

**THE  
OISO DECLARATION**

**Summary Report  
of  
the Fourth Annual Session  
of  
the North-South Roundtable**



**Tokyo/Oiso, Japan  
October 22-24, 1982**

"The moral institutions of community are our only hope of survival in a fragile, beloved, shared and equal planet .... If our dialogue here in Rome can do anything to push us in that direction, I believe that this meeting could mark a turning point in our understanding of our planetary dilemmas." With these words, Barbara Ward opened the first session of the SID North South Roundtable in May 1978.

Barbara Ward's vision created the North South Roundtable to gather together men and women of vision and commitment to collectively address and analyze the issues of inequality and injustice in the world and to work to change our "vision of the possible." At her last public appearance at the

Roundtable's session in Sussex in July 1980 she said, ". . . it is people and their work, it is the new ideas, the visions that begin to change society .. So as a closing note of this Roundtable, I would say that we dare to be headstrong, that we will be dedicated, and that we will not cease until the ideas that are represented here of world justice, of world community, of interdependence of our beautiful planet, will be realized, and that we shall overcome."



**BARBARA WARD**  
1914-1981



### **THE OISO DECLARATION**

All of us assembled here at Oiso, Japan, from many nationalities and many continents, are becoming increasingly convinced that our world is confronted with the worst economic, political, and human crisis of the last fifty years. The nations of this world are much closer to the prospect of a worldwide depression than they care to admit.

We are all becoming helpless witnesses to a state of human folly:

- where all nations (whether developed, developing, or OPEC) are caught in a downward economic spiral and where they still have not agreed on any collective action for world economic recovery;
- where three-quarters of a billion people go hungry in an \$11 trillion world economy which has enough productive capacity to produce sufficient food for all;
- where machinery and skills lie idle in the advanced nations while they are badly needed by the developing world, and the world has not yet discovered a genius to match this idle capacity with these unmet needs;
- where about 8 million children die every year from severe malnutrition and associated causes, while only \$1 to \$2 billion a year could rescue at least half of them from this fate; at the same time, the developing nations must pay as much as \$125 billion a year to external debtors, strictly on time, despite their stagnating economies, their declining incomes, and their starving people;

- where the UN specialized agencies go begging for money to sustain their crucial programs in education, health, food, nutrition, and technical assistance, while only two days of world armament expenditure would suffice to fund all their budgets;
- where half a million of the best scientists in the world are employed on research for weapons of ever greater destruction while little science and technology are applied to exploit the development potential of the poor lands;
- where governments, both in the North and in the South, keep buying more weapons, only to end up with less security;
- where many nations, in an excess of panic or paranoia, are turning increasingly to the failed bilateralism of the 1920s and 1930s rather than strengthening the creative multilateralism of the 1940s, and where they are still unprepared to recognize that their prosperity, like their adversity, is interlinked and indivisible;
- where what is needed is an historic readjustment of economic power and wealth, within and among nations, while we are still worrying about the shape of the negotiation table.

This state of affairs is not a very flattering tribute to human sanity.

There are some who believe that, given the chance, the marketplace will take care of many of our present problems. But many of us are convinced that the seeds of this crisis lie not in temporary, cyclical factors but in fundamental adjustments in social structures and institutions.

The solution lies not in our stars but in our own hands, not in unilateral national policies but in collective action, not in delaying tactics to preserve power and status quo but in the willingness to share it.

If the search for a solution is to succeed, the real nature of this crisis must be analyzed, carefully, professionally, free from any institutional constraints, in terms of its impact on human lives.

### **The Nature of the Crisis**

There are many different, though overlapping, perceptions of the real nature of the present crisis. There are some who dread an imminent breakdown of present structures, whether through banking failures or rising unemployment. There are others who fear the creeping, strangulating trend in economic, social, and political fields to enslave human energies and potential. There are yet others who are worried about the poverty of our response and who are really concerned that the rapidity of economic, social, and political change has vastly outpaced the growth in the capacity of our governments and international institutions to manage such change.

But we must also address a much deeper crisis—a crisis of courage. We must learn to analyze our own weaknesses, whether in the North or South, for that requires far more courage and honesty than attacking the other side. We must learn to talk to those who disagree with us, not only to those who readily agree. We must learn to communicate to an audience much wider and more powerful than ourselves—to ordinary men and women in every part of the world who look at our intellectual endeavors—if they care to look at all—with a certain detached amusement.

### **Immediate Action Agenda**

We, therefore, propose to take up a suggestion originally made by Soedjatmoko, Rector of the UN University, and to assemble a group under the umbrella of SID/NSRT/UNU to prepare a candid Report on the State of the Human Condition.

We intend to spread the message of such a report to every indifferent politician, to the largely passive media, and, most important of all, to the people of this planet, who must all start getting mad and who must finally issue a loud scream of protest which alone can move governments to act. Like the disarmament issue, the development issue must also be converted into a people's movement, and the Society for International Development, in collaboration with all likeminded forums, is determined to play its role in this effort.

In the meantime we cannot afford to be paralyzed into action. A search for concrete action must go on in each and every forum that has a chance to succeed. We have discussed a large number of specific proposals which will be included in our final report, but we particularly invite attention to a selected agenda of action which is both urgent and feasible.

Some of these actions can start—in fact, must start—without waiting for all nations to join the effort initially; other actions will require a broader consensus.

Among the many proposals which emerged in our detailed deliberations over the last three days, we particularly wish to direct attention to the following principal ones:

1. Setting up an international energy financing facility, within or outside the World Bank, with contributions from any willing governments and private banks, to finance the urgently needed energy investments of the oil importing developing countries.
  2. More interaction with national governments on the strategy and design of national energy plans through NSRT country dialogue missions and far more work on the hitherto neglected area of the food energy nexus through the UN University.
  3. Establishment of a developing country-owned food grain reserve of 9 to 12 million tons to provide international food security to poor nations in any emergency situation; strengthening developing countries' own capacity to feed themselves over time without outside dependence, through financial assistance for accelerated programs of food production, with particular support to small farmers; and designing a nutrition and health safety net for 200 million pregnant and nursing mothers and for 500 million small children.
  4. Establishment of a crash program for reforestation through a special international project to be called TREE (Training, Research, Environment, and Education).
  5. Effective use of the November, 1982 GATT ministerial-level negotiations by the developing countries to secure agreement on (a) a firm political declaration of a standstill on any further increase in trade restrictions; (b) an understanding on finishing the Tokyo Round of negotiations, particularly finalizing the safeguard clause; and (c) initiating the launching of a long-term program of trade liberalization through a small, specialized forum like the Committee of 20 and involving the joint cooperation of GATT and UNCTAD. In order to secure these advances, the developing countries should be prepared to offer some concessions in the areas of the Generalized System of Preferences, reciprocity, and their own restrictive trade practices.
  6. At the very minimum, doubling the present IMF quotas, and urging their readjustment in favor of poorer nations, since current quotas now finance only 3% of world trade compared with 16% about thirty four years ago.
  7. A fundamental revision in the policy conditionality of IMF lending, which should include:
    - (a) low conditionality for poorer countries, with an automatic provision for refinancing in case of deterioration of the external environment;
    - (b) consolidation of the presently multiplying Fund facilities so that performance criteria apply to overall country performance and not to individual products or specific means;
    - (c) merger of the IMF' extended fund facility and the World Bank's structural adjustment lending; and
    - (d) greater pressure on surplus countries to adjust, thereby making it easier for deficit countries to carry their own legitimate burden of adjustment.
  8. Establishment of a special facility in the IMF for facilitating orderly refinancing of the accumulating debts of the developing countries, treating some of these debts as debts of duress undertaken in lieu of any satisfactory system of distribution of international liquidity.
  9. Reaching a new agreement on the annual creation of Special Drawing Rights and on their distribution in such a fashion that the surplus countries which are unwilling to adjust will lose their SDRs to deficit countries, which are currently obliged to carry a much greater burden of adjustment.
  10. Setting up a special concessional assistance window, either in the World Bank or outside, to supplement the seventh replenishment of the International Development Association by inviting additional contributions from willing nations and by setting up a different policy and voting structure in such a new facility.
  11. Doubling the present IBRD capital of \$40 billion, with a paid-in contribution of at least 10% to 20% cost-free capital, so as to enhance the ability of the World Bank to cushion the developing countries against the high interest rates in the capital markets.
  12. Setting up by the World Bank of an independent group of thinkers to advise it, without institutional constraints, on its future evolution, including the mobilization of some truly international sources of finance (such as the SDR-link) to partially liberate the World Bank from its present absolute dependence on the goodwill of a few bilateral nations.
- We have focused only on actions which we believe have a promising prospect, if we can manage to convince the governments of the mutual gains that would result from world economic recovery. All these proposals require further professional analysis and concrete blueprints. The Roundtable has already undertaken studies on some of these proposals and will be doing further work on several of them in collaboration with other organizations and institutes. But let us be candid. While these actions will provide some immediate relief, they will not solve deeper crises in social structures and institutions. These actions will still proceed largely within existing international structures, without developing new ones to accommodate the changing needs of mankind.

There is no divinity about present structures. They were created by human imagination. They must also be changed by human vision.

### **A Second Bretton Woods Conference**

We believe it is time for a deep and fundamental examination of the institutions created at Bretton Woods, both to consider their future evolution and to examine the possibility of new institutions better suited to our changing needs and to the future balance of economic and political power.

We therefore strongly recommend the convening of a Second Bretton Woods Conference, possibly in 1983 but certainly before the end of 1984.

In order to do the intellectual spadework for such a conference, the NSRT will organize a small roundtable of fifteen to twenty leading monetary, financial, and development experts to prepare a concrete blueprint for future change. This group will consider many proposals heard in our deliberations on this issue.

We have heard some proposals for the creation of a World Central Bank, as a lender of last resort and as a funder of international assistance and other UN initiatives.

We have heard pleas for a gradual phase out of the U.S. dollar in favor of a genuine international currency, internationally created, managed, and distributed.

We have heard proposals for a merger of the World Bank and the IMF into a single institution, with changed policy conditionality and more democratized control.

We believe that these and many other ideas deserve a very thoughtful examination.

This is what the Roundtable on the future of Bretton Woods institutions will attempt.

And we hope that the demand for a Second Bretton Woods Conference will gather momentum until it becomes an irresistible force.

Thirty-six years ago, such a conference came after the world crisis had struck in all its fury.

It will be a tribute to human courage and human sanity if this time such a conference is held before the gathering international crisis finally unleashes its full force and its unspeakable human misery.

We are certainly discouraged by current world events. We are not even sure that our voices will be heard. But we must try once more. For the greatest failure at a time like this will be a failure of our own courage.

## **FOURTH ANNUAL SESSION of THE NORTH-SOUTH ROUNDTABLE**

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Note: All participants attended in their personal capacities. Affiliations are given for identification purposes only.

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### **The Society for International Development**

is an independent nongovernmental organization whose purposes are to provide a forum for collective reflection and encourage a mutually educating dialogue on development, at all levels. The Society was founded in 1957 and has evolved into several interlocking networks-including its membership and chapter organizations-where individuals and institutions are linked in different ways around a varied range of activities.

SID's major programs are as follows:

1. The North South Roundtable-an intervention into the dialogue at the international level;
2. The Alternative Development Strategies Program, along with the Society's journal, Development: Seeds of Change-Village Through the Global Order, acting as catalysts in the national level dialogue;
3. The Grass Roots Initiatives and Strategies-an attempt to link the knowledge and technology emanating from spontaneous people-oriented activities in industrialized and Third World countries at the local level.

### **Officers of the Society**

President:	<b>Ismail-Sabri Abdalla</b>
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