the pharmaceutical industry, this is perhaps one of the sectors that best resisted the pressures. Lobby groups in the developing countries forced the governments to still exercise their influence. On the face of it, globalization was supposed to provide a better economic environment.

But it did not happen that way. It caused increased unemployment, even in Europe where unemployment reached a record high of 10 percent and more. Comparatively to the 1960s when I joined the ECE, 10 percent was a record high. I remember sitting in a meeting of the ECE staff, about six months after I joined. We were preparing the annual economic review. The statisticians presented us with figures showing an increase from 2.5 to 2.75 percent in unemployment in Europe. My colleagues were up in arms, saying that we should immediately look into the matter. I was the only non-European in the staff. Coming from a country like India, I thought these figures were relatively insignificant. But a few months later when we

gathered again we were told that there had been a mistake and that 2.5 percent was the actual rate of unemployment. See! This is what can happen to statistics!

RJ: Let me ask you one more question before we talk about your activities since 1984. I am under the impression that members of the UNCTAD's secretariat, like yourself, were interacting much more with governments as compared to the staff members of regional commissions like the ECE or ECA. Am I right?

SJP: Perhaps, but I was at the ECE and ECA in the 1950s and 1960s. I don't know how it developed afterwards. In any case, as I was pointing out to you before, UNCTAD was in constant consultation with governments, particularly of developing countries, till late 1980s. We were also in direct contact with the western governments, as we were negotiating major international instruments. So obviously, being at the heart of international diplomacy, we would interact with all governments concerned.

RJ: Now, coming to your activities since you formally retired from the UN in 1984. Which are the topics of your interest that relate to internationalism, to ideas and issues that the UN is still concerned with?

SJP: I have been engaged in a number of things, basically at three different levels. In India, I am the co-chair of the National Working Group on Patent Laws, which had been established in 1988. This working group advocates changes that should be made in our legislation with regards to patent laws. It is constituted of a fairly large group of economists, intellectuals, researchers, and highly respected personalities. At national level, we hope to influence the government of India's policies, because we don't feel that WTO standards are yet appropriate for our country. At the international level, India has played an historical role in the past, and we hope it will keep this profile as a leading country for the developing world.

RJ: How successful is the Working Group?

SJP: The world is changing rapidly, and in a country like India we have many issues to address. The path to appropriate reforms is not an easy one, so one could say that the Working Group is only relatively successful despite the fact that when we started it was supported by 250 members of Parliament, most of whom were from the ruling party. We have not yet fully convinced the government on appropriate reforms, but I should proudly say that for the past ten years the National Working Group has relentlessly been creating awareness with very relevant conferences, books, and articles. The impact of these activities has been meaningful.

RJ: Does the working group have an international outreach?

SJP: Yes, it does. As a matter of fact, I came back to India last month (October 1999) to chair an international conference that we organized in Delhi. The participants came from a large number of developing countries. There were representatives from nongovernmental organizations, trade unions, and community leaders. It was a preparatory meeting to the forthcoming WTO summit in Montreal next December.

RJ: You said you are working at three levels. What have been your other activities since 1984?

SJP: Immediately after my retirement, the World Institute invited me to Helsinki for Development Economics Research (WIDER). WIDER was established by the United Nations University. It started its work in Finland in 1985. Researches made at WIDER are policy-oriented socioeconomic researches on pressing global and development problems.

I was responsible for one of the first projects that WIDER had embarked on in collaboration with the Maastricht Institute for New Technologies (UN/INTECH). INTECH is

also part of the United Nations University network. The research I undertook and completed is compiled in five volumes first published in 1993.

The five volumes, entitled *Technological Transformation in the Third World*, cover the entire historical process of technological transformation. The project was based on an in-depth study of sixteen major countries selected from all three developing continents. The experience of four developed countries was also examined to serve as a general frame of reference. The results of the studies are embodied in the first four volumes: Volume I, Asia; Volume II, Africa; Volume III, Latin America; Volume IV, Developed Countries. The fifth volume narrates the story as a whole—the story of technological transformation in the development history of the world.

RJ: What methodology did you adopt for this research?

SJP: Many individual scholars and teams contributed to the country studies. I have drawn heavily upon their findings. Discussions and conferences were also held with regard to the subject under the auspices of University of Sussex, UNCTAD, Academy of Social Sciences (Beijing), Jawaharlal Nehru University (New Delhi), Gujarat Vidyapith (Ahmedabad), Centre for Development Studies (Trivandrum, India), Saint Mary's University (Halifax, Canada) and Queen's University (York).

RJ: How did you select the sixteen countries?

SJP: Yes, you may think that sixteen countries represent a small minority of the 130 Third World countries. But this small number is misleading. In terms of their population and output, these sixteen countries represent over 70 percent of the Third World in total. They include two of the largest countries, China and India; two of the least developed among the developing countries, Bangladesh and Tanzania; four oil exporting countries, Algeria, Mexico,

Nigeria and Venezuela; as well as countries and areas which had registered significant advances in the recent past, Brazil, Republic of Korea, Puerto Rico, Taiwan, and Yugoslavia.

RJ: Would you like to comment on the contents and outcome of this research?

SJP: These five volumes are a scientific study of the technological transformation in the South countries. The study also focuses on the economic and social impact that technological input has within countries as well as on the world stage. The study also has the merit to compare the degree of transformation in various countries through the construction of an index of technological transformation (ITT). The ITT shows clearly that the South's overall record of its post-World War II development has been simply spectacular with unparalleled rates of economic and social advances. Nonetheless, except for the countries of East and Southeast Asia, from the 1980s onwards, the conditions have deteriorated seriously for most of the developing countries. This crisis even spread to the OECD countries. After a remarkable take-off, unfortunately the 1980s have even been called the "lost decade" for most of the developing countries. Interestingly, the application of ITT shows a sharp division of the countries of the South into two groups: the most vulnerable continents (Latin America, the Caribbean, and Africa) and the miracle makers of East Asia. The spread of transformation process also reveals broadly two types of unevenness: an unevenness between countries of the South and an unevenness between two distinct time spans (1950-1980 and thereafter).

RJ: In this study, how did you characterize the different paces of development experienced by most of the developing countries as compared to Southeast Asia?

SJP: This subject is mostly discussed in the last chapters of Volume V. There I argue that there are major factors that explain the disastrous impact of the "historically unprecedented external shocks," as per Ajit Singh's telling phrase, administered to the Third World by the

North since the 1970s. To cite only a few of these factors, I would first mention here the rising interest rates imposed on the South countries by the United States and other developed countries. These interest rates reached unprecedented heights from 1979 onwards.

Secondly, there was a sharp decline in the North's demand for products of the South. This led to a sharp decline in commodity prices, which have far greater downward elasticity than their export volumes. Latin America and Africa were most affected. Naturally, the stagnation in export earnings brought about an equally sharp decline in the imports of these two continents. This import suffocation affected most severely the imports of development goods, capital goods, and essential intermediate products, since the vital food imports had to be maintained. The number of the poor multiplied, the crisis aggravated. The entire development process was crippled. Investments fell, so did other development expenditures and employment. Technological transformation moved into reverse gear.

What Ajit Singh calls the "external shocks" are precisely those three factors: reduced demand for Third World exports, adverse movement in terms of trade, and increased real interest rates. During the same period, in sharp contrast to the experience of particularly Latin America and Africa, East and Southeast Asian countries achieved a spectacular acceleration of their development process.

In the last chapter of the fifth volume, dedicated to East Asia's spectacular sprint, the main features for East Asian high rate development (HRD) and its spread in a flying geese pattern are studied. The most striking feature of East Asian HRD, being the quick narrowing of the social distance between East Asia and the West, is studied in part three of that chapter. The concluding section, to which I would attribute great importance, reviews the perspective for the future and the lessons that can be learned from the East Asian experience.

RJ: Since your work on technological transformation contained in these five volumes was published in the early 1990s, your analysis of the East Asian experience was, of course, prior to the crisis that arose in 1997. Nonetheless, what would you single out as the main features and lessons to be learned from the East Asian economic developments?

SJP: First of all, remember that up to the Middle Ages, science and technology flowed from Asia to Europe. It was only for the last three hundred years that Asia has been eclipsed by Europe. The upsurge of East Asian economy seemed to signal a reversal of this eclipse. I have identified seven main features related to this upsurge. One, except for North Korea and the Philippines, the average growth rate of the GDP of the ten East Asian countries was as high as 7.9 percent per year between 1960 and 1991. It ranged from a high rate of 9.4 percent for Hong Kong to a low of 6.3 percent for Indonesia. In other words, East Asia's share in the world GDP had risen from around 5 percent in 1950 to around 30 percent in the 1990s. While the western countries were running at a low ebb of 3 percent per year, East Asia had grown two to three times faster. The East Asian countries had battered all the growth records achieved anywhere in the world.

The second feature relates to the populations it involves. These countries total up to 1.670 billion people, which is equal to 40 percent of the population of all countries of the South and about two and a half times the population of all developed countries. Thirdly, this exceptional high growth rate has been sustained for over forty years. There is no similar example in the world economic history.

The fourth feature relates to the unparalleled per capita growth despite varying population growths. Fifth, one should also consider the large foreign trade of these countries. In 1991, East Asia's exports rose to as much as 23 percent of the total world trade. Apart from the volume of

exports, at the same time East Asia experienced a major structural change in the composition of their exports. The share of primary products fell dramatically and that of manufactured products rose correspondingly.

Sixth, the foreign exchange reserves held by these countries added up to 45 percent of the world total. Such rapid and sustained growth led to a decisive transformation in the structures of their output, expenditure, employment, and foreign trade. Seventh, with Japan in the lead, the East Asian countries followed in a “flying geese pattern” and were rapidly catching up with the West.

RJ: What would you describe as the “recipe” followed by the East Asian countries for their high rate of development?

SJP: First of all, from one geographical end to the other, take for example China and Singapore, the East Asian countries bear widespread differences. It would therefore be difficult to attempt a synthetic presentation of a unique strategy followed by these countries. Nonetheless, there are several elements in their plans, strategies, and policies that they had in common. I shall not go into great details but only make a few key points.

An active state which could maintain internal stability and mold necessary national development consensus was the starting point for the high rate of development, whether the country is a small country like South Korea or a giant like China. The fact that states should adopt a democratic model rather than an authoritarian one could be debated, but this argument would be misleading in our economic analysis. The fact remains that what is common to all East Asian states is that they were capable of building a national consensus. They could steer the development agents towards a rapid build-up of the economic and social strength of those countries.

The motive forces of development were strengthened. I identified three main motive forces: human capital formation, which requires rapid elimination of illiteracy and promotion of widespread technical training and advanced skills of the people; social infrastructure, which involves building of national institutions to coordinate the activities of the development agents and the creation of adequate infrastructure networks, such as transport facilities, energy, and communications; supply of needed physical capital in terms of machinery, plant, equipment, and instruments in right quantity at the right time and at affordable cost.

These three factors were essential for initiating and sustaining the high rate of development. While the institutional machinery was strengthened it needed to define—or redefine—its priorities. This level of flexibility is essential as the domestic and external environments are changing. An active national industrial development policy was the spearhead of success. Thus an industrial policy promoting the sequencing of priorities and their rapid shift from one successful sector to another possible lead sector with the necessary R&D and technological preparedness was a key to the rapid and sustained development of East Asian countries. The high rate development process also required an actively efficient technology policy without which the HRD could not be sustained. Market protection from foreign competition, state assistance to mitigating the risks of ups and downs of market forces, securing stability and management of export and import substitution were also crucial and common factors to the East Asian countries' HRD. The success of policies also required the maintenance of macroeconomic balance on both domestic and external accounts and avoiding soft options of relying heavily on domestic and external debts.

RJ: You mentioned the need for flexibility in policy decision and the expansion of East Asia's exports. Could you elaborate a little on that?

SJP: The promotion of external trade was essential in sustaining HRD. East Asian countries' external trade expanded at an extraordinary pace of 15 percent per year since 1960. This spectacular expansion of exports was associated with a corresponding transformation of the structure of exports. The share of primary products gave way to labor intensive products in the early phase. In the second phase, those products gave way to more sophisticated skill intensive products. As a result, the volume of exports expanded by responding to changing domestic and external demands. These growing export proceeds financed the lease or purchase of imported high cost technology, intensive machinery and equipment in a rapidly expanding volume. This process has consequently permitted the contracting of turn-key projects for rapid industrial development.

If any strategy was to be given prime importance in development, it was unquestionably the industrial strategy of producing goods that could compete in world markets. The second important point, which permitted to sustain HRD, is the planned use of the earned foreign exchange for rapid technological diffusion. Actually the East Asian countries had grown neither in a capitalist nor in a communist way but had derived maximum advantage from the building of the knowledge economy in their countries.

RJ: What are your reflections on the crisis that arose in the late 1990s?

SJP: First of all, there are several misleading generalizations about the "financial crisis" in East Asia. In fact, the crisis applies only to four countries: Thailand, Indonesia, Malaysia, and South Korea. Secondly, misleading comparisons have often been established between Mexico and South Korea. However, since the 1980s, Mexico has been ridden with heavy debts, economic stagnation, and frequent crisis. In sharp contrast, the crisis in South Korea is a very

recent one. It is also universally recognized that in the four East Asian countries affected by the crisis the economic fundamentals were in very good shape until June 1997.

What I perceived as the causes for the crisis are somewhat more related to the international financial market rather than having direct domestic causes in the East Asian countries affected, though the domestic causes should not be overlooked. Large amounts of portfolio investments were held by foreign institutional investors.

RJ: Do you have plans to write an intellectual biography? Do you have plans to analyze your contribution to the UN or indeed the UN's contribution to economic and social ideas?

SJP: Frankly, I did not think of it. I made my contribution to the UN system when I was at UNCTAD and it never occurred to me that I would make an analysis of the UN's contribution. Perhaps it is because I feel a bit disheartened to see that the UN's role has been hampered in the past decades, especially in the field of development economics. For example, in the past fifteen years, there has not been a single major economic conference.

At the international level, the priorities have changed. Some social issues are taken up, such as gender equality and other issues. But they are taken in isolation and no international forum looks at the root causes in proper economic terms.

RJ: Would you consider the World Summit for Social Development, perhaps by its very title, as social rather than core economic?

SJP: Not necessarily. But what I mean is that in my view, the core issues remain with major commitments that had been taken by both the developed and the developing countries. Those commitments have not been honored and expectations that were raised have fallen flat. The social questions are certainly important and should be discussed, but if they are treated in isolation from core economic issues, how could any type of recommendation be implemented? I

am under the impression the whole international system has weakened. Things are now discussed at WTO and other forums where it is obvious that the interests of the developing countries are not safeguarded.

RJ: Do you mean that the industrial countries have succeeded in ensuring that core economic issues are confined to the Bretton Woods Institutions?

SJP: Precisely. When you leave the issues with the World Bank, the IMF, and WTO, the other agencies' role becomes almost irrelevant. At the annual conferences there is a dramatic speech by the president of the World Bank and by the managing director of IMF and the show is over. Real issues are not discussed even at the development and interim committees, where it is "business as usual."

RJ: When you look back at your whole period in the UN and think of the issues that weren't taken up, the routes not taken, what do you most regret? Thinking big in the way that you have, what issues do you think the UN potentially might have taken up which would have made the situation of people worldwide very much better and international gaps very much narrower?

SJP: What I possibly regret the most is that the developing countries could not determine and pursue a systematic policy for their own development. They were swept away by the powers of the developed world. They got divided and vulnerable. There was a time at the UN when the developing countries proposed a lot of conferences. Money was made available, a number of innovative and constructive proposals were put forward. But now most of these come either from the IMF or the World Bank of which I am very critical, as you know. What also worries me is that the corporate sector has acquired enormous powers irrespective of the consequences, especially for the weaker groups in the societies.

RJ: Are you saying that there has been a weakening of the state with the result that the initiatives and the economic dynamics in the world have been enormously left to private corporations?

SJP: Yes. And I may be wrong, but I have a fear that these economic forces will not contribute to improving the situation, especially for the common man. The economic distance between nations and within nations may not be bridged by the forces of market liberalization and globalization. In other words, the discrepancies in the overall per capita income will remain or even become worse. I fully agree with the concept of “human-centered development” that you put forward in the *Human Development Report*, but I sometimes wonder how far we are from the implementation of this noble concept.

At the dawn of the third millennium, with the immense progress that has been made in science and technology, one would certainly expect that people all over the world would be given a chance to move forward from the lower echelons of the society to a more equitable share in the benefits of progress. But that does not seem to happen. I am not only talking about the difficult situation that the developing countries have to face. The developed world also seems to undergo a difficult transition period. Take Europe, for example. If the growth rate does not rise and the high-level unemployment remains, we will reach a ceiling where the share in resources will be limited. I perceive this as a serious source of conflict for the future.

RJ: This is a rather pessimistic view. Do you mean that we are now in a transition period that could last for a number of years and we cannot, at present, see the light at the end of the tunnel?

SJP: Yes. If we think in terms of the power relations that have been shaped in the post-World War II and post-Cold War periods, the developed countries would have to take to heart

the task of achieving a more equal system amongst peoples and nations. The developing countries for their part would have to review their policies of income distribution and devote more funds to social sectors such as health and education.

On the other hand, it appears clearly that the centers of power are changing. That brings about a lot of indecisiveness in the decision-making circles. I sense that very strongly in India for example.

RJ: The picture I get is that the economy is growing faster, businessmen can begin to see new markets. And perhaps the present agenda started by Manmohan Singh has a long way to go in human development. You have an ironic smile.

SJP: Well, Manmohan—we call him Man-mo-han.

RJ: Do you think that people would see a lot more potential in India?

SJP: Hopefully, people will realize India's potential. I actually wish India would live up to its own potential. But, as I said, I feel India is going through a period of uncertainty. Its exports could decline and consequently, its ability to import would decrease.

That could be a difficult phase for the country. India may maintain itself at a reasonable level of growth, but growth is not the only thing that matters. Sustaining annual growth does not mean you have addressed the problems of exclusion of large numbers of people within the society.

RJ: Would you build the "India We Want" around human development?

SJP: Well it certainly will be built, there's no question about it. It will be. The people who are left behind, 40 percent, 50 percent of the population, I mean if that gap is not reduced, I mean it's a—

RJ: Tragedy.

SJP: —tragedy.

RJ: Man-mo-han. Surendra, thank you very much.

SJP: Thank you.

RJ: Just so you know and so that the people transcribing this know. We will type this out and correct it as best as we can. Then we will send it to you, for you to make whatever changes you think you wish. This final tape, we now know as the transcript, should be as you think the record should stand. And then we'll ask you if you would sign it at the bottom to say you're happy with it. Of course if you want to change anything, if you want to delete anything, that's for you because this is your transcript. But when you send it back to us, we would like then to be able to use it for the UN Intellectual History Project, and we would like to put a copy on deposit with the UN as well as with City University Graduate Center.

SJP: And I give you congratulations really because you have done this, this enterprise that you're starting. It's all really important. I sometimes feel unhappy that the UN's strength may be declining in such a fashion.

RJ: I think that's true. At the same time I hope that if we can document some of the important things the UN has done—

SJP: In this I support you fully, and I would do; it would warm up my heart.

RJ: OK. Thank you, Surendra.

INDEX

- Academy of Social Sciences, 51
 Addis Ababa, Ethiopia, 17, 33
 Africa, 17, 23-30, 40, 42, 44, 51, 52-54
 development planning in, 17
 economic legacy of colonialism in, 24, 29
Agricultural Laborers in Modern India and Pakistan,
 9, 16
 Ahmedabad, India, 2, 4
 Algeria, 51
 All India Students Federation (AISF), 4, 8
 Allende, Salvador, 33
 apartheid, economics of, 27-28
 Argentina, 37-38
 Asia, 12, 27, 40, 42, 51, 54
Asian Drama, The, 22-24
 Bangkok, Thailand, 18, 31-32
 Bangladesh, 45, 51
 Ben, Divali, 1
 Ben, Kamal, 5
 Ben, Mrudula, 4
 Ben, Niru, 4-5
 Bhagwati, Jagdish, 39
 Bhavnagar College, 9
 Bombay, India (now Mumbai), 4, 7
 Brazil, 32, 37-38, 52
 Bretton Woods institutions, 59; *see also* International
 Monetary Fund *and* World Bank
Bulleton of Atomic Scientists, 12
 Calcutta, India, 5
 Cambodia, 18
 Canada, 11
 Caribbean region, 52
 Castle, Barbara, 30-31
 Centre for Development Studies, 51
 Chand, Shri Bakshi Tek, 37
 Chaplin, Charlie, 8
 Chile, 25, 33-35
 China, 23, 51
 Code of Conduct on the Transfer of Technology, 35
 Cold War, 27, 38, 60
 Commerce College, 2
 Common Fund, 44
 communism, 8, 10
 Congo, 17, 24, 28
 development planning in, 17
 Cooper, Charles, 35, 35
 Corea, Gamani, 32
 Cuba, 28, 45
 Dandhuka, India, 4
 Das, Prabu, 4
 debt, 39
 decolonization, 2, 47
 Delhi, India, 50
 Dell, Sidney, 5-6, 12, 36, 38-39
 developing countries, 15, 23, 24, 35-36, 38-40, 36,
 38-39, 41, 43, 50, 52, 59-61
 and the Bretton Woods institutions, 59
 and intellectual property rights, 42, 45
 and patent laws, 38-39
 and pharmaceutical companies, 45
 and technology, 34-35, 39
 development, 13, 17, 20-22, 33, 54-57
 and technology, 33
 disarmament, 24
 East Asia, 23-24, 52, 54-58
 development in, 54, 56
 Eastern Europe, 14, 22, 24
Economic Bulletin for Europe, 14
 Economic Commission for Africa (ECA), 13, 17-18,
 24-27, 30-31, 49
 Economic Commission for Asia and the Far East
 (ECAFE), 12-13, 17-18, 31; *see also* Economic
 and Social Commission for Asia and the Pacific
 Economic Commission for Europe (ECE), 11-17, 23-
 24-25, 48-49
 Economic Commission for Latin America (ECLA),
 25
Economic Journal, 18, 20
 Economic and Social Commission for Asia and the
 Pacific (ESCAP), 18
Economic Survey for Africa, 27
 Enyart, James, 38
 Europe, 13-14, 23, 26, 54, 60
 Ewing, Arthur J., 17, 24-26, 30, 32
 Finland, 50
 France, 13
 Gandhi, Indira, 23
 Gandhi, Mohandas, 2-3, 15
 Gardiner, Robert, 24-25
 gender equality, 58
 General Agreement on Tariffs and Trade (GATT),
 38, 40, 42-43
 Code on Intellectual Property Rights, 38
 and intellectual property rights, 38
 Geneva, Switzerland, 11, 16, 32, 41
 Germany, 47
 Ghana, 24, 26
 globalization, 47, 60
 Great Depression, 9
 Greece, 13
 Group of 77 (G-77), 41-42, 44-45
 Gujarat, India, 1, 3-4, 9
 Gujarat Vidyapith, 51
 Halifax, Canada, 11
 Hammarskjöld, Dag, 11
 Harvard University, 39

- Helsinki, Finland, 10, 50
 Hong Kong, 23, 54
Human Development Report, 22, 24-25, 60
 ideas, 1-5, 12, 15, 19-20, 24, 25
 and the Economic Commission for Africa, 25
 and the Economic Commission for Europe, 12
 and Indian independence, 1-5
 and economic measurement, 19-21
 influence of Gandhian philosophy on, 15
 India, 1-5, 7-9, 19-22, 23, 30, 32, 34, 37, 42, 44-45, 48-51, 61
 economic growth in, 19-20, 23
 independence movement in, 1-5, 8
India We Want, The, 22
Indian Journal of Economics, 16, 18
 Indonesia, 23, 54, 57
Industrial Growth in Africa, 17
Ingia Project, The, 17
 Institute of Development Studies (Sussex), 30
 Institute for New Technologies (INTECH), 50
 intellectual property rights (IPRs), 35, 38-39, 40, 42, 45-46, 49
 International Monetary Fund (IMF), 36, 38, 43, 59
 Ireland, 13
 Italy, 13
 Jamal, Amir, 42
 Japan, 22, 24, 23, 41, 44, 47, 55
 Jawaharlal Nehru University, 51
Journal of Development Studies, 18
 Kalecki, Michal, 6-7, 11-12, 15-16
 Kaser, Michael, 14
 Kenya, 26
 Keynes, John Maynard, 9, 43
 Kohl, Helmut, 47
 Korea, North, 54
 Korea, South, 23-24, 52, 55, 57
 Kuznets, Simon, 2, 6, 9, 12, 15
 Labour Party (UK), 30-31
 Laos, 18
 Latin America, 37, 40, 42, 51-52, 53
 least developed countries (LDCs), 35, 39, 51
 Leningrad, Russia (now St. Petersburg), 16
Lower Mekong Project, The, 18
 Lumumba, Patrice, 28
 Maastricht, the Netherlands, 50
 Mahalanobis, P.C., 23
 Maharashtra, India, 4
 Makerere University, 27
 Malaysia, 23, 57
 Malinowski, Wladek, 31, 33
 Marquez, Gabriel Garcia, 8
 Marx, Karl, 9
 Marxism, 15
 McCarthyism, 8, 10
 Menon, Krishna, 7
 Mensa, J.H., 26
 Mexico, 37-38, 51, 57
 Montreal, Canada, 42, 44, 50
 Moscow, Russia, 16
 multinational corporations, *see* transnational corporations
 Myrdal, Alva, 24
 Myrdal, Gunnar, 11, 13-15, 23-24
 Ndegwa, Philip, 26-27
 Nehru, Jawaharlal, 23
 New International Economic Order (NIEO), 43
 New York, New York, 7, 9, 11-12, 15, 16, 26, 36
 Nigeria, 51
 Nobel Prize, 2, 24
 nongovernmental organizations (NGOs), 50
 North-South relations, 24
 nuclear arms, 12
 Okito, Saburo, 22
 Organisation for Economic Co-Operation and Development (OECD), 15, 52
 Organization of Africa Unity, 25
 Organization of Petroleum Exporting Countries (OPEC), 43-44
 Oxford, University, 14
 Queens University, 51
 Quit India movement, 4
 Pakistan, 9, 23
 Pant, Pitambar, 23
 Patel, Jivarajbhai, 1
 Patel, Mahesh, 7, 19
 Patel, Vallabhai, 5, 16
 Patel, Vittubhai, 5
 Perez-Guerrero, Manuel, 32
 Philadelphia, Pennsylvania, 5
 Portugal, 5, 13
 poverty, 24
 Paris, France, 34, 36-37, 40
 Perez-Guerrero, Manuel, 35
 Philippines, 54
 Prebisch, Raúl, 32-33
 Puerto Rico, 10-11
 Reagan, Ronald, 42, 47
 Ricupero, Rubens, 42
 Robeson, Paul, 8
 Saint Mary's University, 51
 Salt March, 2
 Santiago, Chile, 34
Science and Society, 9
 Sen, Amartya, 35, 39
 Seers, Dudley, 6, 24-27, 30-31
 Shukla, S.P., 42, 44
 Singapore, 23
 Singer, Hans, 25, 31
 Singh, Ajit, 52-53
 Singh, Manmohan, 61
 Smith, Adam, 24
 South Africa, 27-28

- Soviet Union, 8, 14, 16
 Spain, 13
 Sri Lanka, 45-46
 sustainable development, 38
 Stewart, Frances, 35
 Subrahmaniam, K.K., 35
 Sussex, UK, 30
 sustainable development, 29
 Switzerland, 46
 Taiwan, 23, 52
 Tanzania, 42, 45, 51
 technology, 32-33, 35, 38, 40, 51, 53-54, 56, 60
Technological Transformation in the Third World,
 10, 23, 51
 Thailand, 18, 57
 Thatcher, Margaret, 42, 47
 Third World, 18, 24, 31, 52; *see also* developing
 countries
 Thorner, Daniel, 2, 8
 trade, 14, 20, 42
 transnational corporations (TNCs), 38, 46
 Turkey, 13
 UN Conference on Trade and Development
 (UNCTAD), 13, 17, 26, 31-36, 39-45, 51, 58
and least developed countries, 36
and technology issues, 33
 UN General Assembly, 7, 43
 UN Industrial Development Organization,
 41
 UN Intellectual History Project (UNIHP), 62
 UN University (UNU), 50-51
 Uganda, 27
 United Kingdom (UK), 2, 4, 20, 23, 31, 39, 47
and Indian independence, 4
 United States (U.S.), 5, 7, 10-12, 20-23, 39, 41-42,
 44-46, 53
 University of Pennsylvania, 2, 8-9
 University of Saint Mary's, 11
 University of Sussex, 51
 Uruguay Round, 40
 Venezuela, 32, 35, 52
 Verne, Jules, 16
 Vietnam, 18
 Warsaw, Poland, 16
 Washington, D.C., 44
 West Africa, 28
 Western Europe, 13
 Wharton School, 2
 Wilson, Harold, 30
 World Bank, 36, 38, 47, 59
World Development, 34
World Economic Survey, 6, 27
 World Institute for Development Economics
 Research (WIDER), 10, 50
 World Intellectual Property Organization (WIPO),
 34-36, 40, 45
 World Summit for Social Development, 58
 World Trade Organization (WTO), 49-50, 59
and developing countries, 59
 World War II, 20, 52, 60
 Yugoslavia, 13, 52
 Zaire, 17; *see also* Congo