

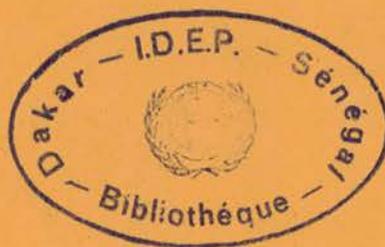
- 3 NOV. 1975

5091

R. L. L. L.

(17)

The political economy of Export-oriented
industrialization in developing areas



GERALD HELLEINER
DUSAN POKORNY
CRANFORD PRATT
RICHARD SANDBROOK

Department of political economy
University of Toronto
July. 1975

- 3 NOV. 1975

Reçu le	3-11-75
Cote	
Exempl.	
N° Entrée	75-759

Application to the Canada Council for a Programme Grant

THE POLITICAL ECONOMY OF EXPORT-ORIENTED
INDUSTRIALIZATION IN DEVELOPING AREAS

Gerald Helleiner
Dusan Pokorny
Cranford Pratt
Richard Sandbrook

Department of Political Economy
University of Toronto
July, 1975

I N D E X

1.	Scope and Objectives	p. 1
2.	Theoretical Significance and Approach	p.14
3.	Organization of the Programme	p.26
4.	Programme Descriptions	p.33
I.	The Political Economy of Industrial Technology Transfer & Market Access - G. Helleiner	p.33
II.	North American Unions & the New International Division of Labour - R. Sandbrook	p.35
III.	Labour Intensive Manufactured Exports to Western Europe from Selected East European Countries - D. Pokorny	p. 39
IV.	Comparative National Policies within the Third World regarding the Development of Manufactured Exports - C. Pratt	p. 39-2
V.	The Effects of Export-Oriented Manufacturing upon Individual Less-Developed Countries - all members of group + graduate students + co-operating institutions in the relevant countries	p.43
5.	Budget	p.47
	<u>Appendix One</u> - Curricula Vitae of Principal Participants	p.66
	<u>Appendix Two</u> - Ph.D. Students in Political Economy at University of Toronto	p.67

I. SCOPE AND OBJECTIVES

The rate of economic growth in many less developed countries has been higher in the 1960's and early 1970's than in any comparable historical period. Yet the gaps in the levels of income between the developed countries and the less developed world as a whole, between the 'successful' less developed countries and the remainder, and between the upper classes within the less developed countries and the masses there, all continue to widen. The numbers of human beings living in conditions of 'absolute poverty' grow absolutely higher with each passing year. The distribution of the world's income and power is among the most central issues of our time.

The problems of world poverty and underdevelopment have attracted considerable research attention from social scientists in universities, research institutes, and international organizations. Government and business leaders in the developed countries have also addressed themselves to these problems in public forums and undertaken relevant policy initiatives for at least the past twenty-five years. Some aspects of these questions have received much more attention, however, than others; and perceptions as to what subjects deserve most concentrated attention have themselves changed frequently. Within the past five years, in reaction to the obvious shortcomings of the previous more simpleminded fixation on growth rates, social scientists and policy-makers have focussed upon the problems of urban unemployment, income distribution, mass poverty and the dependency of the poor countries that is a consequence of their involvement in the international economic system. Today there is a sharp upsurge in their interest in the international dimensions of world poverty problems. This stems from the new mood in the less developed countries themselves, their intense dissatisfaction with the existing international economic order, their determination to bargain more effectively with the developed countries and transnational enterprises and their conviction that they can do better than they have done in their international economic and political relationships. At the same time, the self-

confidence of the developed world has been undermined by certain fears and anxieties which are reflected in the calls for raw material supply guarantees, control over the spread of nuclear arms, and further studies of international economic order. Indeed, it can be argued that relationships between rich nations and poor have now entered upon an entirely new phase.

The research programme presented here focusses upon particular, rapidly changing elements of the transnational dimensions of underdevelopment (as will be seen, those relating particularly to industrialization, international trade and technology transfer) in the belief that they have not been adequately analysed before and that their long-run significance is very great. As will be seen below, this belief corresponds in certain major respects with those increasingly being expressed by scholars and policy-makers in the less developed countries themselves.

There are many possible research projects and programmes which one might construct under the rubric of 'transnational dimensions of underdevelopment'. The Western industrialized countries account for the bulk of the less developed countries' international trade in goods and services, supply and influence the composition of a significant proportion of their annual investment, sell or otherwise transfer an enormous variety of industrial and agricultural technologies and institutional and other models to them, furnish most of their military equipment and training, select through the services of Western-based news agencies much of the information about the rest of the world which is disseminated by 'national' news media there, and strongly influence their educational curricula. These Western inputs and influences flow both through governmental and private channels, the latter usually under the aegis of the transnational enterprise.

During the second half of the 1960's and the early 1970's, there emerged a major new phenomenon in Third World economic relations with more developed countries. Whereas the less developed countries had formerly been forced into, and resigned to, their international role as primary product exporters, significant numbers of them now began to develop manufactured exports to the industrial world. At first, their 'successes' were confined to a relatively few 'special cases' - Hong Kong, Taiwan, South Korea, Singapore, etc. - and a relatively few products - particularly textiles, clothing and footwear. It soon became apparent, however, that these first successes were likely to be harbingers of a much more significant development in the international economy, potentially ushering in a 'new international division of labour' in which the less developed countries were to serve as suppliers of unskilled-labour-intensive manufactured products rather than of primary products.

The relative dimensions of these developments are impressive. The value of manufactured exports from less developed countries to the industrialized countries roughly quadrupled between 1962 and 1972. Manufactured exports rose at roughly twice the rate of other (non-petroleum) exports, and by 1972 they already made up one-third of total Third World exports other than petroleum. In addition to textiles, clothing and footwear, rapid rates of growth were realised in iron and steel, and machinery and transport equipment; particularly dramatic growth occurred in engineering and metal products, and in miscellaneous light manufactures. While a relatively few less developed countries still account for a very large percentage of total Third World manufactured exports - eight countries made up 50% of such exports to the industrialized world in 1971 - growing numbers of them are developing them rapidly; the latest annual review lists forty-two less developed countries with significant values of such trade.¹

1. United Nations, Trade in manufactures of developing countries and territories, 1972 review, New York, 1974, p. 19.

This new manufacturing for export has taken a variety of forms, and classifications of various types can be employed in order to bring a degree of order into the masses of relevant trade statistics. Perhaps the most useful classification distinguishes between export manufacturing activities which involve the further processing of raw materials, those which involve the re-direction of manufacturing which was originally oriented towards domestic markets towards world markets, those which involve the export of 'traditional labour-intensive products' (e.g., textiles, clothing, footwear, sporting goods, toys, etc.), and those which involve component manufacture or assembly processes at the intermediate level in internationalized production.² (Unfortunately the data does not always permit this reclassification.) What is notable, however, about all of the export manufacturing which has so far taken place is the great role played by transnational enterprises from the industrialized countries in their promotion. In some instances, these enterprises are trading houses (as in the Japanese case); in others, they are major retailing firms in the importing countries (e.g. Sears, Macy's, Eaton's, Marks and Spencer); in still others, they are vertically integrated manufacturing enterprises. Their roles have varied from the provision of capital, management and technology, to the simple provision of markets or marketing skills. The institutional forms of their involvement in the process include wholly-owned subsidiaries, joint ventures, arms-length technology contracts, supply contracts, etc. In all cases, they have been powerful allies in the less developed countries' struggle against trade barriers in the importing industrialized countries. As becomes powerful allies they may often capture for themselves a lion's share of the benefits of this new development.

2. G.K. Helleiner, "Manufactured Exports from Less-Developed Countries and Multination Firms", Economic Journal, March 1973, pp. 21-47.

At the same time that these Western private enterprises have been actively engaged in the new development of low-cost sources of manufactured products in the less developed world, they have been engaged in parallel efforts in Eastern Europe. Particularly great strides have been made in Yugoslavia but similar 'successes' have been accumulating in Poland, Hungary, Bulgaria and Romania as well. In several ways, this is a rather surprising development. Traditionally, the Soviet Union and the countries which set out to implement its model of socialist society have been extremely critical of the role of international 'monopoly capital' in the world's economic development, and have advocated, and tried to put into effect, a policy of forced industrialization, which was, in general, characterized by a great deal of stress on labour saving technologies. In fact, this was for a long time the standard interpretation of Marx's precept of 'economy of time' as the ultimate guiding principle of socialist economic progress. There is some reason to believe that the development strategy based on these ideas was, at least in part, responsible for the relative overpopulation of rural areas in the European part of the Soviet Union, that is, for relatively low agricultural yields per unit of labour, even where the yields per unit of land were relatively high. There is no doubt that planners in several East European countries have become increasingly concerned about the effect of the above strategy on their own underdeveloped regions: for the concentration on 'high' technology in one or two key 'centres of development' clearly could not be expected to create the volume of industrial jobs that came to be considered a necessary prerequisite for a more rapid economic development of the regions concerned. Responses to this kind of inconsistency in, and shortcoming of, the reigning industrialization concept were - with the exception of Yugoslavia - rather long in coming and, against this more general background, the recent interest of these countries in labour intensive manufactured exports is particularly intriguing.

In the majority of these countries, the main, nation-wide, all-out industrialization effort is a comparatively recent, and in some cases, even an on-going experience. Their strategy and tactics in the field of labour-intensive manufactured exports is likely to be of considerable relevance to the Third World underdeveloped countries which cannot find elsewhere a ready pattern with which to compare their tentative steps in this new venture. The former countries' policies, directives and results may well suggest rules, guidelines, and concerns to the latter. This can be expected especially in decisions regarding the selection of sectors and/or products; the extent of the country's commitment in terms of man-power and training facilities; the wage policy implications and other social problems involved; the foreign trade aspect of the arrangements; the type of controls imposed upon, or safeguards sought from, the foreign enterprise; the government-to-government ground rules for the enterprise-to-enterprise negotiations; the effects of the moves in this field on the overall strategy of development. Although the socialist countries are likely to argue that their position in the world configuration of economic and political forces, especially their reliance on the Soviet Union, enables them to pursue their course of international trade and economic co-operation without fear of being pushed into a position of dependence on the developed countries of the West, it might be of interest to the developing countries of the Third World to learn how various groups in the former countries actually respond to these ventures, how the latter are politically substantiated, and what practical economic and political measures are taken to avoid what is, at the level of official propaganda, brushed aside as a non-existent issue. Finally, the Third World is likely to be interested in, and possibly even influenced by, the theoretical investigations of the problem in socialist countries, even if only because it is certain to lead to different results than that of the neo-Marxists in the underdeveloped countries and in the West.

As one might expect, the expansion of manufactured exports from the less developed countries had already generated significant political resistance on the part of affected firms and workers in the industrialized countries. Since the firms most affected tend to be located in less prosperous areas, employing workers who are already poorly paid and frequently are female, members of minority groups or both, there are serious issues of equity involved in their political struggle for protective trade barriers. Official adjustment assistance programmes for the affected areas, firms and workers have so far been so derisory in their size and effect that the United States' labour movement, not unfairly, characterizes them as 'burial insurance'. Many trade unions in the importing countries see the new 'international division of labour' as a direct threat to their jobs and their incomes, and their position is consistent with the tenets of international economic theory.³

Despite some opposition, there is every sign that manufacturing for export from the less developed countries will continue to expand. While higher trade barriers will restrict entry to some markets, they are unlikely to restrict it to all. The international consensus now seems to be that this is a logical 'next step' for the majority of countries which have already been through a significant round of import-substituting industrialization. Prebisch himself was among the first to develop the rationale for such a development,⁴ overcoming his earlier pessimism as to market prospects. The UN Conference on Trade and Development, over which he then presided, worked vigorously to assist the process by developing the generalized system of preferences for manufactured products from less developed countries. The OECD, UNIDO

-
3. See Helen Hughes (ed.) Prospects for Partnership, Industrialization and Trade Policies in the 1970s (Johns Hopkins, 1973); Organization for Economic Co-operation and Development, Development Centre, Adjustment for Trade, Studies on Industrial Adjustment, Problems and Policies (Working document, 1975)
 4. Towards a Global Strategy of Development, Report by the Secretary-General of the United Nations Conference on Trade and Development (United Nations, 1968)

and the ILO have all recently been offering parallel advice on this subject.⁵ The latest ILO employment mission (to the Philippines) identifies manufacturing for export as one of the two major thrusts of desirable future economic strategy there.⁶

This development is clearly of potentially major significance both for the world economy and for the development prospects of the Third World. Its significance can be seen by situating it in the context of the historical literature on the international impact upon the less developed world.

Early critiques of colonial economic policies centred upon the stultifying effects upon indigenous development of the creation of an international division of labour in which the Third World was relegated to the status of 'hewers of wood and drawers of water'. The economically invigorating effects of industrialization were experienced in the metropolitan centres rather than in the 'periphery', it was argued, and the terms of trade tended to change secularly so as to favour the industrialized countries at the expense of the raw material exporters. From these critiques flowed the policy recommendation with respect to economic strategy in newly independent countries to develop local substitutes for manufactured imports if necessary through tariff protection and in any case, to diversify exports. Import-substituting industrialization was consequently pursued vigorously throughout the Third World but it proved to be less of an answer to the problems originally posed by Prebisch, Singer, et al., than expected. There quickly developed a heavily protected manufacturing sector, operating inefficiently and well below capacity, employing inappropriate production technology and frequently producing goods which reflected an inappropriate consumption technology, owned in large part by foreigners, and showing few signs of providing the hoped for dynamic effects.

5. Perhaps the most influential and widely-quoted work on the subject is Ian Little, Tibor Scitovsky and Maurice Scott, Industry and Trade in Some Developing Countries, A Comparative Study (Oxford University Press, 1970)

6. International Labour Office, Sharing in development, A programme of employment, equity and growth for the Philippines (1974)

On the face of it, export-oriented industrialization may suffer neither from the undesirable features of primary production nor from the inappropriate technology and inefficiency of import-substituting industrialization. It is consistent with the universalist tenets of the theory of comparative advantage; it will most certainly raise 'world economic efficiency'. It appears to represent a long overdue restoration of balance in Third World economic structures and a triumph over the forces of protectionism and reaction in the developed countries.

Yet all is not that simple. If labour-intensive manufacturing exports are seen as a major component of a development strategy, rather than a comparatively minor aspect that is pursued for its foreign exchange and employment benefits, a formidable list of possible adverse consequences must be acknowledged: 1) A major dependency upon foreign corporations for access to the international market and as well for the entrepreneurship, technology and capital that this development requires. 2) The possibility of absolute economic loss or of very limited gains in consequence of the facts that the returns on technology, profit and entrepreneurship payments will often accrue to non-nationals and domestically supplied inputs have alternative uses. 3) A reinforcement of the social forces within the society which are closely associated with international capitalism, though in a peripheral and dependent fashion. 4) As this pattern of growth involves an exploitation of cheap labour as the major comparative advantage which many poor countries enjoy, it has been argued that it might in time imply increasingly repressive regimes to maintain this comparative advantage.

Not surprisingly, therefore, social scientists who emphasize the international systems character of capitalist development tend to see the development of labour intensive exports as but a further refinement within an international division of labour in which the gains of trade are distributed in a markedly unequal fashion. They see it as an additional turn of the screw, a further augmentation to the exposed and

and dependent character of whatever development has taken place in Third World countries.

The reasons are perhaps now clear as to why this project is felt by its sponsors to be worth the major expenditure of time and energy which it would entail. It is about a new development in the relations between rich and poor countries which all agree is important but about which there are nevertheless substantial disagreements. Moreover, it will be of direct relevance to major policy questions and long-term strategies in (a) a number of developed countries such as Canada and the United States, (b) in many Third World countries, and possibly (c) in some socialist countries. In addition, the issue is of obvious significance for relations among the countries mentioned. Finally, the issue is of wider theoretical interest. An investigation in this field would illuminate the basic differences of approach and of evaluation in regard to international trade and investments between (i) various schools of modern positive and welfare economics, (ii) different trends in political science, (iii) traditional Marxist approaches, and a variety of neo-Marxist theories.

There is a final aspect to which we attach importance. Three of the four participants in this project have already engaged in extensive research and writing in a number of Third World countries, particularly in Africa. It is our conviction that it is now increasingly desirable, indeed essential, that research on Third World topics should be done in substantial part by scholars from the developing areas. We note that this viewpoint is implicit in the activities of the International Development Research Centre and in the terms of reference of the new CIDA Higher Education Co-operation Plan. It would not be appropriate to include in this application provision for the financing of such participation by Third World scholars. However, it is important that we should be sensitive to the need for that participation and that we should have some realistic ideas on how it might be accomplished. The subject of

the project is quite clearly one of importance to Third World countries and of interest to their social scientists. It is also one on which collaborative research between ourselves and groups of Third World scholars could be genuine and free of paternalism for they would have as much to contribute to the collaboration as would we ourselves. If we were able to finance our own activities in this way we would hope that the financing of the Third World component to the collaboration would be an appropriate subject for applications to the two Canadian sources just mentioned. The success of the project which is the subject of this application does not depend on the emergence of parallel projects by overseas scholars. However, that there should be the possibility of such a development is an important element within this project.

The objectives of this research project can thus be summarized as follows:

- 1) to contribute to a fuller understanding of the development of export-oriented industrial sectors in Third World countries,
- 2) to establish the extent and composition of labour-intensive manufactured exports particularly to developed capitalist countries from selected East European states, always clearly differentiating between Yugoslavia on the one hand and the Warsaw Pact countries on the other hand, as well as keeping in mind the special position of Romania among the latter;

to examine their place in the over-all development strategies of these countries, and their implications for the international division of labour within the socialist world;

to investigate the ways in which such exports are, in the East European countries, concerned, justified on ideological and theoretical grounds and to compare these treatments of the subjects with both the Soviet views and the neo-Marxian inquiries conducted in the West and/or in the Third World;

to assess the significance, for the Third World proper, of the actual experiences of the above countries with labour-intensive manufactured exports,

3) to identify and to examine those elements, influences and policies in the North American political economy which channel and may inhibit or block any full expansion of Third World manufactured exports to North America.

4) to analyse the debate in the selected Third World countries, as they consider whether to promote this type of development and, in the case of those countries that have already so decided, to examine the policies which they have developed to maximize the gains which they hope to secure.

5) to study the socio-political ramifications of an extensive development of export-oriented industrialization in the Third World and to consider its compatibility with other possible major policy objectives;

6) to encourage and, where appropriate, to assist groups of scholars in the Third World to engage in research to open the socio-political and administrative dimensions to the development of export-oriented industrialization and/or to pursue research on questions relating to the transnational dimensions to under-development which are similar to and parallel the central theme of this project.

7) to use this particular theme of research to illuminate the consideration of wider issues relating to the transnational dimensions to continuing poverty and under-development.

We are confident that these objectives are consistent with overall research priorities in the development field and with our responsibility as concerned scholars to address particularly those issues which are identified as important by the less

developed countries themselves. A recent communique on 'Self-reliance and International Reform', issued by a conference of Third World scholars and policy-makers in March 1974, is quite explicit on the latter point:

"To increase their participation in the international system, developing countries will require greater knowledge of the economic and political factors which shape foreign official and private decisions. Hence the improvement of knowledge through research and development, better information systems, and training will be a significant component of any strengthening of their bargaining capacity." 7

Our fifth, sixth and seventh objectives just listed obviously have a generality and impression beyond those of the first four. This is deliberate. We are inevitably more open ended about these broader questions and, as well, we wish to be receptive to the suggestions regarding them which we will receive from Third World scholars. The first four objectives refer therefore to the specific objectives of the first four sub projects. The final three objectives are a reminder of the wider context in which these questions are asked. Our initial approach in their regard is summarized below, pages 44-45.

7. Reprinted in World Development, June 1974, p. 55

2. THEORETICAL SIGNIFICANCE AND APPROACH

A recent survey of research needs with respect to the future international economic order commented:

"Every issue of international economic policy blends economics, internal politics, and international politics ... Virtually every expert in every country consulted - government officials, business and labor leaders, scholars - called for interdisciplinary analysis of these phenomena.

"Yet very few people now engaged in international economics reach outside their own disciplines, and fewer still even participated in attempts at truly interdisciplinary scholarship Most economists acknowledge that there are international implications to domestic policies, and implications of international events for domestic policies, and then return to their essentially closed models. Most political scientists, even further behind, don't address international economic issues at all." 8

Analysis of any important component of the transnational dimensions of underdevelopment must incorporate elements of several traditional subdisciplines of the social sciences - most notably development economics, international economics, the politics of developing areas, and international relations. Each has contributed to our understanding of the issues yet each is characterized by increasing dissatisfaction among those within it with the capacity of the subdiscipline by itself to handle them. Particularly devastating to traditional approaches to development and international relations have been the emergence of the transnational enterprise and the increasing one-way flow of technologies, standards, and institutional models from rich nations and firms to poor. Neo-Marxist dependency theorists attempt to analyze these dimensions within a comprehensive political/economic framework and have recently increased the sophistication of their interpretations and significantly

8. Fred Bergsten (ed.) The Future of the International Economic Index: An Agenda for Research (Brookings, 1974), Chapter 1.

increased their influence, both in the less developed countries and in the scholarly community at large. ⁹

Much of the traditional literature of development and international economics has been concerned with the historical question of the international impact upon the less developed countries. The only safe conclusions from the extended debate must be that the historical impact of external contacts has varied considerably from place to place and from time to time, that there have been negative as well as positive effects therefrom in the developing countries and that the distribution of the benefits of this contact as between the developed and the less developed societies has tended to favour the developed societies. ¹⁰ Whether, on balance, the 'presence' of the developed world today hinders or assists the progress of the less developed countries is not agreed. To full adherents of the dependency school theory the answer is clearly no. The 'Sussex school' offers a slightly more qualified no:

"relations between rich and poor countries normally, and in the absence of conscious and deliberate planning to the contrary, work to the disadvantage of the latter." ¹¹

Even the most optimistic and orthodox international economist would today agree that there exist substantial impediments to the progress of the less developed countries which have their origins in the policies and institutions of the Western world. ¹²

-
9. Recent surveys of this literature are Aidan Foster Carter's "Neo-Marxist Approaches to Development and Underdevelopment" in E. de Kadt and G. Williams (eds.) Sociology and Development, London, 1974, pp. 67-105 and Norman Girvan "The Development of Dependency Economics in the Caribbean and Latin America: Review and Comparison" in Social and Economic Studies, vol. 22, No. 1, March, 1973.
 10. The debate in which the names of Singer, Prebisch and Myint have figured most prominently is well summarized in G. Meier, International Economics of Development, Theory and Policy (Harper & Row, 1968).
 11. Fifth Annual Report, The Institute of Development Studies, UK, p. 37; for a defence of this position see also Dudley Seers and Leonard Joy (eds.) Development in a Divided World, (Penguin, 1971) Chapter 2.
 12. See, for example, H.G. Johnson, Economic Policies Toward Less Developed Countries (Brookings, 1967); Helen Hughes (ed.) Prospects for Partnership, Industrialization and Trade Policies in the 1970's, (Johns Hopkins, 1974); L.B. Pearson et al., Partners in Development (Praeger, 1969); Ian Little, Tibor Scitovsky & Maurice Scott, Industry and Trade in Some Developing Countries, A Comparative Study (Oxford, 1970).

One cannot escape the fact that there are bound to exist such negative influences in the new export-oriented industrialization process which it is our object to examine. Among the potential sources of difficulty for the less developed countries in this sphere (in addition to the more general concerns summarized above) are the following:

1) a substantial degree of control by already existing Western private enterprises of marketing outlets for manufactured products in the industrialized countries - through brand names, market concentration at the wholesale and/or retail level, and other barriers to entry;

2) highly imperfect markets for the relevant technologies, with Western technology owners facing ill-informed and competitive Third World purchasers;

3) a large number of low-income countries all seeking to develop exports of a similar type, and therefore competing - with far less bargaining power than in the cases where they possess a scarce natural resource or the rights to domestic market access - against one another to sell their labour services to foreign firms;

4) high tariff and non-tariff barriers against their manufactured exports in their major prospective markets, with the political pressure for their reduction or removal emanating from the Western firms to which the less developed countries sell;

5) the absence of international conventions or rules which might protect the less developed countries against discriminatory treatment, the GATT having formally authorized such treatment in the case of textiles and failed to adopt procedures to prevent future similar events;

6) the frequent practice of transnational enterprises controlling the right to export on the part of subsidiaries or technology purchasers, in the absence of international laws or conventions prohibiting such restrictive practices;

7) the weak administrative capacity and political power of the typical government in the less developed countries which renders difficult the process of effective bargaining, monitoring and control with respect to foreign agreements, and transnational enterprises.

Whether these difficulties are great enough absolutely to cancel the potential gains from the new international division of labour is emerging as a controversial issue. We believe that in the absence of measures designed to forestall this outcome, they are likely to result in a highly unequal distribution of the gains from trade as between the less developed countries and the industrialized world and to create new dimensions of political and economic dependence.

What have the relevant traditional disciplines contributed to the analysis of such transnational dimensions of underdevelopment in recent years ?

In the 1950's and early 1960's, the study of political change was closely linked to an implicit model of modernization or 'social mobilization',¹³ the elements of which were measured with reference to individual states. This focus was consistent with the identification by many leading scholars with nationalist movements, whose leaders argued that freedom from colonialism would bring real national independence. By the mid-1960's the concept of 'political development' had gained

13. The clearest statement of the elements of this model may be found in the influential article by Karl W. Deutsch, "Social Mobilization and Political Development" American Political Science Review, Vol. 55, No. 3 (September, 1961) pp. 493-514. More general works dealing either wholly or partly with the relationships between modernization and political change include Daniel Lerner, The Passing of Traditional Society: Modernizing the Middle East (Glencoe: The Free Press, 1958); David Apter, The Politics of Modernization (Chicago: University of Chicago Press, 1965); Marion Levy, Jr., Modernization and the Structure of Societies (Princeton: Princeton University Press, 1966); and Dankward Rustow, A World of Nations: Problems of Political Modernization (Washington: The Brookings Institution, 1967)

wide currency among political scientists as they attempted to understand the changes taking place in post-colonial societies.¹⁴ Still, political development -- defined as a process of increasing structural differentiation, political capacity and concern with equality -- was portrayed as a response to general societal 'crises' (e.g. identity, legitimacy, participation, penetration, distribution) arising out of essentially internal national conditions.¹⁵ A theoretical factor here is that the political development approach combines elements of both structural-functional and systems frameworks; both of these approaches, in their application to Third World conditions, have treated external factors as exogenous. Nor have models which focus on institution-building¹⁶ and the political economy of leadership choice¹⁷ failed to avoid an implicit working assumption that the crucial variables influencing strategic considerations in Third World politics have their locus within the nation-state. While there have been some important recent attempts to encompass international variables (such as external constraints on development resulting from the international economic system, the great powers' manoeuvres for influence, or the diffusion of technologies

14. This was largely the result of work done by members of the Committee on Comparative Politics of the Social Science Research Council, whose "Studies in Political Development" published by Princeton University Press, began to appear in the early 1960's. For the less specialized audience, important syntheses of the literature can be found in Lucian W. Pye, Aspects of Political Development (Boston: Little, Brown, 1966) and Gabriel Almond and G. Bingham Powell, Comparative Politics: A Developmental Approach (Boston: Little, Brown, 1966)

15. This formulation comes out clearly in the book by Lucian Pye, Aspects of Political Development.

16. See, for example, Samuel Huntington, Political Order in Changing Societies (New Haven: Yale University Press, 1968), and Arnold Rivkin, ed. Nations by Design: Institution-Building in Africa (New York: Doubleday Anchor Books, 1968)

17. Two alternative approaches are Warren Ilchman and Norman Thomas Uphoff, The Political Economy of Change (Berkeley: University of California Press, 1969) and Howard Wriggins, The Ruler's Imperative (New York: Columbia University Press, 1969)

and institutional models) in explaining political development,¹⁸ such attempts have not systematically incorporated these variables into their models. Consequently, individual cases are analyzed on their own merits without a theoretical filter linking external and internal political phenomena.

Nor has the literature in International Relations adequately conceptualized the evolving reality of global politics. Based as it is on a collection of wholly integrated nation-states engaged in continuous struggle over issues of military security, the traditional model of international politics tends to consider all states as identical in character except for their rank in the overall pecking order, to ignore nonstate actors, to downplay patterns of co-operation and integration, and to disregard the evident centrality of economic and welfare issues.¹⁹ Countries in the Third World are often thus characterized either as helpless pawns of the great powers²⁰ or, as a consequence of the nuclear stalemate, as wielders of considerable influence.²¹ Neither of the images of the developing states (as powerless or powerful) is appropriate. In the first instance, both formulations are static and thus fail to bring into focus the potential or actual bargaining relationship which exists between poor countries

-
18. The two most important recent books in the field of 'political development' are Leonard Binder, et al. Crises and Sequences in Political Development (Princeton: Princeton University Press, 1971); and Gabriel Almond, Scott Flanagan and Robert Mundt, eds. Crisis, Choice and Change: Historical Studies of Political Development (Boston: Little, Brown, 1973)
 19. See Donald J. Puchala and Stuart Fagan, "International Politics in the 1970's: The Search for a Perspective", International Organization, Spring, 1974.
 20. This is particularly true of the works of the power theorists, such as Hans Morgenthau, Politics Among Nations and David Vital, The Inequality of States. Similarly, most neo-Marxist writers have described Third World countries as 'puppets' or 'appendages' of the developed capitalist states.
 21. Though many writers have expressed this view, the most notable include: James Eayrs, Fate and Will in Foreign Policy; Stanley Hoffmann, Gulliver's Troubles; Henry Kissinger, The Troubled Partnership; and Klaus Knorr, On the Uses of Military Power in the Nuclear Age.

(individually or as a whole) and the rest of the world. Secondly, they centre on the nation-state alone and therefore neglect the evident impact of subnational, non-national and supranational actors on government-to-government relations. And lastly, their principal concern is with issues of 'high politics' and not with such questions as trade, aid and transfers of technology. Recognition of these obvious inadequacies of the power politics paradigm has been noted and an attempt made to devise a new framework for analysis.²² But both Keohane and Nye's notion of transnational relations and Kaiser's concept of multinational politics are only starting points for further investigation. By themselves they tell us little about relations between the North and the South, though they point in the direction along which research must proceed.

Neither the literature of orthodox developmental politics nor that of international relations seems very helpful in the analysis of the particular transnational phenomenon which we seek to examine. More to the point, in our view, are the approaches of development economists and the (neo-Marxist) dependency theorists.

It is, after all, the literature of development economics in which one finds the debate as to the relative merits of import-substituting and export-oriented industrialization, the detailed assessments of the economic benefits and costs of different strategies and projects, the issues of the choice of technique in production, the analysis of technology markets and the role of transnational enterprises therein, and, most recently, the income-distribution and employment effects of various policies and projects. In the related literature of international economics one finds the basic theory of comparative advantage together with more recent attempts to 'dynamise'

22. The most significant contribution has been made by Robert Keohane and Joseph Nye in their edited volume of International Organization, Summer, 1971, entitled "Transnational Relations and World Politics". Subsequent issues of the same journal have included articles starting from the same perspective. Particular mention might be made of Karl Kaiser's piece "Transnational Politics: Toward a Theory of Multinational Politics," International Organization, Autumn, 1971.

it, and the theory and measurement of protection. All of these issues are central to the analysis of export-oriented industrialization in the Third World.

Development economics is lacking, however, in its capacity by itself to analyse the social and political implications of alternative strategies. It contains no theory of social change, is ill-equipped to consider the pursuit of non-economic social objectives, and only rarely addresses the question of the interrelationships between economic growth, income distribution and social and political systems. Nor has it seriously addressed the question of the determinants of state action either in rich nations - as it relates to the poor - or in poor nations.

Neo-Marxist analysis has, perhaps, been more successful in attempting to integrate the various strands of the transnational dimensions of underdevelopment. Economic underdevelopment in former colonies has long been seen, in this tradition, in terms of the capitalist West.

Among contemporary dependency theorists, such as Frank on Latin America and Amin on Africa,²³ there is a tendency to regard the domination of dependent capitalist countries by the capitalist metropolises as so absolute that trade with the latter and technology transfers from them cannot but be counterproductive for the poor. In one sense this conception is non-Marxist in that Marx himself considered that Western expansion abroad would be progressive to the extent that this external control would strip away certain institutional obstacles to socio-economic change and introduce a more developed mode of production in distant lands. Hence today there are some political economists beginning from a Marxist framework who are unwilling to assert that

23. Andre Gonner Frank, Capitalism and Underdevelopment in Latin America, 1967; Samir Amin, "Le Developpement du Capitalisme en Afreque Noir", L'Homme et La Société Editions Anthropas, No. 6, 1967.

all Western linkages with dependent countries necessarily deepen underdevelopment.²⁴ As we have already observed, socialist practice also allows for controlled relationships with the West: There is thus evidence that within the neo-Marxian school there is a groping for an understanding of the circumstances under which trade between industrial capitalist and dependent countries, and technology transfers from the former can be beneficial to poor nations.

In recent years the theory of unequal exchange has sought to address really for the first time, the issue of the distribution of the gains from international trade from a Marxist perspective.²⁵ The absolute centrality, within this approach, of the labour theory of value generates the inevitable conclusion that trade between rich nations and poor, in circumstances in which capital is internationally mobile and labour is not, is fundamentally exploitative. We prefer to adopt a less rigid approach which permits a more subtle analysis of the costs and benefits of different international trading practices and, in particular, allows for a variety of possible distributions of the benefits from trade.

We nevertheless are convinced that students of development and underdevelopment can learn much from the social scientists who might best be described as 'neo-Marxist'. In particular, we draw from this 'school' a heightened sensitivity to the sociopolitical determinants and consequences of alternative development strategies and policies, an increased concern for distributional questions, particularly those relating to the gains from international trade and industrialization in the Third World, and constant awareness of the importance of the transnational dimension of underdevelopment. This implies that we find the Latin American dependency theorists, particularly those who have written in some detail of the experiences in individual countries, more

-
24. E.A. Brett, Colonialism and Underdevelopment in East Africa, 1973; Osvaldo Sunkel, Past, Present and Future of the Process of Latin American Underdevelopment, Studies in Developing Countries, Budapest, No. 57, 1973; and Bill Warren, "Imperialism and Capitalist Industrialization", New Left Review, Sept/Oct, 1973.
25. Arghiri Emmanuel, Unequal Exchange, A Study of the Imperialism of Trade, Monthly Review Press, 1974; and Samir Amin, Capitalist Accumulation on a World Scale, 2 vols. Monthly Review Press, 1974.

illuminating than those such as Emmanuel and Amin who have attempted to develop more general theories.²⁶

As far as the analysis of export-oriented industrialization in the Third World is concerned, and the role of Western transnational enterprises therein, one can distinguish broadly between:

- 1) those who view the development of export-oriented manufacturing in the Third World as a further and crucial indication of the theory of comparative advantage and of the role of the transnational enterprises as agents of world-wide development,²⁷
- 2) those who see this development as but the most recent and most subtle expression of a neo-imperialism which confirms dependency, augments the strength of the comprador classes and heightens inequalities.²⁸

Neither of these two approaches allows for the possibility of alternative outcomes depending upon differences in political environments, bargaining power, development strategies and policies, industries, etc. The first of these does not allow sufficiently for the possibilities that Third World ruling groups can deflect their policies so as to benefit both themselves and the rest of the world at their own nationals' expense, or that the international distribution of the gains from this trade may be shared in grossly inequitable fashion, or that optimal allocation of the world's industries in static terms may be less than optimal in more dynamic terms. The second approach, while it may provide a rationale for revolution, offers little policy guidance either for post-revolutionary regimes or for the many countries that are comparatively stable and for which revolution is not a real option.

26. See for example, James Petras, Politics and Social Change in Chilean Development, 1972; Colin Leys, Underdevelopment in Kenya, Heinemann and University of California Press, 1974; Hanza Alavi, "The State in Post-Colonial Societies: Pakistan and Bangladesh", New Left Review, #74, 1972; John Saul, "Tanzania, African Socialism in One Country" in John Saul & G. Arrighi, Essays on the Political Economy of Africa, Monthly Review Press, 1973.

27. e.g., Harry G. Johnson in Barbara Ward et al., The Widening Gap, 1971

28. Richard Barnett and Ronald Muller, Global Reach. The Power of the Multi-National Corporation, 1974, is one of the most powerful of recent critiques of the transnational enterprises. They write, however, primarily from the perspective of the developed societies so that their criticisms, while including the points summarized above, range more widely.

There are however two further approaches that can be distinguished, the one more closely associated with traditional economics and the other with Marxism, though in each case embracing many who would not welcome either categorization. The first of these approaches centres upon a concern to equip Third World governments with a greater knowledge of the dynamics of this pattern of development and a greater awareness of policy options so that they are better able to maximize the benefits they derive from its pursuit. The second approach centres upon the phenomenon of dependency. It tends to be historical in its approach and to be concerned to establish the dynamics of the processes through which the development of a country is stunted, warped or aborted because of the character of its inter-relationship with the major capitalist countries.

It is currently the case that many within each of these approaches tend not to read even the major writings in the other. It is our conviction that a student of the transnational dimensions to underdevelopment ought to be familiar with each of these approaches and ought to resist being driven totally into either. There are, we feel, two main reasons for this. The first is that both approaches are in fact very influential in the Third World, the former perhaps particularly within non-radical governments and the latter particularly in university circles. Secondly, and more important, to a significant extent they address different but equally valid questions.

We hope that this study of one important innovative feature of rich - poor country relations will demonstrate the validity of this rather eclectic position both in the fruitfulness of our research and in the theoretical reflections which the research generates.

Certainly the basic assumption which we hope will inform our study is an amalgam of the values that are implicit in these two general approaches. This assumption is

that the central objectives of development in Third World countries are that this development should be sustained, that it should, in particular, advance the welfare of the poor and that it should lead towards an integrated and harmonious society with a reasonable measure of control over its own destiny.

There are five sub-projects within this overall project. Four of these are the special responsibility of one or other of the four principal participants in the project and the fifth is the collective responsibility of the four together. The individual projects each relate to a major aspect of the project itself. Their close inter-relationship is perhaps obvious. They are presented in detail in Part 4, below.

3. THE ORGANIZATION OF THE PROGRAMME

a) The Management of the Programme

The first four of the five projects in this research programme will be individually directed by their principal researcher. The fifth project and the overall co-ordination and direction of the whole programme will be the responsibility of the co-ordinator, a post which will be shared throughout the project by Gerald Helleiner or Cranford Pratt with one or other of them carrying the responsibility in any one year.

b) Personnel

Full curricula vitae of the four participants is included as an appendix to this application. Three of these participants have had extensive teaching and research experience (Helleiner, Pratt and Sandbrook) in the Third World while the fourth participant, Pokorny, combines an intimate knowledge of the East European and Indian economies with a more recently developed interest in development questions in Africa.

Gerald Helleiner has lived and worked in Nigeria and Tanzania for extensive periods of time. In Tanzania he served on various governmental boards and committees, and directed the Economic Research Bureau. For the last five years he has focussed his research on the international aspects of development and published extensively on such questions as international trade, manufactured exports from low-wage countries, technology transfers, adjustment assistance and multi-national firms. His present and future plans fit squarely into the programme of research outlined here.

Dusan Pokorny spent five years in India in the 1950's, negotiating trade and economic agreements between India and Czechoslovakia and doing research in some problems of Indian economic development. In the 1960's he was active, both as a researcher and a publicist, in the Czechoslovak reform movement; his main concern as an economist was the effect of the project moves towards a market economy,

even if a regulated one, on economic relations between Slovakia, the underdeveloped part of the country, and its more developed western parts. Since 1968, he has been engaged in research in economic development in Tanzania, concentrating on the economic effects of various forms of land tenure. In addition, he has taught economic policy formation and theory of science.

Cranford Pratt has had wide experience in Africa and has published extensively on the government and politics of East Africa. He has also twice served as a special adviser in the Office of the President of Tanzania, most recently as Chairman of the Commission on the Possible Decentralization of Government in Tanzania. His most recent work, The Critical Phase in Tanzania, 1945-68, Nyerere and the Emergence of Socialism is being published by Cambridge University Press and is due to appear in December, 1975.

Richard Sandbrook undertook field research in Kenya on the relationships between trade unions and the government and, more recently, in Ghana on the economic situation and the degree of organization of the sub-proletariat and unemployed in a central slum in Accra. From this research he has come to realise the enormous influence exerted on domestic politics by the International Confederation of Free Trade Unions, the AFL-CIO and certain International Trade Secretariats.

One of the four participants, Helleiner has thus been working in this general area for several years. The other participants, however, have not. They have each recently finished major studies relating to Third World topics. This proposal thus represents in their case an identification of a new area of research in which they might appropriately work. In all four cases, the proposed programme reflects a recognition that many of the difficulties of the Third World are not of their own making, but are a product of policies, institutions and practices of the developed countries.

In this proposal they have sought to identify a particularly appropriate aspect of the transnational dimension to development on which to work in close collaboration over a four to six year period.

The "Personnel" of the programme would also include a number of graduate students. We are proposing to offer four awards in year 2 and four more awards in year 3 of the programme, each award to be normally for a two-year period and in exceptional circumstances to be subject to final renewal for a third year. These fellowship awards would be available to candidates interested in working on topics that clearly fall within the terms of one or other of the five specific projects. They would normally be available to political science candidates in year 1 of their Ph.D. programme and to economists after they have completed their comprehensive examinations. In addition, the research assistantships which are requested in this application, would make it possible to associate further graduate students with the programme. We are confident that good graduates would be forthcoming to take up these opportunities. Appendix 2 which lists graduate students who are presently working on Third World topics provides a basis for this confidence.

c) Integration of projects within the Overall Programme

The close integration of the programme should be assured by the fact that each of the projects within it focuses upon a different important aspect of the development of export-oriented manufacturing industries in the Third World. It will be reinforced and augmented by these additional features.

Since this programme will consist of projects, each of which focuses on an aspect of what is essentially one major research area, it will be easy to integrate all parts of the research and teaching activities concerned into one whole. Nonetheless, we are keenly aware of both the practical and theoretical, primarily methodological problems involved in such an interdisciplinary effort. For, even if only two disciplines are involved, there will be, in addition to the four core members of the team, a number of graduate students involved in the

programme, and the intention also is to establish meaningful contacts with scholars in the Third World itself. This seems to require a degree of concentration on efforts to integrate all the various aspects of the programme.

In part, this will be done by means of the participation of those concerned in the graduate seminar and workshop described in section d). In part, the intention is to arrange, as we go along, for a kind of introspective inquiry into "what we are doing when we do what we do": both some meetings of the core team, and some of the meetings of the seminar and workshop will be devoted to problems of method. Primarily we will try and look into such problems as the interrelation between, and possible integration of, the various languages employed by various branches of science; the consistency or otherwise of the methods used by them; and ultimately the relation between the theorems arrived at, with a view to their contribution to a genuine political economy of development.

Finally, in year 4, or 5 of the grant, R.C. Pratt and G. Helleiner will undertake to edit a volume to which the participants (including graduate students) in the project will contribute which will present an overview of the arguments and findings of the participants on the role of export-oriented manufactured industries in the Third World. This volume will supplement the individual, more specific studies and will provide an integrated summary and statement of findings and of conclusions.

d) Integration of Programme with Teaching

The principal investigators are full-time staff members of the Department of Political Economy. Each of them teaches undergraduate and graduate courses directly related to problems of development and to the contemporary Third World. For both these investigators and for the graduate students associated with the programme, the research which they do will thus be closely integrated with their other academic work.

This will be further reinforced in the following ways:-

1) The programme includes provision for four graduate fellowships in years 2 and 3 of the programme, and/or four research assistantships in each year. These will be available for Ph.D. students who will work on Ph.D. theses that are integrally related to this programme. Thus, their theses and the supervision thereof by one or other of the principal investigators will each constitute part of their regular responsibilities at the University.

2) All staff and graduate students in the programme will take part in a graduate seminar on the political economy of development and underdevelopment which will be directly related to this programme and will constitute a regular graduate course. Thus the students will be able to take it for "credit" while it will "count" as part of the regular teaching load of the co-ordinator. The Department is thus allowing 1/3 of the teaching time of the co-ordinator to be devoted to this course. The University of Toronto's post-graduate degree programmes in economics and political science already incorporate a wide range of courses relating to development. The graduate students in the programme will be able to fill out their academic programme with ease. Thus there are, amongst the regular graduate course offerings, Professors Berry, Helleiner and others on Economic Development, Professor Helleiner's course on the International Aspects of Economic Development, Professor Robert Matthews' on The Third World in International Politics and Professor Pratt, Sandbrook and Stren's on Comparative Analysis of Development and Modernization. As well there are courses on project evaluation, the economic development of China and Japan, and several political science courses on the politics of specific Third World areas. The participants in the programme will thus belong to a research team whose work is fully integrated into the teaching of the University.

e) Relationship of the Programme to Research Interests of other Colleagues

This proposal, in an earlier incarnation, was more broadly defined and included the participation of four other colleagues, Jonathan Barker,

R.A. Berry, Robert Matthews and Richard Stren. In order that this proposal could be more tightly integrated, these four participants in the earlier application have withdrawn their projects from the application. Those projects covered other dimensions to the transnational component of underdevelopment. These colleagues will, however, still be at the University and will still be involved in the study of the questions they had earlier identified, namely, the transfer of agricultural technology, (Berry and Barker) the transfer of urban development technology (Stren) and Canadian policies towards the less developed countries (Matthews). There are also a substantial number of economists and political scientists at the University of Toronto who have a major scholarly interest in development questions in relation to one or another of the major developing areas. These include Professors Alan Abouchar, Richard Bird, Ralph Campbell, N. Choudhry, S.M. Eddie, Victor Falkenheim, Jose Nun, W. Haque, David Nowlan, Thomas Rawski and Steven Triantis. The participants in this programme, should it go forward, will thus be members of an intellectual community which will include many graduate students and staff members who are working on questions directly related to development (Appendix No. 2 is a list of graduate students who are presently working for a Ph.D. in the Department of Political Economy and whose thesis topic relates to a development question.)

f) Dissemination of Research Findings

In order to avoid unnecessary duplication of research and to benefit from an exchange of views with the wider community of scholars concerned with the general question of development, the principal investigators intend to disseminate the findings of their research as widely as possible. This will be done in the following ways:

- 1) The ongoing graduate/faculty seminar, already mentioned above, will not only serve as a focal point within which staff and graduate students associated with the programme can exchange views and findings, test ideas and thus maintain an interrelated programme of research, but it will also offer an opportunity for visiting scholars (either those engaged to stay for three to six months or those brought to Toronto for a single occasion) to share in the learning experience that this seminar should offer. As well, scholars within easy reach of Toronto will be invited to participate in sessions of particular interest to them, or, if they should wish, to participate throughout a whole term or academic year.
- 2) In addition to the year-round seminar, conferences and colloquia will be organized. These will not begin until the second year of the five-year programme and will be arranged throughout the middle three years to focus on particular aspects as well on the broader focus of our research. Scholars from elsewhere in Canada and from abroad can thus be made familiar with the progress made by the principal investigators as well as contribute to the work being done.
- 3) Professors Helleiner and Pratt will edit a single volume - overview of the results of the programme in either year 4 or year 5 of the grant.
- 4) Finally, the investigators will from time to time publish their research findings through the usual academic outlets - as occasional papers, articles in internationally recognized journals and books.

4. PROJECT DESCRIPTIONS

1. The Political Economy of Industrial Technology Transfer and Market Access

Principal Investigator: G.K. Helleiner

The purpose of this project is to extend and develop further a project already being supported by the Canada Council on the subject of "Importers, Trade Barriers, and Manufactured Exports from Less Developed Countries: (S73-1396-XI). Specifically, the objectives of the extended project are:

- (1) to increase information concerning the behaviour of private firms in the importing and distribution sector in North America with particular reference to the trade in goods manufactured for export by the less developed countries;
- (2) to develop economic theory which better explains performance and the distribution of the gains from trade in the context of imperfect markets, the presence of non-tariff barriers to trade, and intrafirm international trade; and to gather evidence thereon;
- (3) to gather information upon the terms under which labour-intensive industrial technologies are sold or otherwise transferred to less developed countries by private North American firms for the purpose of manufacturing for export; and to explore the implications of these sales or transfers for the level and distribution of income in the less developed world.
- (4) to increase information relating to the economic and political determinants of North American trade policy formation as it relates to manufactured exports from low-income countries.

There has been considerable research on the prospects for manufactured exports from less developed countries to developed countries, some of which Helleiner has undertaken.²⁹ At present, work continues at a number of

29 "Manufactured Exports from Less Developed Countries and Multinational Firms", Economic Journal, March, 1973; "Manufactured Exports from Less Developed Countries and Industrial Adjustment in Canada" in OECD, Adjustment for Trade, op.cit.; "Manufacturing for Export, Multinational Firms and Economic Development", World Development, July, 1973. An extended bibliography on these matters was included as part of the documentation for Helleiner's research grant application in 1973.

international institutions notably the IBRD, UNCTAD, UNIDO and ILO on general aspects of this question. There has also recently been an acceleration in research activity which seeks to shed light on the behaviour and implications of the transnational enterprise and, in particular, its role in international technology trade.³⁰ Some of it is focussed upon its role in the development of labour-intensive manufacturing for export in the less developed world. There has not, however, been significant research on the role and behaviour of wholesaling, retailing and manufacturing firms in the developed countries with respect to the import of such manufactured products. Neither the literature of international trade nor that of industrial organization has seriously addressed the economics of such firms' behaviour and performance. Nor has there been any political/economic analysis of their role and those of other actors in the formation of the developed countries' import policies; or of the implications of development along this path for the less developed countries. This project therefore seeks to repair some major empirical and theoretical holes in the literature.

Theoretical investigations will be combined in this project with empirical research. The latter will both employ existing data and collect new primary material through survey and interviewing techniques.

Recent patterns and trends in North American imports of manufactured products from the less developed countries will be analysed; and tests conducted of the factor-intensities (labour, skill, R & D) of various categories of the trade. A paper on aspects of these issues is already in preparation. At the same time, in association and consultation with trade associations, private firms, and relevant government departments, a questionnaire will be constructed and

30 Helleiner has recently surveyed the latter literature in "The Role of Multinational Corporations in the Less Developed Countries' Trade in Technology", Miguel Wienczek and Kijoshi Kojima (eds.) Technology Transfer in Pacific Economic Development (Japan Economic Research Centre, 1975) and World Development, June, 1975.

employed to gather information from private firms engaged in this trade. One such questionnaire has already been pretested but must be extensively revised before being more widely administered. It will be accompanied by interviews. The object is to collect information on:

- (1) the degree of market concentration in various parts of the importing sector,
- (2) the sourcing practices of large trading and manufacturing firms,
- (3) pricing and other contractual terms in various subcategories of this international trade in goods and in technology,
- (4) the role of import quotas, voluntary export restraints, other non-tariff barriers, and tariffs in the development of the trade and the determination of institutional arrangements and contractual terms,
- (5) "voluntary" adjustment assistance programmes.

Data analysis and the construction of a questionnaire are already under way.

Helleiner's present research grant involves the completion of literature surveys, analysis of North American trade data, and the conduct of a survey and interviews by mid-1976. There will follow a year or two in which the results of these investigations are carefully assessed and written up. It is anticipated that by year three of this programme, further primary data can be sought through similar methodology as was employed in the "first round", amended on the basis of that experience. He is therefore seeking released time for research during year three of this programme.

II. North American Unions and the New International Division of Labour

Principal Investigator: Richard Sandbrook

American labour leaders have long been involved in transnational activities: indeed the leaders of the American labour movement have been among the staunchest advocates of U.S. foreign policy goals since Samuel Gompers' stewardship at the

turn of the century. In the first two decades after the second World War, American labour's foreign policy could only be described as conservative, if not reactionary. AFL and CIO union leaders took sides in union and political struggles within Latin American, Asian and African countries in support of any purportedly anti-Communist union centre or regime (see Ronald Radosh, American Labour and United States Foreign Policy). In this period, there was no apparent conflict between the trade and foreign policy goals of big labour and big business: the expansion of U.S. trade and investment abroad would presumably allow American corporations to pay labour high wages in exchange for the latter's loyalty and high productivity. Hence, American union leaders achieved a great deal of freedom to use their institutions' resources to expand U.S. power abroad during the height of the Cold War. Several writers have traced the means - both overt and covert, direct and indirect - by which American labour sought to influence the international environment in this period.³¹ The consensus seems to be that organized labour's efforts to control events abroad were mainly abortive, if not wholly counter-productive.³²

In the past decade, the harmony of interests between business and labour in the international sphere has deteriorated markedly. As multinational corporations increasingly transfer manufacturing activities in such areas as electronics, footwear, synthetic textiles and apparel to low wage economies in such countries as Mexico, Taiwan, Singapore, South Korea and the

-
- 31 See J. Windmuller, "External Influences on Labour Organizations in Under-developed Countries", Industrial and Labor Relations Review, XVI, 4 (1963); H. Jacobson, "Ventures in Policy-shaping: External Assistance to Labor Movements in Developing Countries", I.P.S.A. paper (Sept. 17-18, 1965); and G. Morris, The CIA and American Labor.
- 32 See C. Levinson, International Trade Unionism, esp. p. 358; E.J. Berg, "The External Impact on Trade Unions in Developing Countries", Industrial Relations Research Association, Proceedings of the 16th Annual Meeting, Dec. 17-18, 1963; and Ioan Davis, African Trade Unions, p. 214.

Philippines, labour leaders can no longer assume that the unrestricted expansion of American business abroad will ultimately benefit their members. These leaders thus understandably see their task as preserving their members' jobs and high wages, and enhancing labour's mobility relative to capital. Whether the foreign production of American-controlled multinational corporations has actually led to a net loss of jobs in the United States is a moot point; estimates vary from a maximum conceivable loss of 1.3 million manufacturing jobs to a net gain in employment of about 500,000.³³ Nonetheless, whatever the correct figures, spokesmen for U.S. labour have a coherent, partly documented argument that the foreign manufacturing operations of multinational firms cause grievous damage to American labour.³⁴ The AFL-CIO also has a set of wide-ranging prescriptions to deal with the situation. One of their proposals is to build walls around the United States (perhaps encompassing Canada too) in order to restrict imports of goods and people and exports of capital and technology. The other part of their programme is to reduce the disparities in terms of employment between labour in the United States and labour in the presently low-wage economies, such as Hong Kong; this is to be achieved by the adoption by governments of poor countries of "International fair labour standards" and by the strengthening of the trade unions in the latter countries.

This then is the context in which the present study is situated. The first objective is to determine the main foreign and trade policy goals relating to less developed countries of selected powerful North American unions and the

33 See, e.g., R. Hawkins, Job Displacement and the Multinational Firm: A Methodological Review, Occasional Paper No. 3, Centre for Multinational Studies, N.Y., June, 1972; and Implications of Multinational Firms for World Trade and Investment and for U.S. Trade and Labour, Report to the Committee on Finance of United States Senate, 1973, pp. 54-6.

34 See Nat Goldfinger, "A Labor View of Foreign Investment and Trade Issues", in Baldwin and Richardson, eds., International Trade and Finance; and testimony by Paul Jennings, President, International Union of Electrical, Radio and Machine Workers, before the Congressional Sub-Committee on Foreign Economic Policy, July 28, 1970)

AFL-CIO. As has been suggested above, the foreign policy consensus uniting government, big labour and big business has deteriorated in the past few years; does this mean that the old Cold War objectives of American Labour have been mainly replaced by the recent emphasis upon protectionism and labour standards abroad?

The second aim is to determine the means employed by union leaders to achieve their foreign policy goals. How successful is the AFL-CIO as a pressure group seeking to garner support in the U.S. Congress for protectionist trade and investment policies? In what ways does American organized labour operate as an independent force in foreign societies, acting either directly (for example, through the African-American Labor Center and the Asian-American Free Labor Institute) or indirectly (for example, through the International Labour Organization, and the various International Trade Secretariats)? How do American unions seek to raise labour standards in less developed countries attracting the manufacturing activities of multinational firms?

The final goal is to assess the major effects of the North American unions' transnational efforts upon development in selected less developed countries - probably Taiwan, Mexico and the West Indies. What impact do these transnational activities have, for example, upon income distribution; does the pressure for high wages in manufacturing lead to the creation of a "labour aristocracy"? How are employment opportunities affected by foreign influences on American tariff structures and l.d.c. wage structures? What are the implications of transnational "aid" for the creation of free political and trade union institutions?

The focus of this project will be upon the transnational activities of the AFL-CIO and of three or four of the unions most affected by the foreign production of American-controlled multinational corporations - especially the

unions catering for workers employed in the manufacture of synthetic textiles, apparel, and electronics. To assess the effect of these unions' transnational efforts, Sandbrook has tentatively selected three less developed countries for particular study. The study of the contemporary activities of American unionism in each of these countries should thus reveal the range of influence it currently exerts in those countries seeking to promote this pattern of development.

Sandbrook is presently engaged in reading the relevant literature on international trade unionism and American labour. The next stage will be to become more familiar with the three countries chosen as case studies. Once this basic reading is completed - by the end of 1975, he will begin to interview the appropriate union officials in the United States and Canada, seek access to their main policy statements and strategies, and peruse the Congressional record for statements relating to labour questions. Eventually he will trace the patterns of influence emanating from American unionism and involving the International Labour Office, the I.T.S.'s and regional labour organizations in Africa and Asia. Field Trips to Taiwan, Mexico and the West Indies for interviews and documentary perusal will be necessary. He intends to devote virtually all of his research time to this project after January, 1976, including a substantial leave in 1976-77. The project should be completed by the fifth year of the programme.

This project has been written up with primary reference to the U.S. based international unions. Certainly they are the major influence. However, every effort will also be made to integrate into the study any component that is specific to Canadian unions or to Canadian affiliates of the international unions.

III. Labour Intensive Manufactured Exports from Selected East European Countries

Principal Investigator: Dusan Pokorny

Most political leaders in the Soviet Union and in the countries following its conception of socialist society, and also many economists in that part of the world, have until recently accepted almost as a matter of course the "inevitability of a hyperbolic relation between the quantity of equipment per worker and the quantity of the output produced with that equipment."¹ For the period during which growth was sought to be achieved primarily by mechanization, increasing capital intensity in relation to output was confirmed by empirical analyses; and even the tentative steps towards automation have been occasionally characterized as "giving an excessive weight" to the release of man-power, while perhaps neglecting savings on material.² At least in those branches of production that are as a rule given preferential treatment - sectors which include chemical industry and electronics - a reliance on labour intensive technology would be usually considered highly inappropriate. In these countries, therefore, there appears to be - at least to begin with - little scope for the type of ventures that yield labour intensive manufactured exports. At the level of principles and basic policies, moves in this

1. Alexander Woroniak, "Technological Transfer in Eastern Europe: Receiving Countries," in: Stanislaw Wasowski (ed.), East-West Trade and the Technology Gap, New York 1970, p.120.

2. Ibid., p. 117.

direction are said to be opposed,³ or at least downgraded.⁴ In any case, it will be necessary to determine what precisely this very official position is, and how it differs among the countries chosen for a closer look (Hungary, Poland, Romania - and Yugoslavia, always with a stance, and history, of her own).

At a more pragmatic level, several factors are apparently at work to soften that position. First, of course, is the technological gap, the immense cost (in economic terms) of the research and development effort required to bridge it, and the risks believed to be associated with what may will be a basic precondition for such a new "take-off" in science, technology, and management, namely, a measure of liberalization of political system. Second, there exists no doubt a surreptitious desire to reduce somewhat the economic dependence on the Soviet Union; and independent access to both new technology and to new markets, in Western Europe and in the Third World,⁵ would be a means to this end. These considerations are likely to play a role in bringing about a more accommodative, and ultimately positive attitude even to "joint ventures" that, at least for some, and perhaps for a considerable time to come, reduce the part of the East European partner to the development and production of "peripheral equipment", to manufacturing "parts", to "middle-stage processing", to "intermediate technology,"⁶ - and

3. P.J.D. Wiles, Communist International Economics, New York 1969, p.185.

4. György Adam, "The Big International Firm and the Socialist Countries; an Interpretation", paper presented at the Rennes Symposium 1972, mimeographed, p.6. (Adam represented the Hungarian Academy of Sciences, Budapest.)

5. Ibid. p. 4

6. (see page 39c)

of course to the supply of labour, in which "relative wage differentials do play a certain role."⁷

The statistical data readily available provide few insights into the size, and composition, of exports that are the result of these ventures. It is, of course, well known that the share of manufactured exports of various descriptions in the total exports of these countries increased rapidly;⁸ but this is to a substantial extent simply a consequence of the industrialization of the country concerned; the degree to which this trend is associated with labour intensive manufactures exports is yet to be ascertained. It is estimated that, in the early 1970's, there were more than five hundred joint ventures in Eastern Europe; and, between 1965 and 1970, their number is said to have doubled.⁹ But they vary greatly in many respects, and the information available now on

6. Ibid., pp.2,3,7,10. See also Dynko Toshev, "Zusammenarbeit zwischen sozialistischen und kapitalistischen Firmen bei der gemeinsamen Ausfuehrung von Investitionsvorhaben," in: Peter Patti and Hans-Ulrich Sonderegger (eds.), Wirtschaftsfragen in und zwischen Ost und West, Düsseldorf 1966, pp.226 -227. Toshev, a Bulgarian economist, sees labour intensive manufactured exports as a way to solve the problem of "guest workers" in West Germany, Switzerland, Austria; some of these "Gastarbeiter" come from Bulgaria.

7. G, Adam, p.6.

8. Between 1950 and 1968, total West European manufacturer imports from Hungary increased from 8 to 126 mil. current dollars to 126 mil, while total imports increased from 80 mil. to 343 mil. The corresponding figures for Bulgaria read: no West European manufactured imports in 1950, 63 mil. in 1968; total imports: 8 mil. in 1950 and 194 mil. in 1968. Romania: no West European manufactured imports in 1950, 109 mil. in 1968; totals: 13 mil. in 1950, 391 mil. in 1968. Paul Marer, Soviet and East European Foreign Trade 1946 - 1969, Indiana University Press 1972, pp. 228, 225, 230.

9. Adam, p. 6. In C. H. McMillan and D. P. St. Charles, Joint Ventures in Eastern Europe: A Three-Country Comparison, C.D. Howe Research Institute, Montreal 1973, reference is made to a United Nations estimate of "six hundred semi-permanent interfirm industrial co-operation agreements in force between Eastern and Western European firms alone." (P. 1.)

them will by and large serve only as an indication of what to look for in a more detailed future inquiry. Thus, it is fairly clear that, initially, the Western partners in the joint ventures were primarily European firms; in fact, at least in one instance, East European governments were characterized as being more interested in co-operation with the smaller countries of the West; and the East European firms as looking for partners primarily among smaller concerns in the West.¹⁰ But this was in the 1960's, and in the early 1970's Canadian concerns began to arrange for co-operative production in Romania and Yugoslavia.¹¹ These two countries attracted also the attention of U.S. corporations;¹² in other East European countries, American firms were reported to be "conspicuous by their absence," at the same time, however, the hope was expressed that "this situation may change in the near future", primarily because of "the trade negotiations between the USSR and the U.S."¹³ In terms of industrial activity, the concentration seems to be on transportation equipment, chemicals, electronics, electrical machinery, paper, and textiles.¹⁴ The institutional arrangements are different, depending on the host country concerned and the type of activity envisaged. From the East European side, proposals were informally made for a new form of contractual partnership, characterized by two features; the Western partner grants only credit, does not own any means of production, and the ultimate decision making rests with

10. D. Toshev, p. 238

11. C.H. McMillan and D.P. St. Charles, chapters 5,6,7.

12. Ibid., p. 3.

13. G. Adam, p. 14.

14. C.H. McMillan and D. P. St. Charles, P. 91; see also Adam, pp. 2-3, and Toshev, pp. 224-225.

the host country; the East European enterprise does not pay interest on the loan, but agrees to a scheme of profit-sharing.¹⁵ The Western response to such proposals, if they were pressed in actual negotiations, is at this stage not known. But it would have to be looked into as an item of a broader inquiry that would, in general, try to estimate to what degree the new ventures in the field of relatively labour intensive manufactured exports may be in future effective in correcting the traditional tendency for the participation of the socialist countries in foreign trade, and especially in trading with the West, to be below the free trade level.¹⁶

Turning to theory, one may start by observing that, although the Ricardian points of departure of Marx's economics should have made the comparative advantage approach relatively acceptable to Marxian economists from the very beginning of their discussions of international trade, it was in fact for quite some time rejected by many of them. In the early 1960's however, the principle of comparative cost came to be accepted at least in its "rational nucleus", as a "law governing foreign trade and international division of labour."¹⁷ But this change of heart occurred only about ten years after Leontief's paradoxical results in his test of the factor proportions explanation of international trade, and the latter's new adherents had to

15. G. Adam, pp. 8-9.

16. That is, below the level corresponding to comparative advantage. Abram Bergson, "On Prospects for Communist Foreign Trade," in: Alan A. Brown and Egon Neuberger, International Trade and Central Planning, Berkeley 1968, pp. 386-388.

17. Tibor Kiss, International Division of Labour in Open Economies, Budapest 1971, p.34.

try and come to grips with the apparent shortcomings of the analytical tool adopted. This was, by and large, done by way of combining the capital intensity indicator with some kind of "efficiency" indicator which, in essence, relates the net returns of foreign exchange yielded by an exported product to current domestic inputs necessary for its production.¹⁸ While some of the results gained by these techniques (which a Western observer found "almost excessively sophisticated"¹⁹) are phrased in the time honoured terms of capital intensities,²⁰ other arguments focus more explicitly on

18. Ibid., p. 62.

19. P. J. D. Wiles, p. 25

20. For instance, T. Kiss writes: "According to estimates made by Soviet Economists, the capital-intensity of the goods exported by the Soviet Union to Hungary is three times as high as the capital-intensity of the goods imported by the Soviet Union from Hungary would be if they were produced in the Soviet Union. My estimates seem to confirm this fact." "Gr: "... since Hungarian imports from the Soviet Union contain a higher proportion of capital-intensive raw materials than the Hungarian exports to that country, the "direct" capital-intensity of the latter is lower than that of the former, resulting in considerable saving in investment capital for Hungary." (Pp. 66-67.) These results seem to be born out by at least some Western economists' calculations. Thus, one such analysis concludes that "the trade with eastern Europe is costing the Soviet Union both on average for all east European countries, and also for all individual east European countries except Bulgaria and Romania," while "all east European countries save Romania perceived gains from trading with the Soviet Union in 1960; by 1970, Romania too perceived gains from trade." Edward A. Hewett, University of Texas, "Prices and Resource Allocation in Intra-CMEA Trade," a paper prepared for the conference on "The Consistency and Efficiency of the Socialist Price System," University of Toronto, 1974, mimeographed, pp. 30-31. One may want to add, however, that the east European countries' gains from trade with Soviet Union given a certain structure of trade relations, and given the corresponding structure of each national economy as a whole, indicate little about the optimality, or otherwise, of either of these structures themselves from the point of view of the national interests of the countries concerned and the possibility of alternative international trade patterns, including a restructuring of their trade with the West and the Third World.

those "non-traditional" factors, such as research and development costs,²¹ which now increasingly attract the attention of Western economists. What these investigations reveal about the desirability, or otherwise, of labour intensive manufactured exports in particular, is not immediately evident; but the question may be worth a closer looking into. At this point, one is tempted to add that there is another area of potential theoretical interest. Western economists are now becoming more keenly aware of the high degree to which international trade in manufactured goods (for the most part considered on the assumption of free trade, competitive situations, etc.) takes in fact place within multinational firms. In this connection, observers of the Eastern scene are likely to note the increasing tension between the moves to recognize the "value" (that is, the market type of) orientation in the trade between the Soviet-type economies, and the fact that the directive type of planning at the national level, as well as attempts to achieve direct co-operation in production (rather than simply "trade") at the intra-bloc level, imply only accounting (by contrast with economic) prices and administratively directed movements of movements of products.

Both the actual experience of Soviet-type economies with labour intensive manufactured exports and the ideological as well as theoretical discussions of this characteristic feature of the present international trade situation, may well be of interest to the third World countries -- and, indirectly, to the industrially developed countries, too, at least

21. G. Adam, p. 10.

as far as their relations with the underdeveloped nations are concerned. Some of areas of interest were already mentioned in an earlier part of this research project; here, the focus will be only on the following aspect of the question at hand. In their efforts to justify the "joint ventures" which, at least to a considerable extent, rely on labour intensive manufacturing, the political leaders and economists speaking on behalf, or explaining the policy, of the socialist countries concerned almost invariably emphasize that (a) the "commanding heights" of their economies are "firmly controlled" by the respective governments, and that (b) these economies "are not at the mercy of a few big international firms,"²² primarily because they are a part of the economically and politically powerful Soviet bloc. The message to the Third World countries is plain enough: the underdeveloped countries are advised that the central pre-condition for their acceptance of arrangements involving labour intensive manufactured exports (and, of course, quite a few other ventures) is, internally, a greater governmental control over the respective economy, and, internationally, some kind of participation in a sufficiently powerful grouping. What grouping the Soviets and East Europeans have in mind, is obvious; more interesting is the question how their message is interpreted by the Third World leaders themselves. At the international level, one can hardly fail to note the existence of OPEC, the attempts to organize similar "cartels" for other raw materials, and the moves towards a "bilateral" - meaning underdeveloped countries as a whole and the industrially developed nations as a group- settlement of major international economic issues, such as food, currency, et.al. Of course, this is not to say that the labour intensive manufactured exports, which are still a relative minor aspect of the development strategies in the Third World, would play an outstanding role in the larger international problems. The suggestion merely is that it might be worthwhile to look into what the connections between the "minor" and the "major" in fact are. -

Mere particularly, the research programme would include the following items, each with respect to Hungary, Poland, Romania, and Yugoslavia:

(1) to collect the relevant statistical data and, on this basis, to try and determine the size and composition of labour intensive manufactured exports, as well as the over-all volume of the research, development and production activities covered by the joint ventures agreements, or by similar arrangements;

(2) to investigate the institutional forms of such ventures; that is, to collect information on the legal situation in the receiving country, on the government approved "blue-prints" for such inter-firm arrangements, on actual conditions negotiated for existing ventures of this kind - and, on this basis, to put together a composite picture of the institutional framework under which they operate;

(3) to determine the place occupied by labour intensive manufactured exports, and the institutional ground rules established for them, in the over-all growth and international trade, strategies of these countries; this would involve analysis of policy statements, of theoretical discussions, and of the actual state of affairs; the purpose being to establish the manner in, and the extent to, which the acceptance of these new forms of international economic relations changes the country's picture of its existing, and desired, role in the international division of labour;

(4) to compare the views and positions expressed, on these issues, in the above countries with (a) those current in the Soviet Union, and (b) those advocated by neo-marxists in the West and in the Third World;

(5) to try and relate (1) through (4), directly to the Third World countries engaged in, or considering an orientation on, labour intensive

manufactured exports and the type of organizational arrangements that go with them; more concretely

- (a) to look into the relevant theoretical and ideological discussions concerning the Third World explicitly, and into those which pertain to the developing countries by implication;
 - (b) to examine the relevant policy statements having a bearing on the Third world countries; the information available on the government-to-government contacts in these matters; the positions taken during, or in connection with, international conferences dealing with these and related questions;
 - (c) to study the actual impact, on the Third World, of the East-West joint ventures and of the political positions taken in this respect by the Soviet Union and the countries of Eastern Europe;
 - (d) to investigate how, in the opinions expressed in the latter countries, the issues of labour intensive manufactured exports and the joint ventures in the Third World relate to the central problems of international trade, such as the energy crisis, the emerging raw material dispute, etc;
 - (e) to determine how the over-all experience of socialist countries with labour intensive manufactured exports and the joint ventures (seen from the point of view of these countries' respective growth strategies) influences the position, and the thinking, of the Third World countries in these matters (relative to their general development strategies);
- (6) to deal with some of the methodological problems involved

from the following three points of view:

First, with respect to the conceptual frameworks employed in the materials investigated (say, the relation of the Marxian concept of "unequal exchange" to the Ricardo-J.St.Mill-Ohlin comparative advantage principle; looking now not so much at the contents of the respective theorems, as at the language, the epistemological presuppositions, and the value judgements);

Second, with regard to the selection of a consistent (even if perhaps composite) frame of reference for my own discussion of the problem (for instance, is it really possible to find the unifying frame of reference in the theory of industrial organization, currently applied to explanation of direct investment? or has one to go right to the game and decision theory itself? or are we ultimately confronted with a "distributive justice" problem at a world level?);

Third, with reference to a degree of integration of various parts of this research project (the relation between the languages and methods employed by various disciplines; the necessity of making the differences explicit; the possibility of working out some ground rules applicable to all, or to most, of the individual investigations and presentations etc.). -

In all these various parts of the research project, the groundwork, and the final analysis will be done in Toronto. In order to complete the gathering of data and materials and to acquaint myself with the latest results of other inquiries into the questions I would be dealing with. I plan to visit

(i) Yugoslavia, where I have several contacts, and if possible also

Hungary, where I could easily establish some, provided that I obtain the Hungarian visa;

- (ii) the University of Frankfurt a.M. whose chair of "Comparative Economics of Socialism" is one of the centers of West German studies in the field, and the Vienna Institute for Comparative Economic Studies (the "smaller" Nemschak institute) which has one of the best collections of materials on East - West trade and scrutinizes the developments in this area on an on-going basis; with the leaving^{members} of both those institutions, I have connections of long standing;
- (iii) the University of Glasgow (Soviet studies) and the University of Sussex (development economics).

IV. Comparative National Policies within the Third World regarding the Development of Manufactured Exports

Principal Investigator: Cranford Pratt

The governments in the developing areas are themselves important participants in the processes that have brought export-minded manufactured industries to a small number of Third World countries. By means of a quick and widely-ranging

comparative study, this project hopes to assemble significant information on the considerations that have influenced the decisions of government to promote (or not to promote) a manufacturing export sector; on the specific policies which were employed to encourage this development and on the controls and guidelines instituted to maximize its advantages to the host countries.

Not every country has chosen to attach importance to this type of development. Hypotheses can easily be formulated to explain the reasons why some governments have pursued export-oriented industrialization with particular zeal while others have been less interested or openly opposed.

These would include:

- 1) the smaller a country, the more it is likely to feel that it will never be able to develop a significant manufacturing sector without a heavy export component.
- 2) As a country reaches the limits to industrialization based upon the import-substitution, it is likely to attach increasing importance to manufactured exports.
- 3) A government's decision on this issue is likely also be to influenced by the chances of success. , It may therefore attach a good deal of importance to such questions as the country's proximity to large markets, the existence of a substantial number of unemployed workers who have had experience in the disciplined routine of modern factories and the existence of a business consensus that it will not experience substantial political unrest.
- 4) the existence within the country of powerfully placed economic interest groups who would in particular benefit from this development.

5) The degree to which the country appears to have alternatives will also be an important influence. A country with significant natural resources still to be developed, or with markets for its primary produce which are buoyant, is likely to be less interested in an export manufacturing sector than one whose natural resources are either more existent or fast depleting or whose primary products face stagnant markets.

6) Any country in which important sectors have become concerned about foreign dominance of its economy and which see no way of developing an exporting manufacturing sector without welcoming major new foreign enterprises, will obviously be extremely cautious of this development.

A second set of questions for which answers will be sought relates to the policy initiatives by which this development was encouraged. These include:

- 1) how active and important was the state in this process ?
- 2) which, if any, of these techniques were chosen and for what reasons:
 - a) export processing zones
 - b) import liberalization
 - c) tax concessions of various kinds
 - d) special foreign exchange concessions
 - e) subsidized inputs
- 3) did the state show a particular preference for foreign owned ventures, for joint ventures, for indigenous firms or for direct state participation ?
- 4) did the state take any major initiatives that involve important infrastructure investments and special legislation in order to create special areas in which this development is concentrated, such as the export processing "free zones" on Taiwan, or the development of the "border belt" in Mexico.

There is a third set of policy matters on which information will also be sought. A main line of criticism of this pattern of development is that it may lock a country into a relationship with the developed countries which limit the advantages to that country to the actual employment which is provided by these industries and which in process increases its dependency upon the expertise, the technology and the capital of

the developed countries. Where that happens the country may well achieve a modest immediate gain at the cost of it being harder than ever to achieve a more autonomous and nationally controlled development.

This project will therefore seek to identify and to assess what efforts have been made to build into this pattern of development arrangements which will generate an increasing indigenous participation in the benefits of this development.

In particular, information will be sought on any arrangement which would seek:

- 1) to increase the skills and to expand the participation of indigenous workers,
- 2) to encourage the introduction of manufactured exports which require the use of a wider range of skills,
- 3) to encourage the development of local linkages with other domestic industries and sectors,
- 4) to develop indigenous entrepreneurial and managerial skills and
- 5) to minimize the long term dependency upon foreign controlled technology, foreign entrepreneurs, foreign inputs and foreign capital.

In pursuit of these objectives, Cranford Pratt will devote the fifteen month period, July, 1976 to September, 1977, as follows:

July, 1976 to September, 1976: Intensive review of available literature plus short visits to a number of centres where work has recently been done on this and related questions. These will include the Institute of Development Studies, Sussex; the International Labour Office; the Yale Growth Centre; Unitar; and Richard Baret's Institute of Policy Analysis. These visits need not be of long duration. Gerald Helleiner will have already surveyed and collected a great deal of the relevant secondary material as part of the present project.

September - December, 1976: Research visits to Sri Lanka, Singapore, the Philippines and Taiwan. Sri Lanka and the Philippines have recently given close consideration to the encouragement of an export oriented manufacturing sector, Singapore is not only a successful example of the pattern but is seeking in particular to promote manufactured exports that entail a wider range of skills, Taiwan is perhaps the most singleminded proponent of this pattern of growth.

January, 1977: Review of material.

February to April, 1977: Research trip to Mexico and to several West Indian countries, in particular Barbados and Jamaica.

May to September, 1977: Writing up of a full and detailed report on this research.

This project would need to be done immediately when the programme begins. It would assemble, early in its life, a substantial body of comparative material relevant for the work of the whole programme. It would provide contact with Third World scholars and thus increase the opportunity that this programme could stimulate groups of Third World scholars to engage in related research. It would also permit the development of links that would facilitate field research by graduate students.

V. The Effects of Export-Oriented Manufacturing upon Individual Less-Developed Countries

Principal Investigators: All members of the group + graduate students + co-operating institutions in the relevant countries

In keeping with our basic assumption that the objects of development initiatives are to advance the welfare of the poor, to achieve sustained development in poor countries and to promote the creation of integrated and harmonious societies with control of their own destinies in the Third World, it is essential to our purpose to consider the impact of export-oriented manufacturing activities upon the exporting countries. Economic, political and social dimensions of this new phenomenon must be explored in the countries where it is found. Since all of the members of the research team are directly concerned with these issues, all will participate in this

project. Since the research team is physically based in Toronto, however, the bulk of the field research is to be carried on by doctoral students working in the field after having been prepared for research in the workshop at the University of Toronto. Students of both economics and political science will conduct thesis research in particular countries - notably Mexico, Taiwan and the Caribbean - under the direction of team members. At the same time, Professor Pratt will seek to establish liaison with researchers with related interests in the relevant countries and will conduct one case study himself in year IV of the grant.

The methodology is essentially that of comparative case studies, each of which will address the same set of questions. Each case study will involve a detailed exposition of the development of manufactured exports which will include, inter alia, information on:

- 1) the types of manufacturing for export undertaken (including their technological characteristics) and their change over time;
- 2) the institutional form which these activities took: foreign direct investment, joint ventures, technology contracts with locally owned firms, supply contracts, etc.; and the origins of these forms;
- 3) the nature and effects of relevant governmental strategies and policies, and their effects.

Analysis of the following factors will then be conducted, the emphasis varying depending upon the disciplinary orientation of the individual research worker:

- 1) How is the programme viewed by various local actors, e.g., the state and various departments thereof, labour and its constituent organizations, local businessmen distinguished as between those with linkages to the phenomenon and those without, large versus small, commercial and service interests as against industrialists, etc.

- 2) who are the principal local beneficiaries (or losers) from this development in terms of income, employment, influence and power: urban versus rural, regional interests (e.g., port cities and processing zones versus the rest), unionized labour versus the rest; female labour versus male labour; skilled and professional and capital owning classes versus the rest; etc.
- 3) what is the impact upon the distribution of political power, the distribution of income, the evolution of class structure and the operation of government,
- 4) has it generated significant effects with respect to the objective of the achievement of sustained and autonomous development, e.g. through managerial learning, training of labour, linkage effects, increased investment of government revenue, etc., or alternatively, has it tended to underline and reinforce dependency upon foreign capital, technology and/or capital and thereby to lessen the likelihood of any real breakthrough to sustained and autonomous economic development ?
- 5) Have there been concomitant effects with respect to external relations, e.g. foreign policy, currency alignments, etc. ?

One of the important tasks to be accomplished in the Workshop will be the continuous refinement and improvement in the identification of the questions to be asked by the individual case studies.

Attempts will be made to relate the analyses to the compendium of information on the specific character of each country's experience with export-oriented manufacturing. Thus it is hoped that the comparative analysis will shed light upon the effects of the various strategies and policy instruments actually pursued in a variety of circumstances. It should be possible to provide insight into such issues as the

effects of foreign ownership and control, the effectiveness of government regulations of various sorts, the likelihood of learning and linkage effects, as well as the basic questions as to the extent of "national gains" and their local distribution. One might also hope to be able to find correlations between certain types of political orientations and systems on the one hand and the nature of the states response to the new "opportunity" for export-oriented industrialization on the other. At a minimum, we shall learn a great deal about the strengths and weaknesses of different types of export-oriented manufacturing and policies relating thereto. In this connection, the analysis of East European experience will lend more generality to whatever conclusions we may be able to reach.

5. THE BUDGET

The principal components of this budget are the provisions for released time for the principal investigators and support for graduate students. The budget is based upon the full cost of the programme including the cost of the office accommodation of the participants and University overhead. These important costs are part of the University contribution to the programme.

The first year is a lead-in year with some totals significantly less than in the later years. The fifth year is also significantly less as the final year is to be very largely for writing rather than for fresh research. The costing for years two to five have been given in "Year one dollars". The budget would thus need significant upward revision should major price increases continue.

The budget is followed by detailed notes on the individual items. These are given in full with reference to the year in which each item first appears. Subsequent changes that are not self-explanatory are commented upon for the relevant later years.

BUDGET

Year One: 1976-77

<u>Item</u>	Costs met by:			
	Total Cost	Canada Council	U. of T.	Other
A. Personnel				
1) Principal Investigators:				
G. Helleiner	19,000	12,100	6,900	
D. Pokorny	8,300		8,300	
C. Pratt	39,000	39,000		
R. Sandbrook	7,600		7,600	
2) Visiting Fellows	2,000	2,000		
3) Doctoral fellowships	nil			
4) Research Assistants part-time @ 3,400	6,800	6,800		
5) Secretary:				
a) Salary (half-time)	4,500	4,500		
b) Supplementary	4,400	1,000	3,400	
6) Fringe Benefits	10,700	6,800	3,900	
Sub-Total	102,300	72,200	30,100	

...../

BUDGET

Year One: 1976-77 (cont.)

<u>Item</u>	Costs met by:			
	Total Cost	Canada Council	U. of T.	Other
B. Data Collection:				
1) Computer time	nil			
C. Travel:				
1) Transportation	6,000	6,000		
2) Subsistence	5,500	5,500		
Sub-Total	11,500	11,500		
D. Documentation:				
1) Books and Periodicals	5,500	1,500	4,000	
2) Photocopies	1,000	1,000		
Sub-Total	6,500	2,500	4,000	
E. Materials and Equipment:				
1) Supplies and Services	800	800		
2) Equipment	1,000	1,000		
Sub-Total	1,800	1,800		
F. Research Communication:				
1) Graduate seminars, etc.	11,400	2,000	9,400	
Sub-Total	11,400	2,000	9,400	
G. Space	7,200		7,200	
H. Overhead (30% of all non capital items)	42,200		42,200	
Total	182,900	90,000	92,900	

BUDGET

Year Two: 1977-78

<u>Item</u>	Costs met by:			
	Total Cost	Canada Council	U. of T.	Other
A. Personnel:				
1) Principal Investigators				
G. Helleiner	11,100		11,100	
D. Pokorny	25,600	25,600		
C. Pratt	23,900	15,900	8,000	
R. Sandbrook	8,000		8,000	
2) Visiting Fellows	12,000	12,000		
3) Doctoral Fellowships	22,000	22,000		
4) Research Assistants @ \$3,400	13,600	13,600		
5) Secretary:				
a) Salary (full-time)	9,000	9,000		
b) Supplementary	4,400	1,000	3,400	
6) Fringe Benefits	12,000	7,500	4,500	
Sub-Total				
Sub-Total	141,600	106,600	35,000	

...../

BUDGET

Year Two: 1977-78 (cont.)

<u>Item</u>	Costs met by:			
	Total Cost	Canada Council	U. of T.	Other
B. Data Collection	nil			
C. Travel:				
1) Transportation	4,000	4,000		
2) Subsistence	5,500	5,500		
Sub-Total	9,500	9,500		
D. Documentation:				
1) Books and Periodicals	5,500	1,500	4,000	
2) Photocopies, etc.	1,000	1,000		
Sub-Total	6,500	2,500	4,000	
E. Materials and Equipment:				
1) Supplies and Services	1,800	1,800		
2) Equipment	nil			
Sub-Total	1,800	1,800		
F. Research Communication:				
1) Conference	16,800	10,000	800	6,000
2) Graduate seminars, etc.	11,400	2,000	9,400	
Sub-Total	28,200	12,000	10,200	6,000
G. Space	7,200		7,200	
H. Administrative Overhead	58,400		58,400	
Total	253,200	132,400	114,800	6,000

BUDGET

Year Three: 1978-79

<u>Item</u>	Costs met by:			
	Total Cost	Canada Council	U. of T.	Other
A. Personnel:				
1) Principal Investigators				
G. Helleiner	34,100	34,100		
D. Pokorny	8,800		8,800	
C. Pratt	24,100	16,100	8,000	
R. Sandbrook	24,400	24,400		
2) Visiting Fellows	12,000	12,000		
3) Doctoral Fellowships	44,000	44,000		
4) Research Assistants (part-time) @ 3,400	13,600	13,600		
5) Secretary:				
a) Salary, full-time	9,000	9,000		
b) Supplementary	4,400	1,000	3,400	
6) Fringe Benefits	15,500	12,500	3,000	
Sub-Total	189,600	166,400	23,200	

...../

BUDGET

Year Three: 1978-79 (cont.)

<u>Item</u>	Costs met by:			
	Total Cost	Canada Council	U. of T.	Other
B. Data Collection (computer)	1,000	1,000		
C. Travel:				
1) Transportation	15,000	15,000		
2) Subsistence	16,000	16,000		
Sub-Total	31,000	31,000		
D. Documentation:				
1) Books and periodicals	5,500	1,500	4,000	
2) Photocopies, etc.	1,400	1,400		
Sub-Total	6,900	2,900	4,000	
E. Materials and Supplies:				
1) Supplies and services	1,800	1,800		
2) Equipment	nil	nil		
Sub-Total	1,800	1,800		
F. Research Communication:				
1) Conference	nil			
2) Graduate seminars, etc.	11,400	2,000	9,400	
Sub-Total	11,400	2,000	9,400	
G. Space	7,200		7,200	
H. Administrative Overhead	74,700		74,700	
 Total	 323,600	 205,100	 118,500	

BUDGET

Year Four: 1979-80

<u>Item</u>	Costs met by:			
	Total Cost	Canada Council	U. of T.	Other
A. Personnel:				
1) Principal Investigators				
G. Helleiner	20,900	13,900	7,000	
D. Pokorny	9,000		9,000	
C. Pratt	40,200	20,100	20,100	
R. Sandbrook	8,200		8,200	
2) Visiting Fellows	12,000	12,000		
3) Doctoral Fellowships @ 5,500	33,000	33,000		
4) Research Assistants part-time @ 3,400	13,600	13,600		
5) Secretary:				
a) Salary, full-time	10,000	10,000		
b) Supplementary	5,400	2,000	3,400	
6) Fringe Benefits	12,200	5,100	7,100	
Sub-Total	164,500	109,700	54,800	

...../

BUDGET

Year Four: 1979-80 (cont.)

<u>Item</u>	Costs met by:			
	Total Cost	Canada Council	U. of T.	Other
B. Date Collection (computer)	1,500	1,500		
C. Travel:				
1) Transportation	9,000	9,000		
2) Subsistence	11,500	11,500		
Sub-Total	20,500	20,500		
D. Documentation:				
1) Books and Periodicals	5,500	1,500	4,000	
2) Photocopies, etc.	1,400	1,400		
Sub-Total	6,900	2,900	4,000	
E. Materials and Supplies:				
1) Supplies and services	1,800	1,800		
2) Equipment	nil	nil		
Sub-Total	1,800	1,800		
F. Research Communication:				
1) Conference	16,800	10,000	800	6,000
2) Graduate seminars, etc.	1,400	1,400		
Sub-Total	18,200	11,400	800	6,000
G. Space	7,200		7,200	
H. Administrative Overhead	66,200		66,200	
Total	286,800	147,800	133,000	6,000

BUDGET

Year Five: 1980-81

<u>Item</u>	Costs met by:			
	Total Cost	Canada Council	U. of T.	Other
A. Personnel:				
1) Principal Investigators				
G. Helleiner	11,900		11,900	
D. Pokorny	9,300		9,300	
C. Pratt	13,800		13,800	
R. Sandbrook	8,700		8,700	
2) Visiting Fellows	2,000	2,000		
3) Doctoral Fellowships 2 @ 5,500	11,000	11,000		
4) Research Assistants	nil			
5) Secretary:				
a) Salary	10,000	10,000		
b) Supplementary	5,400	2,000	3,400	
6) Fringe Benefits	8,600	1,500	7,100	
Sub-Total	80,700	26,500	54,200	

...../

BUDGET

Year Five: 1980-81 (cont.)

<u>Item</u>	Costs met by:			
	Total Cost	Canada Council	U. of T.	Other
B. Data Collection (computer)	1,500	1,500		
C. Travel:				
1) Transportation	3,000	3,000		
2) Subsistence	3,000	3,000		
Sub-Total	6,000	6,000		
D. Documentation:				
1) Books and periodicals	5,500	1,500	4,000	
2) Photocopies	1,400	1,400		
Sub-Total	6,900	2,900	4,000	
E. Materials and Supplies:				
1) Supplies and services	1,800	1,800		
2) Equipment	nil	nil		
F. Research Communication:				
1) Conference	nil			
2) Graduate seminars, etc.	1,400	1,400		
G. Space	7,200		7,200	
H. Administrative Overhead	30,800		30,800	
 Total	 136,300	 40,100	 96,200	

BUDGET SUMMARY

	<u>Costs met by:</u>			
	<u>Total</u>	<u>Canada Council</u>	<u>U. of T.</u>	<u>Other</u>
1976-77	182,900	90,000	92,000	
1977-78	253,200	132,400	114,800	6,000
1978-79	323,600	205,100	118,500	
1979-80	286,800	147,800	133,000	6,000
1980-81	136,300	40,100	96,200	
	<hr/>	<hr/>	<hr/>	<hr/>
	1,118,800	615,400	555,400	12,000
	<hr/>	<hr/>	<hr/>	<hr/>

GRANT REQUESTED: \$615,400

NOTES TO BUDGET

(Full notes appear with reference to 1976-77, with the notes for the subsequent years merely adding information particular to the year in question.)

YEAR ONE: 1976-77

A. (1) Personnel, Principal Investigators

The entries here have been calculated on the basis of the following salaries

for 1975-76:-	G. Helleiner	\$32000
	D. Pokorny	\$24000
	C. Pratt	\$38400
	R. Sandbrook	\$22000

For each subsequent year the following minimal increases have been added:-

Helleiner, \$700; Pokorny, \$800; Pratt, \$600; Sandbrook, \$800. No increases have been included to cover cost of living increases.

In 1975-76 Helleiner will be the co-ordinator of the programme, Pratt will be on full-time research and Sandbrook and Pokorny will be teaching (or perhaps on a sabbatical). In this and following years we have made the reasonable assumption that one-third of each calendar year will be spent on research for the programme by any of the participants who are teaching 'full-time'. (This provision includes summer research plus research done during term.) Thus one-third of Pokorny and Sandbrook's salaries are treated as being devoted to this programme. Should one or other of these participants secure a sabbatical year next year, they would continue significantly to be involved in the programme and therefore no adjustment would be needed to this budget in that eventuality.

The budget assumes that whoever is the co-ordinator of the programme will need to devote a significant amount of time to this responsibility. The budget therefore includes funds to 'buy' two-fifths of the co-ordinator's time from the University in each of years one to four. The administrative responsibilities of year five are likely to be significantly less and this provision is therefore not repeated for year five. The co-ordinator in years one and four will be Helleiner, and in years

two and three, Pratt.

The budget provision for Helleiner in 1976-77 therefore consists of two-fifths of his salary as a grant component plus one-third of the balance of his salary as the University contribution of the research time he will devote to the programme this year.

A. (2) Visiting Fellows

The intention is to bring to the University of Toronto each year visitors of several different kinds. In years two to four we shall appoint visiting fellows for periods of approximately three months. They will be recruited in particular from those countries in the Third World in which the programme's research is concentrated. They will increase our sensitivity to the needs and the perspectives of their countries and they in turn will be given a chance to study the dynamics of politics in the developed world which are important influences upon their own countries.

This provision will also permit shorter visits by scholars from other Canadian universities who might wish to be associated with the programme and who could contribute to its progress. The 1976-77 provision is entirely for this purpose.

A. (3) Doctoral Fellowships

Doctoral fellowships will first be awarded in year two of the programme.

A. (4) Research Assistants

Two research assistantships will be awarded in years one and four and four will be awarded in years two and three.

A. (5) Secretarial

One half salary is proposed for years one and five and a full salary for years two, three and four. The Department has agreed to provide suitable accommodation. The Department and the International Studies Programme will provide supplementary

the programme will take the seminar for credit as part of his Ph.D. programme. The running of this graduate course will 'count' as part of the teaching load of one of the participants in the programme who takes primary responsibility for organizing it each year. The cost of this item is therefore estimated at one-third of an average salary of \$28,000.

G. Space

The University will provide office accommodation for the four principal participants and, through the I.S.P. and the Department, for the visiting fellow as well (there would most likely be only one overseas fellow at any one time). The accommodation for the secretary will be provided by the Department. A notional estimate of a monthly rent of \$600 was used to estimate the value to the programme of this contribution by the University.

H. Administrative Overheads

The whole range of University administrative overheads are estimated at 30% of the budget of the programme.

YEAR TWO: 1977-78

A. (1) Personnel

The system used for these items was outlined in the rules for year 1976-77, above. In the year 1977-78, Pratt will be the co-ordinator and Pokorny will be on full time research leave. Thus the University is shown as contributing one-third of Sandbrook's and Helleiner's salary while the Council contributes Pokorny's salary. In the case of Pratt, the Council contributes two-fifths of his salary and the University one-third of the balance of that salary.

A. (3) Doctoral Fellowships

Four awards are to be made in year two and four in year three. Each is to be renewable for one year with little trouble and in exceptional circumstances, for a

F. (1) Research Communication, Conference

The note above for this item for year two, 1977-78, applies here as well.

The graduate seminar would no longer be needed as all participating graduate students would have had the opportunity to take this seminar in earlier years. The less structured workshop however would be likely to be more active in year four and five than ever before as participants in the programme would be reporting the results of their research to the group. For that reason \$1,000 is sought so that on occasion interested scholars from outside Toronto can be invited to attend specific workshop sessions.

YEAR FIVE: 1980-81

A. (1) Personnel, Principal Investigators

All four participants would be teaching at the University in year five. One-third of each of their salaries is therefore treated as a University contribution to the programme (see note for this item in regard to year one).

A. (2) Personnel, Visiting Fellows

There will be no overseas visiting fellows in the final year.

C. Travel

The travel in year five is limited to a provision for summer research travel.

CURRICULA VITAE OF THE PRINCIPAL PARTICIPANTS

The Council is asked to bring forward the curricula vitae of Helleiner, Pratt and Sandbrook from the previous application. Dusan Pokorny's curriculum vitae is appended herewith for inclusion with them.

Curriculum Vitae

Dusan Pokorny

Dusan Pokorny, born 1919, is a graduate of the Charles University, Prague, and received his Ph.D. from the Institute of Philosophy, Czechoslovak Academy of Sciences. Between 1945 and 1965, his non-academic positions included those of the Economic Editor of a Prague daily newspaper (1945-1948) and the Managing Editor of a reform-oriented weekly with nation-wide circulation (1958 - 1963); he was also the representative of Czechoslovakia in a series of trade negotiations with India (1949 - 1953) and in the negotiations on "open economic questions" between Czechoslovakia and the United States (1955 - 1958). Among his academic positions have been the following: Research Associate Institute of Philosophy, Czechoslovak Academy of Sciences (1964 - 1966); senior research member, Economic Institute, Slovak Academy of Science, Bratislava; special lecturer, Department of Political Economy, Comenius University, Bratislava (1967 - 1968); Research Associate, University of Toronto-CIDA Tanzania Research Project (1968 - 1973); Associate Professor, Department of Political Economy, University of Toronto (since 1969); member, Centre for Russian and East European Studies, University of Toronto, since 1969, and member, Executive Committee of CREES, since 1973. He published a book on J.F. Kennedy and the U.S.A. toward the end of his presidency (Ulice jilmu, Prague 1964), a text-book for university students, (Domar's Model of Economic Growth as a System, Bratislava 1967) and, in collaboration with E. Leobl, a book on political trials in the Stalin period (Die Revolution rehabilitiert ihre Kinder, Wien 1968, published also as Afinal, A Verdade in Rio de Janeiro, 1969, and as Sentenced and Tried, London, 1969). Since 1969, his research centered on problems of traditional and contemporary East African land tenures; he is now completing a book on the subject; a part of the manuscript was already published in Rural Africana (Michigan State University), No. 22, Fall 1973 ("The Haya and Their Land Tenures: Property Rights and the Surplus Problems.") In connection with this research, he visited Tanzania in summer 1973; at that time, he also lectured in the University of Dar es Salaam and subsequently in the Scandinavian Institute of African Studies in Uppsala. He discussed the ujamaa villages in Tanzania during an Annual Meeting of the Canadian Political science (Winnipeg 1970) and during the African Studies Association annual meeting (Chicago 1974).

Ph.D. STUDENTS IN POLITICAL ECONOMY AT THE UNIVERSITY OF TORONTO

It might be of interest to list Ph.D. students who are now actively working on theses which relate significantly to the overall theme of our project. This list has, we hope, a double relevance:-

- 1) It establishes our ability to attract Ph.D. students who will be interested in working in this general area;
- 2) it demonstrates that there already is that 'critical mass' here that is essential for a successful co-operative effort of this sort.

James Adams:	The Politics of Export Processing: The Brazilian-U.S. Dispute over Soluble Coffee. (Work just beginning)
Taisier Ali:	The Major Determinants of Agricultural Development in the Sudan: Foreign Assistance, National Politics and the Civil Service. (Field research will start this August)
John A.F. Arn:	Urbanization and Social Marginality in Ghana. (Field research nearly completed)
Robert Burke:	Multi-National Corporations and Development. (Work just beginning. More specific theme still to be identified)
Rianne Clipsham:	Textile Policy in Canada, with particular reference to the importation of textile products from developing areas. (Research largely completed, thesis being written)
Roy Culpepper:	Choice of Technology and Self-Sufficiency in Fertilizers in India. (Completed)
Louise Dixon:	Populism and the Working Class in Argentina. (Field research nearly completed)
Linda Freeman:	The Nature of the Canadian Presence in Southern Africa and its Consequences for Canadian Policy. (African field research completed, research in Canada in process)

- Bunt Ghosh: Transfer of Consumption Technology to Mexico, India and Kenya.
(Work just beginning)
- Charles Hartford: The Sub-Proletariat in Trinidad.
(In field)
- Pablo Guerrero-Ortiz: Multi-National Firms and Manufacturing Exports in the Andean Group.
- Vinod Gupta: Foreign Investment, Export Processing and Industrial Organization in India.
(Work just beginning)
- Barbara Jamieson: Economics of Agricultural Research Strategy in East Africa.
(Work just beginning)
- Christopher Leo: The Million-Acre Resettlement Scheme in Kenya.
(Nearly completed)
- Karl Laubstein: Physical Urban Planning in Kenya.
(Research complete, writing under way)
- Scott MacWilliams: Leadership in Urban Voluntary Associations: Case Study in Nairobi.
(Field research under way)
- Augustine Mahiga: Political Requirements for Economic Co-operation in East Africa.
(Thesis nearly complete)
- Michael Mortimore: The Implementation of Decision No. 24 of the Andean Pact.
(Work just beginning)
- Lemuel Owugah: Nigeria and the European Economic Community.
(Research complete, writing up thesis)
- James Pearson: Policy Analysis of the Instituto de Credito Territorial of Colombia.
(Nearly finished)
- Robert Rainford: The Foreign Policy of Jamaica - including a consideration of Canadian influences thereon.
(Field research nearly finished)
- Donald Ray: Resettlement Schemes in Zambia.
(Field research completed)

- Clarence Redekop: Canadian Foreign Policy towards Southern Africa.
(Research complete)
- John Saxby: Educational Policy and Development in Zambia.
- Ekhard Siggel: Foreign Investment and Industrialization in Zaire.
(Field Research in process)
- Jeffrey Steeves: The Promotion of Tea Cultivation amongst Small Scale Farmers in Kenya. (This includes an identification of the influence of international agencies and of the internal political distribution of power.)
(The thesis is nearly finished)
- Judith Teichman: Industrialization and Dependency in Argentina.
(In field)
- Muharrem Tunay: The Development of the Turkish Working Class.
(Field research in progress)

Gerald K. Helleiner

Born: St. Polten Austria, October, 1936

Citizenship: Canadian

Degrees: B.A. University of Toronto, 1958

Ph.D. Yale University, 1962

- Appointments:
- Instructor, and Assistant Professor, Yale University, 1961-65
 - Associate Research Fellow, Nigerian Institute of Social and Economic Research, and Visiting Lecturer, Economics, University of Ibadan, Nigeria, 1962-63.
 - Associate Professor and Professor, University of Toronto 1965 - present.
 - Director, Economic Research Bureau, University College, Dar es Salaam, Tanzania, 1966-68.
 - Director, East African Development & Training Programme, University of Toronto, 1968-71.
 - Visiting Fellow, Institute of Development Studies, University of Sussex, 1971-72.

Academic Awards and Distinctions

Gold medallist, University of Toronto, 1958

Woodrow Wilson Fellowship, Yale University, 1958-59

Wilson - University Fellowship, Yale University, 1959-60

Ford Foundation Doctoral Dissertation Fellowship, Yale University, 1960-61

John Simon Guggenheim Memorial Fellow, 1971-72

Canada Council Research Grants, 1971-72, 1974-76

Publications:

Books:

- Peasant Agriculture, Government, and Economic Growth in Nigeria, (Richard D. Irwin, 1966, ed.).
- Agricultural Planning in East Africa (East Africa Publishing House, 1968)
- International Trade and Economic Development (Penguin, 1972)

Articles:

"Connections between United States and Canadian Capital Markets, 1952-1960,"
Yale Economic Essays, Vol. 2, No. 2, Fall, 1962.

"Nigerian and the African Common Market," Nigerian Journal of Economics and Social Studies, Vol. 4, No. 3, November, 1962, Niser Reprint series No. 2.

"The Eastern Nigeria Development Corporation: A Study in Sources and Uses of Public Funds, 1949-1962," Nigerian Journal of Economics and Social Studies, Vol. 6, No. 1, March 1964, Niser Reprint Series, No. 8.

"The Northern Region Development Corporation: A Wide-Ranging Development Institution, 1949-1962," Nigerian Journal of Economics and Social Studies, Vol. 6, No. 2, July 1964, Niser Reprint Series No. 11.)

- "The Fiscal Role of the Marketing Boards in Nigerian Economic Development 1947-1961", Economic Journal Vol. 74, No. 295, September 1964, Yale Economic Growth Center Paper No. 50 Niser reprint series No. 5. Reprinted in E. Whetham and J. Currie, Applied Economics of Africa (Cambridge, 1967) and in C. Eicher & C. Liedholm, Growth and Development of the Nigerian Economy, (Michigan State, 1970) and in Milton C. Taylor, Taxation for African Economic Development (Hutchinson, London, 1970).
- "Peasant Agriculture, Development, and Export Instability: The Nigerian Case" in I. G. Stewart & H. W. Ord (eds.) African Primary Products and International Trade (Aldine Press, 1965). Yale Economic Growth Center, Paper No. 92.
- "Marketing Boards and Domestic Stabilization in Nigeria" Review of Economics and Statistics, Vol. 48, No. 1, February 1966, Yale Economic Growth Centre, Paper No. 85.
- "Typology in Development Theory: The Land Surplus Economy (Nigeria)" Food Research Institute Studies, (Stanford University) Vol. 6, No. 2, 1966, Yale Economic Growth Center, Paper No. 102.
- "Trade, Aid and Nationbuilding in Tanzania" Mbioni, Vol. 3, No. 8-9, Jan-Feb 1967; Reprinted in A. Rweyemamu (ed.) Nation Building in Tanzania (East African Publishing House, 1970) pp. 61-78. Also printed under the title, "Trade and Aid in Tanzania", East Africa Journal, Vol. 4, No. 1, April 1967. Translated into French and Swedish: "Commerce, Assistance, et Edification de la Nation en Tanzania". Revue Economique de Madagascar, 3, 1968-69; "Handel och Bistand i Tanzania," Nordiska, Afrikainstitutet, Uppsala, Jan. 1968.

"Transfer Taxes, Tariffs and the East African Common Market", East African Economic Review, Vol. 3 (new series) No. 2, December 1967.

"Agricultural Export Pricing Strategy in Tanzania", East African Journal of Rural Development, Vol. 1, No. 1, Jan. 1968.

"New Forms of Foreign Investment in Africa", Journal of Modern African Studies Vol. No. 1, 1968.

"East African Community: Approaching the EEC", Africa Report, Vol. 13, No. 4, April, 1968.

"The Measurement of Aggregative Economic Performance in East Africa" East African Economic Review, Vol. 4 (New Series) No. 1, June 1968.

"Tanzania's Second Plan; Socialism and Self Reliance", East Africa Journal Vol. 5, No. 12, Dec. 1968.

"Research Priorities for African Agricultural Economics" Canadian Journal of African Studies, Special Issue, Rural Africa, Vol. 3, No. 1, Winter 1969.
Also printed as a separate volume, N. Miller (ed.) Research in Rural Africa (Michigan State, 1969)

"The Development Business: Next Steps" International Journal, Winter 1970.

"Canadian Commercial Relationships with the Third World" in Linda Freeman (ed.) Unequal Partners: Development in the Seventies-Where does Canada Stand? (Oxfam, 1970).

"Agricultural Development Plans in Kenya and Tanzania", Rural Africana, Winter 1970.

"Comment" in A.A. Ayida & H.M.A. Onititi (eds.) Reconstruction and Development in Nigeria (NISER, Oxford, 1971).

"Structural Change in Africa" in Barbara Ward, Lenore d'Anjou & J. D. Runnalls (eds.) The Widening Gap, Development in the 1970's, (Columbia University Press, 1971); also printed ^{as} Development Policies for Africa in the 1970's _A Canadian Journal of African Studies, Vol. IV, No. 3, 1970.

"Socialism and Economic Development in Tanzania", Journal of Development Studies Vol. 8, No. 1, Jan. 1972.

"Commentary" in A. L. Keith Acheson, John F. Chant & Martin F. J. Prachowny (eds.) Bretton Woods Revisited (University of Toronto, 1972)

"Beyond Growth Rates and Plan Volumes—Planning for Africa in the 1970's" Journal of Modern African Studies, Vol. 10, No. 3, Oct. 1972.

"Manufactured Exports from Less Developed Countries and Multinational Firms", Economic Journal Vol. 83, No. 329, March 1973.

"Manufacturing for Export, Multinational Firms and Economic Development", World Development, Vol. 1, No. 7, July 1973 translated into Spanish as "Manufacturas para exportacion, empresas multinacionales y desarrollo economico", Comercio Exterior, Nov 1973.

"Universities and Development Assistance: A Framework that will last" (with R. C. Pratt), International Development Review, 1973, No. 3.

"Comment" in Helen Hughes (ed.), Industrialization and Trade Policies in the 1970's (Johns Hopkins, 1973), pp. 95-100.

Forthcoming:

"Aid and Dependence in Africa: Issues for Recipients", in D. Anglin & C. Sanger (eds.) Dependence and Development in Africa (Cambridge University Press).

"Smallholder Decisionmaking: Tropical African Evidence", in Lloyd Reynolds

X (ed.) Agriculture in Development Theory (Yale University Press), *forthcoming*

he Marketing Board System and Alternative Arrangements for Commodity Marketing in Nigeria", in D. P. Olatunbosun (ed.) The Marketing Board System (NISER).

"Agricultural Marketing in Tanzania-Policies and Problems" in B. Riordan (ed.) Agricultural Marketing in East Africa (East African Publishing House).

"Economics, Incentives and Development Penetration", in James Coleman, Lionel Cliffe & Martin Dornbos (eds.) Penetration in East Africa (East African Publishing House).

"The Less Developed Countries and the International Monetary System", Journal of Development Studies.

"The Role of Multinational Corporations in the Less Developed Countries' Trade in Technology", World Development, ^{copy} Proceedings of the Sixth Pacific Conference on Trade and Development.

CURRICULUM VITAE

K.R.J. SANDBROOK

June, 1974

Home Address:

10 Sackville Place
 Toronto, Canada, M4X 1A4
 Tel: 416-967-5128

Office Address:

Department of Political
 Economy
 University of Toronto,
 Toronto, Canada, M5S 1A1
 Tel: 416-928-8521

Date of Birth:

April 5, 1943

Marital Status:

Married; 1 child

Education:

B.A. (Hon.), Carleton University, 1966
 M.A., University of Toronto, 1967
 D.Phil., University of Sussex, 1970

Teaching Positions:

Assistant Lecturer, University of Nairobi, 1968-69.
 Assistant Professor, University of Toronto, 1970 -

Major Fields of Interest:

Theories of development and underdevelopment, African politics, comparative labour movements, social marginality, the comparative study of revolution

Publications:Books:

- ✓ Proletarians and African Capitalism: The Kenyan Case, 1960-72 (Cambridge University Press, 1974).
- ✓ Co-author and co-editor, Towards an African Working Class: Studies in Class Formation and Action (London: Longman Group Ltd. and Toronto: University of Toronto Press, March 1975).

Articles:

"The State and the Development of Trade Unionism", in Goran Hyden, et al., eds., Development Administration (Nairobi and London: Oxford University Press, 1970 & 1972).

"Unions and Politics in Kenya", Africa Report, XV, 3 (March 1970).

- × "Patrons, Clients and Factions: New Dimensions of Conflict Analysis in Africa", Canadian Journal of Political Science, V, (1972).

Articles: (continued)

"Patrons, Clients and Unions: The Labour Movement and Political Conflict in Kenya", Journal of Commonwealth Political Studies, X, 1 (March 1972).

"The Working Class in the Future of the Third World", World Politics, XXV, 3 (April 1973).

✕ "Workers, Unions and Development in Africa" Journal of Modern African Studies, XI (September 1973).

Book Reviews have appeared in:

American Political Science Review

Canadian Journal of African Studies

Other Professional Activities:

Member of the Executive of the Canadian Association of African Studies, 1974-1975

Administrative Positions:

Scarborough College, University of Toronto: Director of Studies, Development Studies Programme; Social Science Representative, General Policy Committee

University: Steering Committee, International Studies Programme

Honours and Awards:

Sir Arthur Sims Fellowship, 1967-69

Canada Council Fellowship, 1968-70

Canada Council Research Grant, 1972 and 1973

CURRICULUM VITAE

5. R.C. Pratt

Born: 1926

Place of Birth: Canada

Nationality: Canadian

Marital Status: Married; Wife (Renate); 3 children: Gerhard, Marcus and Anna.

Degrees: B.A. (McGill) 1947, B.Phil. (Oxon) 1952.

Academic Career:

1943/47 Undergraduate, McGill University
1947/48 Etudiant Libre, Institut de Science Politique, Paris
1948/50 Lecturer, Mount Allison University
1950/52 Rhodes Scholar, Balliol College
1952/58 Lecturer, then Assistant Professor, McGill University
1954/56 Lecturer (on leave of absence from McGill University)
Makerere College, Uganda
1958/60 Research Fellow, Oxford Institute of Commonwealth Studies
Oxford (field research in East Africa, 1959)
1960/61 Assistant Professor, University of Toronto
1961/65 Principal, University College, Dar es Salaam (on second-
ment from the University of Toronto)
1965- Professor, Political Science, University of Toronto
1966-71 Chairman, International Studies Programme, University of
Toronto
1968/69 Leave of Absence, University of Toronto, Killam Award
to pursue research on politics and government of Tanzania

Related Activities:

1965 - February to August - Special Research Assistant to the
President of Tanzania - to report on some administrative
implications of the democratic one-party state
1966/67 President. Committee on African Studies in Canada
1969 - April-July. Chairman, Presidential Working Party on the
Possible Decentralization of Government in Tanzania

Publications: (articles and books. Books are marked*)

"David Easton's Approach to Political Philosophy," Canadian Journal
of Economics and Political Science, Spring 1955.

"The Benthamite Theory of Democracy," Canadian Journal of Economics
and Political Science, Spring 1955.

"The Anatomy of a Crisis, Uganda 1953-55," International Journal,
Winter 1955.

"The Development of Local Government in Uganda," Times Review of
British Colonies, Winter 1955.

- * Municipal Labour Relations in Canada, Co-authored with S.J. Frankel,
"Die Zukunft des Federalismus in Britisch Afrika," Schweizer Monatshefte,
November 1959.
- "Background to the Constitutional Conference on Central Africa,"
The World Today, January 1960 (reprinted in Overseas Quarterly, March 1960).
- "The Future of Federalism in British Africa," Queen's Quarterly, June 1960.
- * A New Deal in Central Africa, co-authored with Colin Leys, Heinemann
- * Buganda and British Overrule, co-authored with Anthony Low, Oxford
University Press, 1960. (reprinted in p.b. edition 1971).
- "Multi-Racialism and Local Government in Tanganyika," Race, Vol. 2.
November 1960 (reprinted as No. 29 of the Oxford University Institute
of Commonwealth Studies Reprint series).
- "Towards Majority Rule in East and Central Africa," Current History,
February 1961.
- "Partnership and Consent: The Monckton Report Examined," International Journal,
Vol. XVI, No. 2, Spring 1961.
- "Nationalism in Uganda," Political Studies, June 1961.
- "Die Zukunft der Demokratie in Afrika," Schweizer Monatshefte, July 1961.
- "East Africa, the Pattern of Political Development," University of Toronto
Quarterly, October 1961 (reprinted as a chapter in Africa: The Political
Pattern, ed. Miller McLure and Douglas C. Anglin, University of Toronto
Press, 1961) and as Den Politiske Utriklinga i Aust-Afrika, In Syn Og Uegn, Vol. 2,
1962).
- "East Africa's University Problem," East Africa Journal, August 1964.
- X "Administration and Politics in Uganda, 1919-1945," History of East
Africa, Vol. 11, Clarendon Press, Oxford, 1965.
- "African Universities and Western Traditions - Some East African Reflections,"
Journal of Modern African Studies, Vol. 3, No. 3, 1965
- "African Reactions to the Rhodesia Crisis," International Journal, Spring 1966, Vol.
XXI, No. 2.
- "University and State in Independent Tropical Africa" Universities Quarterly,
Vol. 21, No. 1 December 1966.
- X "The Administration of Economic Planning in a Newly Independent State:
The Tanzanian Experience, 1963-1966" Journal of Commonwealth Political
Studies, Vol. V. No. 1, March 1967. Reprinted in Cliffe and Saul, Socialism.

in Tanzania, 1973, and in J. Markovitz, African Politics and Society 1970.

"On Academic Freedom in Africa," Minerva, Summer 1967, Vol. V, No. 4.

"Tanzania Finds Its Own Way," The Round Table, October 1968.

"The Cabinet and Presidential Leadership in Tanzania" in M. Lofchie, The State of the Nations, University of California Press, 1971, reprinted in Cliffe and Saul, Socialism in Tanzania 1973.

"Untied Aid for Third World Universities" (with G. Helleiner)

International Development Review #3, 1973

"Foreign Scholarship in Tanzania," (A review article)

Canadian Journal of African Studies, Vol. 3, No. 1, 1974.

* "Forthcoming with Cambridge University Press, The Critical Phase in in Tanzania: Nyerere and the Emergence of a Socialist Strategy, Cambridge U. Press, in press.