

Conflict and Cooperation:  
Self-Interest versus Other-Interest?

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A Thesis

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APPROVAL SHEET

This thesis is submitted in partial fulfillment of  
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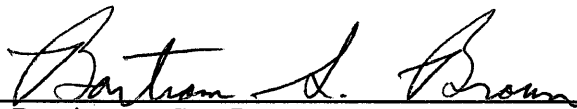
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## DEDICATION

I dedicate this thesis to my family and to the concept of family throughout the world.

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## ABSTRACT

Should we consider possible mental orientations of decision-makers when studying the dynamics of cooperation to produce collective goals? Without trying to understand the mind of every person in a position of appreciable decision-making authority, we can assume certain attitudes or perceptions of self and environment to be represented by overall government policies, acts of state, and general macro-level behaviors of economies. Beyond material resource considerations, the realization of cooperation depends on decision-makers assuming certain attitudes and perceptions of self and environment both human and natural that will promote or permit a high degree of cooperation between themselves and potential competitors. In addition to material investments, every potential participant in the production of what they consider to be a needed good, but which requires cooperation, "buys" into the process by relinquishing some degree of independence. The inevitable medium of exchange is some portion of each participant's freedom of decision-making sovereignty over its own behavior and resources. Each participant will lose necessarily some flexibility in the use of "its" resources in the "sale" of some measure of sovereignty over its own decision-making functions. There are certain mental and emotional orientations that will work for or against cooperation.

CONFLICT AND COOPERATION:  
SELF-INTEREST VERSUS OTHER-INTEREST

## INTRODUCTION

The goal of this paper is to examine the nature of some attitudes and perceptions which promote or permit a high degree of cooperation among political and economic decision-makers. I wish to identify those which would account for the perception of collaboration as being legitimate and credible. The Bretton Woods international monetary system, adopted by members of the Western Alliance (a.k.a. Atlantic Alliance), is the case to be reviewed in Chapter I to derive mental and emotional resources needed for cooperative behavior.

"Attitude" is used here to mean a feeling or set of feelings that contribute to forming a behavior toward some thing, entity, experience, or goal. I do not limit the meaning of attitude to the passive condition of being "an affective reaction to a particular object or symbol."<sup>1</sup> Rather, it is intended to describe a condition of emotion and sentiment that informs one's expressions and actions.

"Perception" refers here to a mental impression and/or concept of conditions and characteristics of one's environment. It does not suggest any degree of objective accuracy.

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<sup>1</sup>From Deborah Welch Larson's Analysis of "attitude" as used in Carl Hovland's Social-psychological research on attitude change.

Bretton Woods is a past endeavor in which the most important actors are formal allies and share a common cultural heritage. The likelihood of successful, interstate, economic collaboration could be assumed to be greater in this situation than in the current economic and political struggle between northern rich countries and southern poor countries. Yet, the Bretton Woods effort eventually failed and never fully operated as intended by its principle designer, the United States.

In Chapters II and III, the results of Chapter I's analysis will be applied to another interstate, economic situation in which cooperation or lack of it is the main issue. The second case study is current and involves states which are neither formal allies nor of a common cultural heritage. It is the Sub-Saharan Africa component of the so-called North-South "dialogue."<sup>2</sup>

The states of Sub-Saharan Africa believe or at least present the belief that structural inequalities in their economic relations with developed economies of the North constitute a major cause of their inability to achieve economic development. Part 1 of Chapter II is divided into three subsections pointing to issues that can be thought of as primarily internal to African states. These reasons are often cited by politicians and businesspersons of the

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<sup>2</sup>Most of the highly diversified, complex, and "prosperous" economies belong to states located in the northern hemisphere. The majority of states with poor economies is found between the Tropic of Cancer and the Tropic of Capricorn or further south. The economic relationship between northern and southern states is presently very unequal.

northern countries as the reasons for Africa's economic woes. This information gives necessary background for going on to consider, in the second half of Chapter II, some of the structural inequalities in the North-South economic relationship as they apply to Sub-Saharan Africa. African politicians desire to gain the cooperation of Northern politicians and businesspersons in resolving these latter problems.

Chapter II sets up the second case fairly and in adequate detail for the purpose of this paper. It paves the way for Chapter III's application of Chapter I's analysis to this current case and to extend the overall effort of this paper to better understand mental and emotional obstacles and prerequisites to endeavors at collaboration.

Chapter IV considers rational behavior within cooperation and competition.

CHAPTER I  
ATTITUDES AND PERCEPTIONS  
THAT SUPPORT COOPERATIVE BEHAVIOR

Certain characteristics of economic relations within the Atlantic Alliance during the first three decades after World War II (WWII) will be reviewed in this chapter as a way of identifying a mental and emotional basis for alliance cohesion. However, alliance cohesion is not the main subject of this paper. As stated in the introduction, the underlying theme is cooperation and what attitudes and perceptions help or hinder its realization.

For an alliance to form, there must be ongoing mental, emotional, and material conditions which give rise to a perceived need for the alliance. An example of a mental and emotional basis is seen where there is shared fear of an enemy which directly, indirectly, or potentially threatens each alliance member in military or economic terms or both. The possibility that this common enemy also may consider itself to be an enemy or to be threatened by one or more of the allied states could be considered the flip side of the alliance-promoting fear motivation. Material circumstances encouraging the formation of an alliance are found in the scarcity of resources needed to contain the threatening posture of an enemy. States combine resources to develop

political, military, and economic capabilities perceived by themselves as equal to or greater than those of the enemy or at least sufficient to keep aggressive or potentially aggressive behavior of the enemy to an acceptable level of relative strength.

In addition to situational or structural prerequisites to the perceived need of an alliance, alliance endeavors such as the now defunct Bretton Woods system require certain material resources. There will be also decision-maker attitudes as well as perceptions of self, alliance, non-alliance entities, and of any given alliance endeavor which will support or hinder the alliance and its activities. Accepting the importance of material resource needs as a given in any situation, this paper will be focused instead on some mental and emotional resource needs.

Real or imagined danger to the political and economic security of a number of states makes an alliance among them, in joint defense from the danger, a logical alternative to each state standing separately on its own strengths. Material reasons for forming an alliance are apparent in that the costs of defending the kind of economic and political environment in which the majority of peoples in these states wish to live will be less burdensome when their resources and efforts are combined. On the mental and emotional side, fear in the minds of decision-makers will probably have the effect of helping maintain their commitment toward support of the alliance.

In the first fifteen years following WWII, there was a high degree of economic cooperation between Western Europe, Britain, and the United States. Their international economic collaboration was as unprecedented as was the severity and magnitude of the war immediately preceding it.

The common interest in economic cooperation [between the U.S., Britain, and Western Europe] was enhanced by the outbreak of the Cold War at the end of the 1940s. From that time, cooperation became necessary to face the common enemy. The economic weakness of the West, it was felt, would make it vulnerable to internal Communist threats and to external pressure from the Soviet Union. Economic cooperation became necessary not only to rebuild Western economies and to ensure their continuing vitality, but also to provide for their political and military security. In addition, the perceived Communist military threat and the common interest in defending the West against that threat led the developed countries to subordinate economic conflict to common security interests. There was a greater willingness to compromise and to share economic burdens because of the common security problem.<sup>3</sup>

Why should we look at mental orientations of decision-makers when considering the dynamics of divisive problems and unifying strengths of an alliance? Without trying to understand the mind of every person in a position of appreciable decision-making authority, it is still very likely that we can assume certain attitudes or perceptions of self and environment to be represented by overall government policies, acts of state, and general macro-level behaviors of economies. By this emphasis, it is not intended that we

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<sup>3</sup>Joan Edelman Spero, The Politics of International Economic Relations (New York: St. Martin's Press, 1977), 23.

ignore economic and military resources and capabilities as well as geographic and environmental circumstances of states. These material considerations will simply not be the concentration of this paper.

As indicated above, fear can work as a cohesive factor in alliances or any group in which members feel they share a common sense of threat coming from outside the group. However, a fearful state of mind can cause also problems within an alliance. Fear then becomes an eroding vice when directed toward alliance members. Before illustrating ways in which fear can contribute to the erosion or to some weakening of an alliance, the notion of regulation of behavior will be examined first.

An overview will be given then of some aspects of economic relations between members of the Western Alliance since WWII. From this example will be derived some necessary mental outlooks that political and economic decision-makers must hold if their actions will be intended to support an alliance. Several such decision-maker attitudes and perceptions will be outlined. Each constitutes a resource need in that the mental and emotional orientation must be shared by most decision-makers in the alliance for most of the time. To the extent that this is not the case, the alliance is weakened. Each decision-maker attitude and perception to be discussed below will be presented as a basis for regulative rules which are formulated to make decision-

makers behave as though they held such alliance-supporting mental and emotional orientations, even if they do not.

The behavior of members of an economic or military alliance is determined by their attitudes even though their absolute range of choices may be shaped in large part by the material resources at their disposal and the overall environment with which they interact. Any regulation of an alliance among states is dependent upon affecting the attitudes and perceptions of decision-makers toward the alliance, every other member, and themselves. The international "order" of states is often described as anarchic--without government. As a prelude to looking at the possibilities for and nature of cooperative behavior in an anarchic environment, it is useful to contrast that situation with one in which formal government exists. An economic outlook will be used for description. This will serve later as a useful backdrop to a discussion of divisiveness within the Atlantic Alliance. The decision-maker orientations to be given in the third portion of this chapter are based on the following description of government.

Government is sanctioned by society (in theory) as the legitimate user of coercive power to ensure member-adherence to the society's norms for behavior. It is endowed by society with the ability to coercively promote cooperative behavior. What are the basic purposes of coercive mechanisms that cause us to place their exercise in the domain of a government's function? Coercive mechanisms are created to

force decision-making units to acknowledge in their behavior the following aspects of action.

(1) The use of any good held in common or any good resulting from cooperative behavior possesses some degree of private benefit and cost for all users and participants.

(2) Thus, each individual and collective entity unavoidably receives some amount of the results of successful or failed production and/or maintenance of a desired good derived from cooperative behavior. The establishment and maintenance of an economic market is a good brought about by cooperative behavior among participants in the market. The consequences coming from the kind and degree of use of such a good will flow to all in varying degrees.

(3) Therefore, everyone's private action is, in a sense, everyone else's private concern (although shared aggregately with all affected parties) to the extent that any action or nonaction toward use of a cooperatively produced good or the making and maintaining of a cooperative effort has a measure of social cost and benefit.

Coercive mechanisms are used to extend the notion of private property into the making, maintaining, and use of a good derived from cooperative effort; to force privately-made

decisions to weigh in the known or estimated user and opportunity costs with current costs. Coercive mechanisms are used to make clear and intense the costs of not cooperating in the support of societally-desired goods which require cooperative action on the part of its members.

The above discussion points to the importance of considering dominant mental and emotional orientations of decision-makers because all actions and explicit and implicit rules are based on these.

It is posited here that without government over the international "order" of states, mental and emotional attitudes of decision-makers will determine the degree of cooperative behavior among states. The following examples will hopefully bear out this point of view. The ability to choose a course of action is emphasized because even in times of great economic duress such as the 1930s, America and the states of Western Europe did not have to make the choice of putting up very high trade tariffs and using competitive devaluations of currencies against each other. More cooperative economic and political behavior would have given greater ease from the burdens of the time, yet, economic warfare prevailed in the 1930s. Inflation and unemployment were the primary exports from one country to the next.

Immediately after WWII and under the guidance of the U.S., western states cooperated in an effort to design, build, and maintain a liberal world economy. The reduction of barriers to trade and capital flows was the goal of this

new world system. To manage and trade within a liberal world economy, the U.S. needed trading partners. Europe was badly damaged by the war and needed great financial assistance in order to rebuild its economies. The Marshall Plan was designed to provide needed economic aid toward the goal of a restored Western Europe. It was also a political tool to weaken hopefully the Soviet Union's influence over Eastern Europe, enable West European governments to resist communist parties which were at their strongest immediately after the war, and to help towards "containing" possible Soviet expansionist desires and denying such desires any success in Western Europe. In the meantime, Britain, France, Belgium, Luxembourg, and the Netherlands felt militarily vulnerable to Soviet power and presence in Eastern Europe. They needed the military backing of America and eventually got it with the North Atlantic Treaty Organization (NATO) in 1949. They needed also massive economic aid from the U.S. and got much of that, too.

The alliance between the U.S. and Western Europe started out with partners very unequal militarily and economically. For military and economic reasons, West European states felt a greater need for partnership with the U.S. than vice versa. Although these states and the U.S. did and still do share many interests, Western Europe was willing to accept, during the late 1940s and through the 50s, a degree of U.S. leadership and economic influence which they later came to increasingly resent and resist through the 1960s and 70s. As

an implicit rule, U.S. dominance in the non-communist world economy during the late 1940s and the 50s was accepted as necessary and beneficial to all western allies. "A whole host of [explicit] rules regulated, for example, the management of fixed exchange rates, specifying contexts in which certain behavioral requirements took effect. At the same time the framework of rules tacitly presumed the continued, formalized dominance of the United States in the international monetary system [an implicit rule]."<sup>4</sup>

America's dominance was considered legitimate and, due to its much greater economic strength, it was a credible arrangement. Also, America's military protection was valued as indispensable. Later on, feelings that the degree of U.S. dominance was illegitimate began to grow as this situation was thought to be (1) no longer necessary to the functioning of the world economy, (2) not in Europe's best interests, and (3) no longer as viable because the U.S., in the 1960s, began to run trade deficits in addition to its yearly balance of payments deficits.

An example of U.S. policy that carried agreeable and disagreeable characteristics for other members of the Western Alliance is found in the Bretton Woods international monetary system. The financial system was accepted by most of the Atlantic Alliance without significant dissent until the mid-1960s. As will be shown below, there were serious problems

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<sup>4</sup>David Dessler, College of William and Mary, Department of Government, "Defining and Classifying International Rules," unpublished, 1988, 3-4.

by that time with the Bretton Woods system but problems with this system existed in the 50s as well; yet, dissent was very low in the 50s.

A new and fairly liberal international economic order would need an effective international monetary system. One part of the attempt to do so was the making of the International Monetary Fund (IMF) at Bretton Woods, New Hampshire in 1944. Through the IMF, countries with balance of payments deficits could receive loans to help with their deficits until their economies had gotten back into shape. Otherwise, countries may have felt constrained to use external adjustment measures which would injure the financial interests of peoples, businesses, and governments of other states.

In using external measures, a state could reduce the value of its currency relative to foreign currencies. This would cut back on the ability of this country's citizens to buy imports. The exports of this country would also be cheaper to foreign purchasers. Exporters of this state may be encouraged with tax incentives and importers discouraged with import duties. Investments in other countries by its citizens may be placed under financial controls. Tariffs or quotas may be put in place. All of these measures would interfere with the free flow of goods, services and capital across national borders.

To the extent that the IMF helped to encourage third world countries to avoid imposing trade-restricting external

adjustments, every country in Western Europe appreciated the role of the IMF in the world economy. However, the IMF was seldom directly used by Western Europe through the 50s.

"... [T]he requirements of post-war reconstruction necessitated maintenance of stringent controls on their currency and foreign trade.... Exchange rate alterations proved to be traumatic politically and economically under the Bretton Woods system. Devaluations were taken as indications of weakness and economic failure by states and, thus, were resisted."<sup>5</sup>

A second major aspect of Bretton Woods has to do with its attempt to establish a system of easy convertability of currencies at stable exchange rates. Fixed exchange rates were set up with gold as the standard. The U.S. dollar was given a fixed value of \$35 per ounce of gold. As it happened, the U.S. owned over 70 percent of the world's known gold supply by the end of WWII. All other currencies were valued at an exchange rate against the dollar with a small and specified range in which they could be adjusted up or down. Although the French franc, German marc, and British pound (among others) are internationally acceptable currencies, the U.S. dollar under Bretton Woods was the major store of value, reserve asset, medium of exchange, and unit of account by which to assess trading transactions. Because of these qualities and the fact that holding onto dollars

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<sup>5</sup>David H. Blake and Robert S. Walters, The Politics of Global Economic Relations, 2nd ed. (Englewood Cliffs: Prentice-Hall Press, 1983), 57.

earns interest while gold does not, the dollar was especially desired by every country in need of foreign exchange. This opened up enormous opportunities for the U.S. to expand its economic, political, and military presence. The U.S. did so but at levels that yearly exceeded its international earnings. A balance of payments deficit developed quickly and kept on growing.

...these deficits were also financing the establishment of a massive foreign presence by the United States through private investment, economic aid, and the maintenance of a system of military bases abroad. This posed few problems in U.S. relations with its major partners because they felt that their own economic, political, and security interests were served by these American actions. If American deficits were to cease, the allies reasoned, their own interests would be hurt.<sup>6</sup>

The U.S. deficits were not taken seriously by most other members of the Western Alliance as long as America's economy remained internationally competitive. The U.S. was not running a balance of trade deficit and was not making significant internal or external adjustments in the 50s to bring its payments deficits under control. Furthermore, while members of the alliance (except for France under the guidance of De Gaulle) did not attempt to convert their dollars for the Bretton-Woods-specified equivalent, the U.S. could continue its overseas investments almost for "free."<sup>7</sup>

In the 1960s, the U.S. economy experienced a trade deficit to go along with its payments deficit. Other

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<sup>6</sup>Blake and Walters, 61.

<sup>7</sup>For further discussion of this issue, see Spero; especially Chapter I.

alliance states then joined France in a serious concern over the continued viability of the Bretton Woods system. One of the results of American expansion of its multinational corporations (MNCs) into Europe was that a growing number of Europeans came to resent what they feared to be the "Americanization" of Europe. This element of tension added to the strain on alliance members' "support" of Bretton Woods.

The Bretton Woods system was officially ended in 1972. How it ended and what replaced it will not be reviewed here. For this paper, the important question to be drawn from the Bretton Woods experience is why did the criticism of Bretton Woods pick up in the 60s and not in the 50s (when appreciable problems did exist). It could be said that the financial and opportunity costs to Europe of participating in Bretton Woods had not become greatly visible to most members until the 1960s. I believe such an answer is only partially true. Visibility of the drawbacks of the system to Western Europe was clouded by fears of potential Soviet threats to security. This reason for lack of criticism of U.S. leadership in the 50s is only in addition to the fact that Europe needed U.S. economic and military aid and in large doses. On the part of West European decision-makers, fear of the eastern bloc and communist parties in Western Europe was diminishing in the 60s while there was a growing fear that "excessive" American presence in their economies was not in their long-run best interests.

presence in their economies was not in their long-run best interests.

The 1958 Berlin Crisis which ended in 1961 with the building of a wall around West Berlin showed that the Soviet Union was not anxious to invade an area that the U.S. considered to be part of the Western Alliance. The 1962 Cuban Missile Crisis indicated that the Soviets were not willing to go to war over nonvital issues. The 1963 Partial Nuclear Test Ban Treaty was an official act of military and political cooperation between the superpowers. A detente of sorts had replaced much of the Cold War tensions and uncertainties. A relaxing of fears, perhaps, permitted more attention on the degree of American investments in Europe, America's yearly balance-of-payments deficits, and its decreasing competitiveness in international markets vis a vis Western Europe and Japan.

For America's part, it was beginning to fear its declining share of world trade and the rising competitiveness of the European Economic Community (EEC) and Japan. Buy-America and buy-local campaigns for government purchases reached an all-time high in the U.S. during the 60s. "...the Buy-America criterion for government purchases; which was laboriously reduced from 25 percent as a normal rate in the 1930s to 10 percent in the 1950s, was raised to 50 percent in the balance-of-payments weakness of the 1960s."<sup>8</sup> "In short,

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<sup>8</sup>Peter H. Lindert, International Economics, 8th ed. (Homewood, Illinois: Irwin Publications, 1986), 188.

the Cold War detente and the economic resurgence of Western Europe and Japan combined to place a severe strain on cohesion among major Western states."<sup>9</sup>

Some general statements can be made about perception and attitudes of decision-makers toward potential partners in a cooperative endeavor. There are some specific perceptions and attitudes that permit decision-makers to persist over time in the support of cooperative behavior. These are drawn from the partial sketch of economic relations within the Western Alliance given above. The following list includes several conditions of perception and attitude required for the production and maintenance of cooperatively-produced goods such as economic markets in which each state consistently benefits. No claim is made that this list comprises all requirements--just a few.

(1) Participants must perceive direct "private" gains to be received from some form of cooperative behavior.

(2) Private good must be perceived as at least partly dependent upon private good of others who also need the good(s) to be produced via cooperation.

In a military alliance, each ally will benefit from every other ally's own continued or increased strength. The same logic holds true in an economic alliance. Both the economic and political aspects of America's Marshall Plan for Europe were based on this reasoning.

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<sup>9</sup>Blake and Walters, 16.

(3) There must be an attitude of willingness to accept a degree of dependence on other participants in a cooperative endeavor.

There are some aspects of this third requirement that can be briefly addressed. The first is the most general and concerns the fact that cooperation replaces, to some extent, competitive behavior. This demands a willingness to incur some measure of shared sovereignty over decision-making which means a loss of some individual freedom.

By the loss of some individual freedom I mean there will be some "...loss of independence or loss of control over one's activities, resulting from the accumulation of collective constraints."<sup>10</sup> Such costs "...are incurred over and above the more direct payments, to whatever institutional arrangement the state has selected, for the cost of performing the task...such costs may not appear significant, or may not be calculable, for any one particular arrangement. Over the long run a state is expected to seek to keep such interdependence costs to the least necessary level. ...[T]hus, it follows that the propensity for international organization will be determined by the interplay between the need to become dependent upon others for the performance of specific tasks, and the general desire to keep such dependence to the minimum level necessary."<sup>11</sup>

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<sup>10</sup>John Gerard Ruggie, "Collective Goods and Future International Collaboration," American Political Science Review, vol. 66, 1972: 878.

<sup>11</sup>Ruggie, 878.

A second aspect of accepting some degree of co-dependence is the shared vulnerability and security cost brought on to participants in cooperative behavior with regard to each other. Unintentional exposure or intentional disclosure of information regarding one's needs and their magnitude in a competitive environment is generally perceived as increasing one's vulnerability. Others can choose to competitively use or try to use this information to extrapolate what the subject will be willing to incur in order to meet its needs.

If a competitor has made a correct analysis of what said subject is willing to do to meet its needs, then the competitor may have a handle on the subject. In a competitive environment, this constitutes power to achieve further profit on one's own behalf or some kind of improvement of position. As pointed out earlier, fear of facing this kind of vulnerability caused Western European states to avoid, as much as possible, direct use of the IMF under the Bretton Woods system or the adjustment of their currencies in relation to the dollar. Even if the cooperating parties are able to accept this condition within their group, there is the potential for information disclosed within the group to leak to parties outside the group. An increase in the size of the cooperative group increases also the chances for such leaks of information exploitable by outside competitors.

A third aspect of accepting some co-dependence is that all participants must perceive the commitment of fellow producers to the production of a mutually desired collective gain as being genuine. An economic alliance such as a cartel will fall apart when this condition is no longer met. For example, if a member of the Organization of Petroleum Exporting Countries (OPEC) suspects other members of persistently "making a killing" by selling oil in large amounts at a price lower than the price agreed upon by the cartel, then where is the motivation to continue its own belief in and loyalty to the cartel's original purpose?

The provisions of the 1947 convention on trade policies entitled the General Agreement on Trade and Tariffs (GATT) were designed to eliminate quotas and other trade barrier policies except for tariffs. Tariffs were to be the only acceptable form of trade barrier and its "legitimate" use confined to very specific circumstances. From that point, tariffs were to be systematically negotiated away. All members of the Western Alliance were participants in GATT.

Without going into the issue of how successful or not GATT has been in reducing tariffs and promoting free trade, it is important to note that each country has developed a multitude of trade barriers that are not directly addressed by GATT. Some of these methods of "cheating" on GATT agreements are as follows: overly complicated and difficult rules of customs administration; customs classifications which are changed after goods have been sold so they end up

falling into more than one tariff category<sup>12</sup>; inspection-on-point-of-origin rules; health and safety requirements hard or impossible to satisfy; labelling regulations demanding the origin of each component or ingredient of a good be shown on a label<sup>13</sup>; compulsory preferences demanding some percentage of ingredients or components of imports be domestic to the state for which the imports are intended<sup>14</sup>; favorable tax schedules and rebates given to exporters and perhaps the reverse done to importers. There are other forms of trade barriers but this array makes the point that ways of cheating on GATT are many.

If political decision-makers and the business groups that try to pressure them for favorable decisions do not believe in the integrity of other states' official commitments to uphold the purposes of GATT, then they will feel compelled to "cheat" as well. They will fear the losses they would surely receive for being the only member of GATT completely loyal to GATT.

If decision-makers in an alliance or any cooperative endeavor are to avoid undermining their efforts via their own actions, then the great importance of taking into account the mental and emotional orientations of political and economic decision-makers, within the alliance as well as without, should be acceptable to both Marxist and capitalist, dove and

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<sup>12</sup>Professor Matthews, lecture on "Barriers to Trade," given at the College of William and Mary, March 9, 1988.

<sup>13</sup>Professor Matthews, lecture on "Barriers to Trade."

<sup>14</sup>Ibid.

hawk, Machiavellian Prince and satyagraha. Just as an economy of the use of material resources can be conceived of and worked toward, an economy of thought and sentiment can be conceived which best supports an activity. The choice between cooperation and competition is always just that--a choice. We simply have to acknowledge to ourselves which course of action and probable results we desire most, develop a sense of what it requires, and present ourselves and our actions to others in a way that fosters mental and emotional support for one path or the other. If cooperation is the choice, then decision-makers must take into account, among other things, the perceptions and attitudes outlined above.

Emphasis on the mind's place in international relations is not intended as a substitute for assessments of power distribution. The point here is that the making of choices is a power in itself; perhaps, not an original point of view but one worth witnessing from time to time. The use of that power can be habituated toward achieving particular long-term objectives. Legal documents embodying explicit regulative rules like the Articles of Agreement for the IMF or implicit regulative rules like U.S. economic dominance in the Bretton Woods system will always reflect interests in "conflict, negotiation, and cooperation"<sup>15</sup> and compromises resulting from

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<sup>15</sup>David Dessler, Professor at the College of William and Mary, Department of Government, explained on page 6 of his unpublished paper dated 1988 and entitled "Defining and Classifying International Rules" that international rules can be and are formed with or without there being a consensus. "What is shared is rather an awareness or understanding that there exist entities to be taken as rules, i.e., that there exist international structures reproduced and transformed by

such exchanges. It will be the case that actions or rules (explicitly or implicitly conveyed) intended to achieve long-term cooperation within an alliance or any other cooperative endeavor will have to account for the decision-maker attitudes and perceptions given above.

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nations in their efforts to control and influence one another's behavior. The actual rules are the focus of conflict, negotiation, and cooperation."

## CHAPTER II

### NORTH-SOUTH DIALOGUE: A PRESENT NEED

As discussed in the introduction, the case study used in chapters II and III is a current, interstate, economic relationship in which cooperation or the lack of it is the heart of the problem. It involves the development or the attempt by some states to develop more equitable economic relations between states of Sub-Saharan Africa and the Northern Hemisphere's wealthier states. In two parts, Chapter II sets up the case by presenting arguments for and against the notion that northern "developed" states have an obligation to assist in the economic development of states in Sub-Saharan Africa.

Chapter III will use this situation as a backdrop to extending Chapter I's study of attitudes and perceptions that are either obstacles or prerequisites to cooperative behavior.

#### **Part I: Internal Issues**

The causes of Africa's problems do not all stem from North-South economic relations. To concentrate on the inequalities in this relationship alone will ignore many of

Africa's self-made difficulties. Some internal causes of economic hardships are briefly described below.

Part II focuses on structural inequalities in North-South economic relations as a significant, though not exclusive, source of economic underdevelopment in Sub-Saharan Africa. The assumption in Part II is that improvements in North-South economic relations will place African states in a better position to deal with and hopefully resolve internally generated causes of mass poverty.

Part I is divided into three sections. It should first be noted that issues listed under sections B and C below, as compared to A, are far more sensitive to pressures coming from debts African governments incur in their trade and financial relations with developed countries and the financial organizations primarily supported by developed countries (DCs). Even so, the information in A will be included since it is often pointed to by politicians of Northern states who argue for there being no hard obligation for rich states to assist poor states.

(A) Civil Strife, Civil War, Interstate Hostilities

Civil strife is prevalent in many African states. The following point made in this paragraph favors the arguments of Southern state politicians but is inserted here since this issue of inner- and interstate hostilities in Africa will not be directly addressed again. In most cases, the problem originated or was worsened when colonial powers put state

boundaries in place with little consideration for the traditional locations of tribes, let alone, past political relations between various tribal communities. Often, the result is that a politically dominant tribe will favor itself over other tribes. For example, the Shona tribe in Zimbabwe is aligned with the ruling ZANU party and works to economically benefit itself at the expense of others.<sup>16</sup> Another example is seen in Nigeria during its Second Republic from 1979 to 1984. Peoples of the Hausa and Fulani tribes of Northern Nigeria had much greater influence with the ruling party (The National Party of Nigeria) than did peoples of the Yoruba, Ibo, Kanuri, and other tribes.<sup>17</sup>

Civil strife becomes civil war when the official government is unable to govern the group(s) that is secessionary or simply anti-the-ruling-party. In Africa, civil wars are usually tribally and regionally related. The start of 1988 found Ethiopia, Uganda, Mozambique, Angola, Chad, and Sudan involved in civil wars. These civil wars create millions of internally displaced persons and interstate refugees. These people cannot be economically productive while "on the run" or assist any government policy designed to reclaim desert for agricultural purposes. Ethiopia, Chad, Mozambique, Angola, and Sudan are among the

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<sup>16</sup>Lloyd Timberlake, Africa in Crisis (Philadelphia, Pennsylvania: New Society Publishers, 1986), 188.

<sup>17</sup>Toyin Falola and Julius Ihonvbere, The Rise and Fall of Nigeria's Second Republic (London; Zed Books, 1985).

six countries hardest hit by hunger, according to a 1985 United Nations report on Africa.<sup>18</sup>

The relationship between military conflict and drought/famine is complex...[D]rought is connected with misuse of soil and with poor agricultural practices. Obviously a government fighting militarily for its life is going to put a fairly low priority on tree-planting, terracing, and on sound agriculture in general. Its capacities will be devoted to war, not land reclamation.<sup>19</sup>

Sub-Saharan countries that experienced regional and/or general civil wars for some period of time between 1945 and 1982 are shown in Table 1. Those dates which are underlined in Table 1 indicate a change in regimes as a result of civil war. The source used for this list defines a change of regime to be "only where power has been transferred without the agreement of the pre-war government and there has been no continuity of policy."<sup>20</sup> The dates given are approximate. Dates preceded or followed by "\*" show that the exact beginnings or endings of a civil war are unknown. Dates surrounded by "\*" indicate the most recent year of major activity. In reviewing the data in this table, please keep in mind that civil tensions do not develop into civil war overnight but have their source in problems extending further back in time. Information placed within brackets is added by me.

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<sup>18</sup>United Nations Office for Emergency Operation in Africa, "Status Report on the Emergency Situation in Africa as of 1 Oct 1985" (New York: 1985).

<sup>19</sup>Timberlake, 188.

<sup>20</sup>Michael Kidron and Dan Smith, The War Atlas, Armed Conflict-Armed Peace (New York: Simon and Schuster, 1983), "Notes to the Maps", 1.

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Table 1

Mauritania	*1962/gen
Chad	1965-82/gen; [presently involved in civil war (P)]
Sudan	1954-72/reg; 1971/gen; [P]
Ethiopia	1974-79*/gen; 1980*/gen; *1980*/reg; *1981*/reg; [P]
Djibouti	1977*/gen
Somalia	1967-68/reg
Gambia	1981/gen
Guinea-Bissau	1963-74/gen
Cote d'Ivoire	*1960/gen; 1971/gen
Ghana	1948/gen
Benin	*1977/gen
Nigeria	1967-70/reg
Central African Republic	1979/gen
Uganda	*1962/gen; 1964/gen; 1980*/gen; [P]
Kenya	1952-56/gen; 1964/gen; *1980)/reg; 1982/gen
Seychelles	1982/gen
Cameroon	1955-59/gen
Equatorial Guinea	*1974/gen; *1971/gen
Gabon	1964/gen
Congo	1963/gen; 1968/gen; 1972-73/gen
Zaire	*1960/gen; 1960-67/reg; 1977/gen
Rwanda	1959/gen; 1964, 1965-66/gen
Burundi	*1972/gen
Tanzania	1964/gen
Cameroon	1978/gen
Angola	1961-75/gen; 1975/gen; [P]
Zambia	1964/gen; 1977/reg
Malawi	1959-64/gen; 1965/gen; 1967/gen
Madagascar	1947-48/gen; 1971-72/gen
Namibia	1975/gen
Zimbabwe	1965-74/gen; 1981/gen; [P]
Mozambique	1965-74/gen; 1981/gen; [P]
South Africa	1960/reg; 1976*/gen [presently: very high level of tension]

Note: [P] = presently involved in civil war; \* = exact beginning is unknown; \*\_\_\_\* = most recent year of major activity; gen = general civil war; reg = regional civil war. Source: Michael Kidron and Dan Smith, The War Atlas, Armed Conflict-Armed Peace (New York: Simon and Schuster, 1983).

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Tensions and troubles from border conflicts, civil wars/strife, and interstate wars create added emphasis on military expenditures and take away from governmental investment of human and financial resources in areas of agriculture, education, health, social security programs (if any), transportation, communications, and distribution infrastructures. Arms imports for the states of Africa in 1961 amounted to 111 million dollars. By 1978, the arms imports totalled 1,986 million dollars.<sup>21</sup> Clandestine trades are excluded from this total so real figures are higher.

Formal declarations of war between states are not as common today around the world as in the past. However, there are hostilities or at least tense relations with implications of possible military action between the following states: Morocco and Algeria; Ethiopia and Somalia; Libya and Egypt; Libya and Chad; Tanzania and major non-ruling tribe in Uganda; Morocco, Mauritania, and Western Sahara; South Africa with all its neighboring states; Angola and its neighbors; Sudan and Ethiopia; and others.

#### (B) Governmental Favoritism

Governmental favoritism of urban populations at the expense of rural farmers and pastoralists is a problem which contributes to underproduction in agriculture and famines. Most African governments subsidize non-domestic meats,

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<sup>21</sup>Kidron and Smith, map no. 3.

cereals, and other foods for the benefit of urban peoples; urban administrative, commercial and industrial growth; and to increase profits from sales of export crops for applying toward debts and the purchase of imports.

Farmers and pastoralists are unable to sell their foodstuffs at prices that afford them security from year to year variations in rainfall or to get through the "hungry months" just before harvest without going into high interest debt. Farmers do not possess the financial resources to adequately invest in improvements to their farms (terracing, tree-planting, sowing of soil-binding plants such as lucerne, elephant grass, and clover) and agricultural inputs (pest- and drought-resistant varieties of seeds and seedlings, fertilizers, equipment, draft animals). This issue will be discussed further in Part II.

(C) Overpopulation, Falling Per Capita Production, Deforestation, Disturbed Cultivation Patterns

Approximately 583 million people inhabit Africa. Along with the Middle East, Africa has an annual population growth rate of 2.8 percent--one of the highest in the world.<sup>22</sup> However, a simple statement of population size and its rate of growth is fairly meaningless without also addressing the ability of environmental and social life-support systems to hold up through time. The following facts serve to make

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<sup>22</sup>Lester R. Brown, "Analyzing the Demographic Trap," in State of the World 1987, ed. Lester R. Brown (New York: W. W. Norton and Co., 1987), 22.

clear the struggling nature of African states' efforts to meet basic needs for all citizens, let alone to achieve the goals of economic modernization.

1. Overpopulation and Falling Per Capita Production.

Average yearly production growth in Africa's agriculture was 3.0 percent between 1961 and 1970. From 1971 to 1984, the average fell to 1.2 percent.<sup>23</sup> "For the world's 36 poorest countries, twenty-six of them in Africa, the level of per capita food consumption declined by about 3.0 percent during the 1970s."<sup>24</sup> While overall production of food, beverages, and raw agricultural materials (cotton, jute, rubber, tobacco) declined, real growth in the prices of agricultural commodities for all developing countries declined as well.<sup>25</sup> This meant income losses to most people in Sub-Saharan Africa, especially rural farmers and pastoralists.

African governments also earned less. Foreign currency income from commodity exports fell and contributed to their need to borrow from other governments; from intergovernmental organizations such as the IMF, the International Bank for Reconstruction and Development (World Bank), and the International Development Association (IDA); and private banks. In fact, the "ratio of total debt disbursed to annual exports of goods and services grew from 71.8 percent in 1975

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<sup>23</sup>World Bank, World Development Report 1986 (New York: Oxford University Press), 4.

<sup>24</sup>World Bank, 7.

<sup>25</sup>Ibid. 7.

to 230.9 percent in 1984. This increase was also faster than for the rest of the developing countries."<sup>26</sup>

Did income from exports of minerals and metals make up for losses in agricultural commodities? No. From 1950 to 1984, the average annual percentage change in real growth of commodity prices for metals and minerals was -0.09. Between 1970 and 1979, the average annual change was even worse: -4.06 percent.<sup>27</sup>

Governments are less and less able to take care of their ever-growing populations. "Food imports have increased ten-fold during the past two decades."<sup>28</sup>

With little and lessening economic security for individuals, population growth rates will not decrease, but, instead will continue to remain too high for African states and economies to take care of everyone. On the surface, continued production of large families seems like illogical behavior on the part of citizens, yet, having large extended families is a method of creating social insurance for older generations.<sup>29</sup> Only real and stable improvements in the economic welfare of peoples along with the provision of government-supported social security can effectively develop

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<sup>26</sup>Reginold H. Green and Stephany Griffith-Jones, "External Debt: Sub-Saharan Africa's Emerging Iceberg," from Africa in Crisis, ed. by Tore Rose (Paris: Organization for Economic Co-operation and Development, 1985), 213.

<sup>27</sup>World Bank, 7.

<sup>28</sup>UNICEF: The Children's Fund of the United Nations, Within Human Reach (New York: UNICEF, 1985), 23.

<sup>29</sup>Barry Commoner, "How Poverty Breeds Overpopulation," in World Food, Population, and Development, ed. Gigi M. Berardi (Totowa, New Jersey: Rowan and Allanheld, 1985), 43-73.

incentives for rural peoples and urban poor to build smaller families. Statistical support of this assertion is provided by the relationship between measures of Gross National Product (GNP) and fertility. Increases in GNP per capita per year are strongly associated with decreases in fertility rates.

In a sense, the demographic transition<sup>30</sup> is a means of translating the availability of a decent level of resources, especially food, into a voluntary reduction in birthrate. It is a striking fact that the efficiency with which such resources can be converted into a reduced birthrate is much higher in the developing countries than in the advanced ones... [T]he per capita cost of bringing the standard of living of poor countries with rapidly growing populations to the level which--based on the behavior of people all over the world--would motivate voluntary reduction of fertility is very small, compared to the per capita wealth of developed countries.<sup>31</sup>

## 2. Overpopulation and Deforestation.

Overpopulation adds to desertification as trees are used for fuel faster than the environment can replace them.<sup>32</sup> Soil building- and soil-maintaining ecosystems in which trees have

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<sup>30</sup>The so-called Demographic Transition has occurred in countries with developed economies. It begins when improvements in medicine, health care, and sanitation are introduced to (or developed in) a society possessing high rates of infant mortality, fertility, and death. For a time, population grows at higher rates. The absolute size of population rises, also. Eventually, the fertility rate lessens to a point far below its level before the initial rise. The populations of developed countries are now much larger than before the Demographic Transition but have longer life spans and very low rates of growth, infant mortality, and fertility. The growth in per capita economic prospertiy, increased career opportunities for women, and government policies of social security and unemployment assistance are considered by many to be the main reasons for decreasing fertility rates.

<sup>31</sup>Commoner, 70-71.

<sup>32</sup>Erik P. Eckholm, "The Other Energy Crisis," in World Food, Population, and Development, 263-269. Ismail H. Abadlla, "The Killer Axe: Farming and Deforestation in a Fragile Ecological System in Kordofan," Northeast Africa Studies 7, no. 2 (1985): 59-65.

a central role are damaged and topsoils are depleted of nutrients without sufficient renewal. Sub-Saharan Africa has lost so many trees to firewood that regional water tables are lowered to the point of killing other trees from a simple lack of water. As trees and ground cover indigenous to wooded areas decrease, the rate at which water evaporates after a rain is increased. Trees and ground covers lower the temperature of soil and this, in turn, lowers evaporation rates and raises the retention of water from rains.<sup>33</sup>

High evaporation rates are a major source of lost water.<sup>34</sup> Most of Sub-Saharan Africa has a great need to conserve its rainfall.

Shortage of rain is a continual problem for areas such as the Sahel and the Kalahari in the Southwest; the more significant problem for most of Sub-Saharan Africa is the annual distribution rather than the quantity of rainfall. The movements of the [Inter-tropical Convergence Zone] results in many areas receiving all or most of their rainfall within a four-to-six-month period, barely sufficient time for crops to mature.<sup>35</sup>

In "good" years of adequate or even relatively adequate rainfall, other types of problems result from deforestation. Trees serve to hold soil down from being carried off by winds and rains. Trees reduce also the amount of dust in the

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<sup>33</sup>Lester R. Brown and Edward C. Wolf, "Soil Erosion: Quiet Crises in the World Economy," Worldwatch Paper, no. 60, (Sept 1984).

<sup>34</sup>Thomas R. Batten, Problems of African Development, Part I: Land Labour (London: Oxford University Press, 1960), 59.

<sup>35</sup>Charles Guthrie, "The African Environment," in Food in Sub-Saharan Africa, eds. Art Hansen and Della E. McMillan (Boulder, Colorado: Lynne Rienner Publishers, Inc., 1986), 89.

atmosphere which, in sufficient quantities, will inhibit cloud formation and lessen the chances of precipitation.<sup>36</sup>

A World Bank report in 1985 said that 20.9 million people could be sustainably supplied with fuelwood in the countries of Burkina Faso, Chad, Gambia, Mali, Mauritania, Niger, and Senegal.<sup>37</sup> The total population at mid-1984 was 34.5 million.<sup>38</sup> Adequate fuelwood could not be supplied to 13.6 million without seriously damaging woodlands and inducing further desertification.

...in 1980 some 50 million people in Sub-Saharan Africa experienced fuelwood shortages and were unable to meet their basic fuelwood requirements. Another 130 million Africans obtained their minimum fuelwood requirements through excessive exploitation of wood resources. With projected population growth, these numbers may triple by the year 2000.<sup>39</sup>

### 3. Overpopulation and Disturbed Cultivation Patterns.

Overpopulation in farming communities forces many farmers to use increasingly marginal lands. As the outer limits of arable land are cultivated, crop rotation and shifting cultivation are replaced with more and more continuous forms of cultivation--fallow periods are shortened. This pattern degrades arable land and adds to desertification.

The fact that African governments emphasize cash crops over food crops and artificially depress prices for food

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<sup>36</sup>Noel V. Lateef, Crisis in the Sahel: A Case Study in Development Cooperation (Boulder, Colorado: Westview Press, 1980), 179-216.

<sup>37</sup>Brown, 25.

<sup>38</sup>Newspaper Enterprise Association, Inc. (NEA), The World Almanac (New York: NEA, 1986), 588-589.

<sup>39</sup>Olivia Webley, "Fuelwood," in Food in Sub-Saharan Africa, 254.

crops (mostly for reasons given in section B above), causes farmers also to emphasize cash crops. Persistent cash cropping will deplete soils of specific nutrients fairly quickly.<sup>40</sup>

The governmental subsidization of non-domestic meats will also lead to desertification by "...robbing the local pastoralists of the traditional urban markets for their animals, leading to a buildup of animal populations and increased pressures on the land which convert it to deserts [compaction of soil; trampling and over-grazing of plants]."<sup>41</sup> This problem has had a significant impact on top soils even though periods of drought and approaching famine cause many livestock to die from lack of food or to be slaughtered by pastoralists and farmers as a food replacement for failed crops.<sup>42</sup>

With all this said, how much land is actually lost to processes of desertification? Before answering this question, it should be noted again that in addition to poor land management much of Sub-Saharan Africa suffers from rather short rainy seasons and periodic serious declines in overall rainfall which help to expand deserts. An estimate to the above question is that "24,000 square miles of African

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<sup>40</sup>The African Strategy Review Group, Accelerated Development in Sub-Saharan Africa: An Agenda for Action (Washington D.C.: The World Bank, 1981).

<sup>41</sup>Maurice F. Strong, "Beyond the Famine: New Hope for Africa," Annual Memorial Lecture, 11 Nov 1985 (David Davies Memorial Institute of International Studies, 1985), 25-26.

<sup>42</sup>Ivan Ray Tannehill, Drought: Its Causes and Effects (Princeton, New Jersey: Princeton University Press, 1947).

land is turned into desert by overgrazing, deforestation, and poor farming practices" each year.<sup>43</sup>

Rapidly increasing population, dangerously high rates of deforestation and soil degradation, yearly fluctuations in amounts of rainfall, civil and interstate tensions and wars, and falling per capita production of food and exportable commodities combine to produce severe hardships for all but a few Africans. What could make matters worse? The next part of this chapter addresses this question.

## **Part II: North-South Issues**

African states that have gained independence since WWII have felt compelled to enter a world market economy dominated by highly diversified economies possessing strong industrial bases; developed service and commodity sectors; developed transportation, distribution, communications, education, and financial systems.

Economies of northern states were and are very capable of producing secondary goods which require scientific, engineering, and systems management expertise and knowledge. Secondary goods contain primary goods (commodities) as manufacturing inputs such as fuels, minerals, plants (cotton, woods, rubber, jute, etc.), and animal products such as leather and wool. Secondary products are priced to include

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<sup>43</sup>Kathy Koch, "Strategies for Economic Turnabout," from Editorial Research Report, vol. 11, no. 17, 17 Nov 1986 (Washington D.C.: Congressional Quarterly, 1986): 821.

the costs of purchasing the primary commodities. The prices include high labor costs (relative to labor costs for production of primary commodities), expensive expert services, other components of manufacturing overhead, and a profit margin of some size. Furthermore, items such as computers, trucks, tractors, jeeps, automobiles, construction machines and equipment will have much higher transportation costs per pound than most primary commodities.

The exports of least-developed economies, on the other hand, consist almost entirely of primary commodities: foodstuffs, in addition to the items listed above. The pricing of these items is more sensitive to conditions of supply in international markets than are most secondary products.

The developing countries (a.k.a. Less Developed Countries or LDCs) are at a further disadvantage in that they did not enter independence in a position to extract (in some cases refine) and market their commodities without the involvement of many outside groups: multinational corporations; governments of developed economies; international financial organizations such as the IMF, World Bank, and IDA; and private banks. LDCs needed the secondary products of developed countries (DCs) to bring to market many of their own primary commodities (e.g. minerals, metals, and oil) as well as requiring massive inputs of information, technology, and expertise.

LDCs necessarily sacrificed much control over their resources and have continually worked to transfer control to themselves. In other words, in much the same way that businesspersons may go into debt when starting an enterprise by borrowing from banks or financiers, newly-independent African states have had to go into debt to practically "start-up" a government with its bureaucracy and an economy capable of entering the world's markets. But, unlike a corporation which gains necessary capital by selling ownership of the company to investors in the form of shares of stock, a sovereign and supposedly "independent" state has no intention of deliberately and permanently transferring ownership of the state from itself unto other entities. The 1962 Resolution on Permanent Sovereignty Over Natural Resources put out by the United Nations General Assembly is an example of poor states trying to regain control of their national resources.

Terms of trade between DCs and LDCs and the nature of the types of goods being traded have strongly favored DCs. This relationship has added to the LDCs external debts incurred largely through efforts at "modernization."

A dilemma results. Many African states are still among the poorest and least economically developed, yet, have incurred great external debts with growing interest. At the same time, foreign exchange reserves (acquired from exports) have not similarly grown.

In fact, it has been estimated by the IMF in the 1983 World Economic Outlook that for all Africa the value of foreign exchange reserves in 1983 was lower than it had been in 1973, even in nominal terms. The ratio of reserves to imports of goods and services for non-oil exporting developing Africa has, as a consequence, persistently declined: from 18.4 percent in 1973 to a mere 15.3 percent in 1983, which implies coverage of less than one month of imports (clearly an extremely low ratio, much lower than that for all other developing countries).<sup>44</sup>

Tanzania's gross international reserves in 1970 were 65 million dollars and by 1984 had dropped to 27 million dollars. This latter amount covered 0.3 months of 1984 For the same two years, the numbers are as follows for nine other African countries: Somalia, 21 million dollars in imports.

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Table 2

External debt on long-term and IMF loans.		
	<u>1970</u>	<u>1984</u>
Somalia	\$77 million	\$1,335 million
Benin	41	582
Sierra Leone	59	416
Sudan	388	6,257
Senegal	131	1,766
Zambia	653	3,500
Cote d'Ivoire	267	6,776
Cameroon	140	2,347
Mauritius	32	521
Ethiopia	169	1,459
Zaire	311	4,663
Niger	32	884
Uganda	138	990
Kenya	407	3,441
People's Republic of Congo	144	1,396

Note: Values given in constant U.S. dollars.

Long-term debts consist of (1) public and publicly guaranteed loans, and (2) private nonguaranteed debts

Source: World Bank, World Development Report 1986, p. 208.

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<sup>44</sup>Green and Griffiths-Jones, 213.

1970, 7 million dollars in 1984, 0.1 months of 1984 import coverage; Benin, 16, 6, ?; Sierra Leone, 39, 16, 1.0; Sudan, 22, 17, 0.2; Senegal, 22, 13, ?; Zambia, 515, 55, 0.6; Cote d'Ivoire, 119, 19, 0.1; Cameroon, 81, 63, 0.3; Mauritius, 45, 35, 0.7.<sup>45</sup>

The same above-referenced World Bank report listed Tanzania's debt on long-term and IMF loans as 265 million in 1970. The World Bank defines long-term debt as composed of debts which are (1) public and publicly guaranteed debts, or (2) private non-guaranteed debts. Information on short-term debts for 1970 was not available to the World Bank so their statements on short-term debts as of 1984 will not be included here. Table 2 shows external debt on long-term and IMF loans for sixteen other Sub-Saharan states.

The picture presented by the data in Table 2 is not good; but, the total financial burdens of Sub-Saharan countries are even worse for reasons clearly given in the following statement by Reginold Green and Stephany Griffith-Jones.

In fact, present reported data seriously understate the size of the debt burden. First, World Bank data are limited to long- and medium-term government and government-guaranteed debt. Revised Bank data for selected countries suggest that adding short-term debt would raise the total by perhaps one-third, and that non-official debt would add another 5 to 10 percent. Second, even World Bank and Bank for International Settlements' short-term debt data significantly understate the "best estimates" of such debt--for those major debtors for which best estimates exist (only Nigeria in Sub-Saharan Africa)--by 5 to 60 percent. Third,

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<sup>45</sup>World Bank, 206-207.

none of the estimates include either trade arrears, unpaid local contracts which on payment would result in unpaid external obligations, or--almost incredibly--IMF drawings [although the information given above in Table 1 does include IMF loans]. When these are added to the World Bank's estimate of Sub-Saharan Africa's long-term official debt (\$80 billion in 1984, up from \$12 billion in 1972) the probable 1984 figure amounts to about \$125 billion, and the current total external debt of the 42 Sub-Saharan economies to the order of \$130-135 billion. This would suggest a true average debt service to exports ratio in the order of 35 percent. In fact, in many cases, recorded debt service ratios do not bear this out for a grim reason--they show only payments actually made and therefore not include only rescheduling, but also arrears are not recorded and this leads to apparent ratios very much below their true levels.<sup>46</sup>

African governments have the responsibility of guiding their states toward achieving the following goals: develop their states' economies; check human actions that contribute to expanding deserts; reorient agricultural policies to provide farmers with material means and market incentives to produce food self-sufficiency in addition to agricultural export commodities; construct adequate storage facilities for defense against famine; build and maintain infrastructures in transportation and communications; raise standards of education and increase its availability to all citizens;<sup>47</sup> increase exports; make sure that everyone has enough food for survival and health-maintenance; and to meet a host of

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<sup>46</sup>Green and Griffiths-Jones, 212.

<sup>47</sup>According to UNESCO's report entitled Literary Targets in the International Development Strategy 1972 (New York: UNESCO, 1979), there are 28 million illiterate people in Nigeria aged 15 years and above; 17 million in Ethiopia; 12 million in Egypt; and 99 million throughout the rest of Africa. This adds up to 156 million illiterate people and close to one fourth of Africa's total population.

expectations of many different ethnic, regional, religious, and economic groups that are often in conflict with each other. As already shown, African governments are additionally burdened with extremely high external debts, the continuance of circumstances which increase these debts yearly, and the need to borrow still more.

The problems of African governments are worsened by the fact that very few of them, if any, benefit from widespread legitimacy among their populations. The high frequency of civil wars which have taken place on the African continent since 1945 provides some evidence of a lack of legitimacy. Even so, a more telling example of the unstable nature of African governments is based on the immediate political needs of politicians to take care of urban populations before looking to matters of overall economic development, the good of rural peoples, and the well-being of future generations. Although the governmental bias toward urbanites was discussed earlier in this paper, an additional reason for this favoritism will be outlined below.

In early 1985, [President] Nimieri's government [of Sudan] was pressured by a U.S. withdrawal of aid, by the International Monetary Fund, and other creditors to make the usual sort of belt-tightening reforms. The Sudanese pound was devalued from 1.3 to 2.5 to the dollar, and bread and petrol prices were raised by about 60%. In riots in late March, some 2,500 people were arrested and several killed. Early demonstrations were staged by the poor and hungry, whom the government described as "vagabonds," but the demonstrations were joined by doctors, teachers, bankers, and judges--who were angry at finally being forced to pay heavily for government policies which had in fact favored them

and other urban elites at the expense of the small farmers.<sup>48</sup>

Nimieri lost his presidency and the military replaced him with Sadiq el Mahdi to head the executive as Prime Minister of Sudan.

President Anwar Sadat of Egypt was assassinated after the government cut back on its food subsidies for the urban peoples and thus permitted bread prices to rise. This is not to say that the assassination was entirely caused by the withdrawal of food subsidies, but, it might have played a part in the tragedy. Suffice it to say that no African government is completely immune to pressures exerted by urban peoples to have government favor their needs even if it is to the serious detriment of rural peoples' welfare.

Unfortunately, it is on the improvement of incentives for rural peoples to produce that lies the future viability of many African economies. When foreign aid or loans are tied to policies which call for devaluing local currencies and the permitting of food prices to rise so that rural peoples have greater economic incentives and financial resources to produce more, the results can be politically disastrous in the short-term although the goals behind such policy requirements could be arguably correct in the long run.

Hopefully, it is fairly clear by now that with independence African governments inherited fundamentally difficult political, economic, and social circumstances which

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<sup>48</sup>Timberlake, 189.

are made more difficult by structural inequalities in their economic relationships with economically developed countries.

This chapter has provided background information on a particular interstate economic and political area of conflict. Chapter III will use this situation as a means for further developing Chapter I's analysis of obstacles and prerequisites to cooperative behavior. The overall goal is to identify some decision-maker attitudes and perceptions prerequisite to cooperative behavior in order to make more clear some of the obstacles to international collaboration.

## CHAPTER III

### North-South Dialogue: Obstacles to Cooperation

The General Assembly...  
Determined to promote collective economic security  
for development, in particular of the developing  
countries, with strict respect for the sovereign  
equality of each State and through the cooperation  
of the entire international community,...<sup>49</sup>

Chapter III will identify at least some of the conditions prerequisite to the production of a type of cooperatively-produced good: a collective good. After briefly explaining what is meant by a collective good, the concept will be analyzed with regard to the case set up in Chapter II: the lack of development of more equitable economic relations between Africa and Northern countries' developed economies. Again, the primary goal is not just collective goods but the identification of decision-maker attitudes and perceptions prerequisite to cooperative behavior.

#### Prelude to Conditions of Production

This section will contrast collective goods with private goods. A distinction will be made between the two in order to make more clear some of the reasons why a more equitable

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<sup>49</sup>United Nations General Assembly, "Charter of Economic Rights and Duties of States," from Basic Documents in International Law and World Order, eds. B. H. Weston, R. A. Falk, and A. A. D'Amato (St. Paul, Minnesota: West Publishing Co., 1980), 289.

economic relationship between Africa and developed countries of the North is roughly classified here as a type of collective good. I will start with an example of two types of goods that have qualities which approach those of a purely collective good.

Example 1: John Gerard Ruggie gives a four-fold classification of goods and services in his article entitled "Collective Goods and Future International Collaboration."<sup>50</sup>

	Perfectly Divisible	In Joint Supply
Possibility of Exclusion/ Appropriability of Cost	(1)	(2)
Impossibility of Exclusion/ Nonappropriability of Cost	(3)	(4)

The category he considers to most closely approximate pure collective goods is number 4: "jointness of supply" and "impossibility of exclusion/nonappropriability of cost." By the latter term, he means it is not possible to "exclude others from sharing or to charge them the full cost of sharing the benefits of the good."<sup>51</sup> An additional aspect of this good should be recognized here: It is also not possible to fully exclude oneself or others from any harmful aspects or to seek full compensation for damages resulting from a good produced by others or oneself.

<sup>50</sup>J. G. Ruggie, "Collective Goods and Future International Collaboration," American Political Science Review, vol. 66 (1972): 888.

<sup>51</sup>Ibid., 887.

Decreased economic inequalities in North-South relations (if it comes about) will require certain actions of present generations which may entail some sacrifices in the degree of freedom of choice presently enjoyed by economic decision-making entities (individuals, companies, intergovernmental and private organizations, governments). The costs of such actions, if taken, will be borne by present generations more so than by future generations and many of the benefits accruing from such actions will be received by future generations more so than by those of the present. Exactly who receives what amount of costs from present economic and political adjustments cannot be controlled by international and domestic market economies or by governments. Nor can the amount of benefit received by individuals and organizations as a result of decreased economic inequalities in North-South relations be completely controlled by markets or governments.

An example which Ruggie gives for this category of good is Large-Scale Climate Modification. Should such a technology be developed, the benefits and/or detriments of its use could not be made perfectly divisible and excludable among users and receivers.

With regard to Ruggie's classification scheme, this chapter will be concerned primarily with (1) the production of any collective good that requires the participation of two or more decision-making units (i.e. individuals, organizations, states) and, as given at the start of this section, (2) the production of a specific collective good:

more equitable economic relations between Sub-Saharan Africa and Northern countries with developed economies. Therefore, the interest here applies to all four of Ruggie's categories to varying degrees--even number 1 which supposedly describes goods with purely private characteristics. To be presented in the course of this chapter is the theory that no good is purely private if full user and opportunity costs of its development or extraction, acquisition, use, and disposal or termination are weighed into a description of the good.<sup>52</sup> How it relates to the potential production of more equitable North-South relations will be discussed, also.

Example 2: Thoughts and nonphysical qualities can be collectively experienced. Thus, thoughts and ideas can be pure collective goods, although, even in the domain of ideas, there is a characteristic of relativity whereby certain ideas are not universally shared. Perhaps an illustration of such conditions is given in the following statement. "A universal theology is impossible, but, a universal experience is entirely possible."<sup>53</sup> In other words, the actualities of love and trust can be universally shared even though their perception and expression will be as varied as the individuals experiencing them. They are not consumed or broken down when experienced so they at least have the quality of "jointness of use." In a somewhat similar way, we

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<sup>52</sup>Disposal would apply to material goods. Termination involves services.

<sup>53</sup>A Course in Miracles (Tiburon, California: Foundation for Inner Peace, 1976).

can all experience illusional constructs resulting in hatred or ignorance (surely only to a limited extent or there would be nothing but chaos).

Sociologist Georg Simmel claimed that love, virtue, knowledge, or power of any kind is an extreme experience or condition and its expression creates conditions which generate their opposites.<sup>54</sup> On the surface, it would seem that he described life as static: every move in one direction creates a reactive move in its opposite direction with all forces canceling out or "balancing" each other to a static condition. However, Simmel stated further that the conflict inherent to opposing forces can be constructive as well as destructive which implies the possibility of a dominant movement of forces in some culturally desired direction thereby causing change. Political theorist Hans J. Morgenthau asserts the possibility of significant change in a balance-of-power political system.<sup>55</sup> Both theorists seem to say that conflict is not necessarily destructive.

If Morgenthau and Simmel are correct (assuming that I fairly express some of their views), then the conflict existing between the economic goals and desires of developed and undeveloped states should not be considered a situation

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<sup>54</sup>Georg Simmel, "Conflict as Sociation," from Sociological Theory, 5th ed., eds. Lewis A. Coser and Bernard Rosenberg (New York: MacMillan Publishing Co., 1982) 175-178. "The Dyad and the Triad," from Sociological Theory, 45-52. Doyle Paul Johnson, Sociological Theory: Classical Founders and Contemporary Perspectives (New York: John Wiley & Sons, 1981), 246-288.

<sup>55</sup>Hans Joachim Morgenthau, Politics Among Nations, 5th ed. (New York: Knopf, 1979).

incapable of eventually producing an economic betterment of all parties involved. However, even in the present, the conflict need not be viewed simplistically as a clash or even a "war" of economic interests (from which must emerge victors and vanquished) or as a balance or imbalance of antagonistic powers as it could be regarded if the units of our analysis included only individual interests "defined in terms of power."<sup>56</sup>

LDC's struggle to defend their "right" to development and their "right" to demand that DCs, firstly, refrain from further exploitation of their own position of strength vis a vis the LDCs and, secondly, assist the economically poor countries in programs of development. In addition to the Charter of Economic Rights and Duties (the quotation at the start of this chapter is taken from this document), two United Nations resolutions created by the General Assembly are especially representative of demands for a "right" to development: the 1974 Declaration on the Establishment of a New International Economic Order (NIEO) and the Programme of Action on the Development (1974) of a NIEO.

We, the Members of the United Nations, ...  
Solemnly proclaim our united determination to work  
urgently for the establishment of a new  
international economic order based on equity,  
sovereign equality, interdependence, common  
interest and co-operation among all States,  
irrespective of their economic and social systems  
which shall correct inequalities and redress

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<sup>56</sup>"The main signpost that helps political realism to find its way through the landscape of international politics is the concept of interest defined in terms of power." -Morgenthau, Politics Among Nations, 5.

existing injustices, make it possible to eliminate the widening gap between the developed countries and ensure steadily accelerating economic and social development and peace and justice for present and future generations, ...<sup>57</sup>

DCs, on the other hand, are in a relative position of strength and current politicians and governments are occupied with maximizing the economic well-being of current populations and constituencies. They may regard United Nations General Assembly resolutions such as the NIEOs and the Charter of Economic Rights and Duties of States as the "soft law" of international development, because the obligations created are not yet "hard" or binding. Rich states may finance development of poor states at their discretion, not according to any obligation fixed by international law. In other words, soft law obligations are considered to carry moral authority but not yet legal authority. Even if an international consensus on the existence of legal authority was now present, developed states are well aware that they cannot be coerced into complying with any such laws. And, as Morgenthau advised, we have a good notion of why efforts such as the Third United Nations Conference on the Law of the Seas (UNCLOS III) have not yet met with success. A few powerful states do not see such a convention as in their own best interests.

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<sup>57</sup>United Nations General Assembly, "Declaration on the Establishment of a New International Economic Order," 1 May 1974; "Programme of Action on the Establishment of a New International Economic Order," 1 May 1974, from Basic Documents, 273-288.

If it is true that all political phenomena inevitably reduce to the balancing of interests that are opposed to some degree and that there is always an unavoidable opposition of forces, then how will "needed" cooperative behavior among peoples and states be developed, much less maintained from one generation to the next? Perhaps their theories do give meaningful description of why there is nonproduction of needed collective goods such as international peace, clean water courses, unpolluted air, protected watersheds, or more equitable North-South economic relations.

It is obvious that actions have intended and unintended effects. Less apparent is how the aforementioned fact relates to the question of private and collective goods. Is ownership of any property or right exclusively private if the consequences of both ownership in itself and use of what is owned are productive of collective benefits or collective ills?

The markets of the world economy are believed to function, to some extent, according to notions of "free trade" and the "right" of each participant to enter and compete for shares of markets according to its own strengths in production and innovation. Even if this is true, some states are more equal in their basic economic rights than others. Playing by the "rules" of a world market economy is all well and good if a player already enjoys a position favored by the "rules" (at least in relation to the circumstances of others). Even if there could be gained a

universal consensus on the existence of an individual "right" of any state to compete in world markets as best it can and as intensely as the "market will allow," it would still be true and generally recognized that the possession of individual rights and their exercise or nonexercise will unavoidably contribute to collective benefits and/or collective ills.

Should we then ask what are the full opportunity and user costs accruing to a state (or group of states) which uses its dominant position in the world economy to maximize its self-perceived interests even to the point of preventing other states from gaining at least enough of a market "share" to meet their citizens' basic survival needs? From the perspective of the dominant state (or states), is there any self-interested reason or set of reasons for being concerned with the preceding question if the state cannot be coerced by the disadvantaged states into modifying its behavior? To be extreme for a moment, is there, for the sake of "self-interest," a compelling reason for weighing into any state's calculations of self-interest the well-being of other states? This begs a further question: Can the good of any entity, let alone a state, be considered separately from the good of other entities in its environment? Is private good and private interest, whether defined in terms of power or some other parameter, ever truly private?

For the sake of clarity, a look will be taken at some characteristics of very simple goods such as articles of

clothing or units of food which Ruggie would classify as the most private of goods (or at least possessing the least portion of collective-good qualities).

The collective good aspects of clothing or food are "negligible" for any one good. However, if we ignore the small and perhaps undiscernible components of phenomena, then we may deny ourselves the opportunity to perceive the nature of goods, production, and ownership. This is similar to drops of water in an ocean; single votes in a Presidential election; the personalities of all the individuals directly involved with the UNCLOS III; or the basic survival needs of each malnourished, undernourished, unsheltered, unemployed, and un- or poorly-educated individual in Africa. Any one unit by itself will not determine the characteristics of ocean, election results, the outcome of UNCLOS, or the world's present and future economic order, but that does not mean we can dismiss the aspects of unitary parts and still fully understand the nature of qualities that emerge from aggregations of the parts.

Goods that Ruggie would place in category 1 of his classification scheme are supposed to be purely private or very close to being so ("perfectly divisible with possibility of exclusion/appropriability of costs"). Even so, they may have qualities that often prompt a need for cooperation to regulate and mitigate unintended disservice flowing from production, acquisition, use, and/or disposal of such private goods. The nature of these goods may cause us to try to

"bring to bear various efficiency criteria, such as economies of scale [or questions of legal and/or economic equity], and therefore seek the collaborative production of a particular good or service. Thus, simply in order to be able to do what it cannot now do, or do more, or more efficiently what it is already doing, a state may enter into international arrangements facilitating such desires."<sup>58</sup> If we consider the aggregate effect of user and opportunity costs of use of a "purely private" good by many individual actors (whether it can be quantified or not), then we could say that there is no purely private good since every action concerned with the development, acquisition, use, disuse, and disposal or termination of any good (or right) produces collective and private service or disservice. The consequences are collectively and privately received.

The foregoing examination of certain qualities of "private" and "collective" goods serves as a basis for determining conditions necessary for the production of a collective good such as more equitable North-South economic relations. It indicates also some of the reasons for the world community's failure to produce certain collective goods like the eradication of hunger, or steady increases in the economic development of poor nations, or the end of the nuclear arms race.

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<sup>58</sup>Ruggie, 888.

Before outlining some conditions necessary to the production of collective goods (in the section below entitled "Process"), the next two sections take a look at what stimulates some people to participate in the production of collective goods. These reasons are actually part of the decision-maker attitudes and perceptions listed in Chapter I but discussed in a different light.

#### Stimulus to Participation in Producing a Collective Good

##### (A) Visibility of private gain.

The private good aspects of some collective goods are more easily perceived than those of others. The creation of a government-supported system of law and national defense are collective goods which every society tries to produce. Endeavors in these areas are relatively more successful than in the production of an international regime for access to and use of ocean resources, environmental protection, publicly insured medical services, or a New International Economic Order.

A little consideration of what stimulates some people to participate in the production of collective goods that require what appears to be a private cost may give insight into what is necessary for our society's long-term realization of needed collective goods.

If the private, material benefits flowing to any one person from such services as another person's not littering or maintaining one's automobile in order to keep its

polluting emissions at a minimum, or contributing food to a program created to provide relief to victims of famine in Africa, are "negligible," then what causes some to work at providing services of this kind? Indeed, people like Mother Teresa of the Missionaries of Charity, St. Bernadette of Lourdes, Mohandas Gandhi, and Martin Luther King Jr. can be perceived as people who were or are in the business of producing collective goods at the expense of their own private well-being. However, the makers of "heroic" sacrifices do not perceive their actions as a complete personal loss since they identify their own benefit as being a part of others' well-being. Furthermore, they define life and their own nature in a manner that considers the work they do as more of a private gain than a private loss.

One of the important conclusions to glean from these examples is that participation in the provision of collective goods depends on private-good characteristics of collective goods becoming increasingly discernable and appreciable. For example, as the technology of the more "developed" nations has increasingly made available many near-shore ocean seabed minerals, landlocked states and LDCs have sought to prevent loss of a share in these resources to unilateral national claims (of states with coastlines) by attempting to join together and voice their own claims to some portion of said resources. The UNCLOS negotiations were the result and they lasted for over a decade before a multilateral convention was finalized in 1982.

The United States and some other important Northern countries have not signed the convention. The entire UNCLOS III effort was viewed by LDCs as a testing ground for attempts at trying to put in place, later on, some portions of conventions like the NIEOs which are far more politically controversial. The NIEO conventions require greater changes in North-South economic relations than does the UNCLOS III convention.

(B) Fear or Desire Stimulus.

The two stimuli are (1) the **desire** for the benefits to be derived from obtaining a needed collective good and (2) the **fear** of the ill effects of partial or complete nonexistence of a needed collective good. The former could be thought of as constituting an aggressive feedback mechanism that works on decision-making processes. It has an inherent forward momentum which becomes stronger with time and accumulated successes. The latter could be thought of as comprising a passive feedback mechanism. It is more reactionary.

Attitudes and emotions of seeking and desire are more conducive to an entity's ability to maximize use of available resources than are the emotions of fear or anxiety and the attitude of being passive.<sup>59</sup> Over time, the latter attitude and emotional states will create stress-related physiological

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<sup>59</sup>Erich Fromm, To Have or to Be (New York: Harper and Row, 1976). The Heart of Man: The Genius for Good and Evil (New York: Harper and Row, 1964).

damage.<sup>60</sup> Psychological studies of learning show that moderate anxiety may facilitate the learning of simple tasks. This might suggest that the reactionary feedback mechanism fostered by reliance upon the fear stimulus could generate attempts at production of needed collective goods. However, though moderate anxiety has been observed to facilitate the learning of simple tasks, such an emotional state (along with the consequent physiological conditions) also proves to be damaging to attempts at learning difficult functions.<sup>61</sup> A fearful attitude puts constraints upon a decision-maker's ability to behave in his/her "best" interests with regard to acquired information. One of the primary detrimental effects that anxiety can have upon learning is to reduce a person's ability to discriminate clearly among alternatives and phenomena.

In the case of American and Soviet relations, fear and mistrust can be seen as motivations for a "peace" between the U.S. and the U.S.S.R. resulting from their mutual policies of

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<sup>60</sup>Psychologists distinguish between the terms "anxiety," "fear," and "stress." Fear is considered a more intense emotional reaction than anxiety and is associated with relatively specific stimuli. Stress includes both fear and anxiety and is further associated with the development of physical conditions. I use the term fear simply as being any aversion to something, someone, or some situation and is manifested in various forms and degrees of intensity which psychologists have labelled as "stress", "anxiety", and "fear."

<sup>61</sup>John F. Hall, An Invitation to Learning and Memory (Boston: Allyn and Bacon, Inc., 1982), 80-82. Gordon H. Boser and Ernest R. Hilgard, Theories of Learning, 5th ed. (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1981), 109-112. Roger M. Tarpy and Richard E. Mayer, Foundations of Learning and Memory (Glenview, Illinois: Scott, Foresman and Co., 1978), 161-163. J. M. Darley, S. Glucksberg, L. J. Kamin, R. A. Kinchla, "Human Motivation and Emotion," chapter 11 from Psychology. 2nd ed. (Englewood Cliffs, New Jersey: Prentice-Hall, 1984), 322-354. Darley et al., "Stress and Coping," chapter 15 from Psychology, 445-466.

developing and maintaining offensive military capabilities sufficiently great and indefensible so as to deter aggressive military behavior on the part of the other. However, fear and mistrust can be seen also as causes of an arms race which increasingly raises the probability of armed conflict. Until late 1987 (when a major nuclear arms reduction agreement was concluded between the U.S. and the U.S.S.R.) the failure of the two countries to successfully slow or stop their arms race, let alone to reduce overall arms supplies, is a modern example of states failing to produce a collective good that is not only needed by both parties but consciously desired by both.

Jean Jacques Rousseau's Stag Hunt fable is a classic example of how fear can destroy or prevent production of or, at least, participation in the production of a needed and desired collective good. According to the fable, five hunters desire to catch a stag but can do so only if they combine all their resources. This calls for a high degree of trust. One of the hunters sees a hare which he is almost certain he can capture by his own efforts. He is faced with a decision to either pursue the hare and obtain it for himself or continue to help his "partners" hunt the stag. The second choice would guarantee a good portion of food for all. The first choice gives food only to him and destroys the group's ability to get the stag. This hunter will still obtain less with the hare than with his fifth of the stag which is the greater goal but entails more risk of failure.

The hare will bring less reward to the hunter who catches it and no reward to the others (they are even worse off), but, pursuit of the hare has relatively little risk of failure because success does not depend on the actions of others. In the conclusion of Rousseau's story, the hunter which spotted the hare defected from the group's stag hunt and pursued the hare.

Rousseau's fable is a vivid illustration of two different types of orientations which can work against each other: a fear of something and a desire for something else. The hunter who defected from the stag hunt feared the potential failure of the group's efforts more than he desired and trusted in the potential success of the joint endeavor. His distrust of the results of cooperation dominated any prior willingness to take higher risks for higher gains.

Until the recent nuclear arms reduction treaty between the U.S. and the U.S.S.R (December 1987), the failure of these two states to develop arms control may be partly explained by the passive feedback mechanism of fear working on decision-making activities of both states. Each knows that war is mutually destructive and that each possesses enough "fire-power" and sufficiently diversified and effective delivery systems to make escape from a retaliatory strike impossible. Each country's population is held hostage. Yet, each continues to build because both fear that to do otherwise is to "open a window of vulnerability," to

appear weaker, and to invite damaging response.<sup>62</sup> The "peace" they provide through Deterrence is precarious and incomplete because the decision-making processes of both sides involve efforts to attain peace largely out of fear of war. Learned helplessness could be assessed as another damaging phenomenon occurring in the case of failed attempts to develop some form of arms control. Psychologists and sociologists have been shown that when people experience a rather consistent inability to affect the outcome of events, they learn to expect failure. This learned expectation prevents the acquisition of other knowledge or behavior patterns that would help in gaining greater control of the feared situation. Thus, a learning deficit is developed.<sup>63</sup>

The fear stimulus is less efficient as an aid to production since almost always it requires some level of occurrence of ill effects. Recognition of it, however, is useful to making operational a collective/private good perspective on the probability of attempts at cooperative behavior. It obviously helps in predicting when people will embark upon collective-good production. One has to determine conditions and factors that will create (among potential

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<sup>62</sup>It could be the case that the interstate tensions are largely a hoax to cover up a shared fear of a stronger third party and a justification to citizens of each state for building up arsenals overly-developed for defense against each other, yet, perhaps strong enough to face down the third party. The third party would be, of course, aliens from space! You can laugh now; a little breather.

<sup>63</sup>D. S. Hirohito and M. E. P. Seligman, "Generality of Learned Helplessness," Journal of Personality and Social Psychology, 31 (1975): 311-327. M. E. P. Seligman, Helplessness (Charles Scribners' Sons, 1975).

participants) a consensus of fear for certain ill effects to be incurred from nonproduction of a collective good. The bad private consequences must become evident, eminent, and perhaps even occurring to some degree. There must be a consensus that abeyance of privately received ills can be affected only through cooperative efforts.

The application of this analysis to Africa's economic and political relations with developed countries of the North will be given in the next section.

#### Required Conditions for Production

Every potential participant in the production of what they consider to be a needed good, but which requires cooperation, "buys" into the process by relinquishing some degree of independence. The inevitable medium of exchange is some portion of each participant's freedom of decision-making sovereignty over its own behavior and resources. Each participant will lose necessarily some flexibility in the use of "its" resources in the "sale" of some measure of sovereignty over its own decision-making functions. Again, these conditions apply to goods that require cooperation. In this case, it can be said of the producers (or at least those trying to produce) that they are buyers also.

In the simple cases of a producer cartel and J. J. Rousseau's Stag-and-Hare allegory, the forces creating supply of the collective good completely comprise the demanding market as well. With the case of environmental protection,

however, participants in the production of a healthy environment do not make up the total demand. "Free" riders exist who need or could benefit from the collective good but do not get involved in its realization from (1) being unaware of the nature of said good and of what its production and maintenance requires, or (2) perceiving their own potential effort as inconsequential (please see the Appendix for an analysis of the Free Rider perspective), or (3) not caring one way or another.

In the situation of economic relations between African states and the world's economically dominant states, participants in the creation of a more equitable economic relationship do not comprise the total demand at the individual level of analysis. Individuals, companies, and multinational corporations from both sets of countries may continue for some time to pursue goals and/or behave in ways that do not support efforts to create more equitable North-South economic relations and, yet, may benefit from any progress achieved by others toward that end. Such persons would be considered "free riders" in this scenario. They may not contribute to the production of the collective good of more equitable North-South economic relations. They may even knowingly oppose it. Yet, they would probably derive appreciable benefit from a world in which less poverty and underdevelopment produced more political stability, expanded commercial markets with fewer investment risks (with developing countries becoming more economically developed and

feeling capable of permitting greater foreign investment; less occurrence of nationalizing companies or appropriating some portion of foreign capital), and an overall reduction of domestic and international tensions or conflicts.<sup>64</sup> An example is the fact that individuals guiding the policies of multinational corporations too often behave in a way that tries to maximize short-term profits at the expense of long-run good relations with their host countries.

Chapter I's look at attitudes and perceptions which support the production and maintenance of collective goods will be examined further in the following pages.

(1) Participants must perceive direct "private" gains to be received from some form of cooperative behavior.

As discussed above, if a desire for possible benefits to be obtained is the preoccupation of an actor's thoughts, then it will be assumed here that behavior is predominantly motivated by the desire stimulus. If the main characteristic of an actor's participation in collaborative endeavors is fear that present and/or future private good will be endangered or definitely injured via consequences of nonexistence of some cooperatively-produced good, then it will be assumed here that behavior is largely driven by the fear stimulus. As pointed out earlier, an example of this latter orientation is given in past U.S. and U.S.S.R. efforts

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<sup>64</sup>However, the news media seems to be discovering, very slowly, more and more ways in which governments and various multinational corporations make significant monetary gains from supplying one or all sides in inter- and intra-state conflicts.

to develop some kind of arms control. Activities in this regard have been prompted more by a fear of economic and political damages resulting from heightened tensions between the countries as well as the destruction that would occur from armed conflict than by a love of the other's culture and peoples and a desire to realize possible benefits derived from a mutual sharing of cultural and technological strengths.

Another example of the fear stimulus predominating in foreign policies is the relationship between Sub-Saharan Africa, the U.S.S.R., and the U.S. Since the start of the Cold War and the Truman Doctrine of Containment (of the "spread of communism" and any Soviet expansionist notions), the U.S. and U.S.S.R. have continually competed with each other for political influence in countries around the world. Each attempts to use economic and/or military aid as a method of gaining influence with governments. Developing countries are considered to be very vulnerable to economic seduction and coercion.

Politicians of Sub-Saharan Africa realize the potential amount of economic aid the U.S. and U.S.S.R. could give and are willing to accept aid from either state provided that the "strings attached" can be accepted without endangering their own political positions, careers, the interests of their supporters, and the welfare of their citizens. The order of priorities will vary of course with the individual politician. Table 3 lists African states according to

perceived alignments with either the "West" or the "East" as of mid-1982. Namibia is left out of the source for this table.

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**Table 3**

African states believed to be aligned with the non-communist "West," the communist "East," or non-aligned.

<b>West</b>		<b>East</b>
Mauritania	Cote d'Ivoire	Ethiopia
Mali	Ghana	Mozambique
Niger	Togo	Angola
Chad	Benin	Congo
Sudan	Nigeria	Libya
Djibouti	Cameroon	
Somalia	Gabon	
Senegal	Zaire	
Gambia	Central African	<b>Non-aligned</b>
Burkina Faso	Republic	Guinea
Sierra Leone	Uganda	Tanzania
Liberia	Kenya	Algeria
Rwanda	Malawi	Western Sahara
Burundi	Zambia	
Zimbabwe	Botswana	
South Africa	Lesotho	
Swaziland	Madagascar	
Egypt	Tunisia	
Morocco	Equatorial Guinea	

Source: Michael Kidron and Dan Smith, The War Atlas. Armed Conflict-Armed Peace (New York: Simon and Schuster, 1983), map no. 16.

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Mali, Guinea, Ghana, Equatorial Guinea, Congo, Libya, Egypt, Sudan, Somalia, and Ethiopia are listed in Kidron and Smith's War Atlas as having changed from "West to East" or "East to West" alignment at least once.

It is very debatable as to whether the actual political influence of the U.S. and U.S.S.R. in Africa is as great as each likes to believe. The fact remains, though, that each believes their efforts to gain influence are important to their individual security (against each other) as well as

productive of real results in Africa. The U.S. and U.S.S.R. do this largely out of fear of what might happen were they to do otherwise.

J. G. Ruggie has stated, very clearly, two conditions that make cooperation necessary between states.

A state may tend toward greater international organization of an activity, or international performance of a task or resolution of a problem, ...to the extent of which it discovers the inadequacy (or lack) either of one or of both of two resources. These are: (1) physical capabilities, which may be inadequate simply because there are not enough of them, or which may be irrelevant because the extant definition of property rights place the source of the problem within the jurisdiction of another; and (2) knowledge of cause/effect relations underlying either problems or solutions.

...Thus, the inadequacy (or lack) of either capabilities or techniques, or of both, may lead a state to seek to cooperate with others.<sup>65</sup>

It is easy to see how this argument fits the case of African requests for aid and assistance from the North. What is there in this perspective, however, that may cause countries of the North to see a need of their own to cooperate with programs designed to reduce the decline in terms of trade experienced by African states? Why should they gradually release African states from some portion of their external debts as was done by the U.S. with the war debts of France, England, Belgium, and the Netherlands after the post-World-War-II programs of economic buildup and recovery?

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<sup>65</sup>Ruggie, 878.

The U.S., U.S.S.R., Britain, France, West Germany, and Japan all import metals from Africa which are important to military products. As a whole, Africa is rich in metals and minerals that highly industrialized societies seem unable to do without. Knowing this, should African states work to form cartels for raw materials among themselves and other developing countries similar to the Organization of Petroleum Exporting Countries (OPEC) and the Organization of Arab Petroleum Exporting Countries (OAPEC)? Given the information presented in Chapter II of this paper, it is arguable that African states are in no good position to threaten developed countries at this time. Even if such cartels can be formed in the near future, another characteristic of North-South relations would act strongly against any possibilities of success from the efforts.

That the North still represents a group of dominant nations, both in economic and in military terms, is evident. On the other hand, its growing deficit of raw materials appears to give the militarily inferior Southern countries an employable economic weapon. Although a growing resource dependence on the South will not necessarily mean that the balance has been decisively tipped against the North, it may mean that there is higher probability that states of the North will use force to assure access to resources in times of stress.<sup>66</sup>

Efforts to gain increased North-South cooperation will be more politically and economically practical in the long-run than policies of confrontation.

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<sup>66</sup>Ruth W. Arad and Uzi B. Arad, "North-South: The Mobilization of Resource Power," from Sharing Global Resources (New York: McGraw-Hill Book Co., 1979), 29.

(2) Private good must be perceived as at least partly dependent upon the private good of others who also need the good(s) to be produced via cooperation.

The example given in Chapter I is a military alliance. Each ally will benefit from every other ally's own continued or increased strength (provided that increasing strength does not become feared or become a new and real threat to alliance members).

Another example is the 1980 Lagos Plan of Action for African economic development drawn up by the Organization of African Unity. It has, at the heart of its logic, the tenet that the promotion of the private good of each and every African state is in the best interests of each and every African state. The plan calls for the development of local (state) self-sufficiency and the growth of regional self-sufficiency to come about as a corollary goal.

To lay a durable foundation for internally generated, self-sustained processes of development and economic growth based on the twin principles of national and regional self-reliance. To bring about self-sufficiency in food and a diminishing dependence on exports and on expatriate technical assistance. To create an African Economic Community--i.e., an economically unified Africa.<sup>67</sup>

As long as African states pursue modernization similar to that of northern countries, the Lagos Plan's goal of partially removing Africa from the world trading community can never be attained. Entry into world economic markets and

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<sup>67</sup>Robert S. Browne and Robert J. Cummings, "Prospects for Long-Term African Change: The Lagos Plan of Action Versus the Berg Report," from Food in Sub-Saharan Africa, 354.

industrialization must be done on the terms of those who dominate world markets and technology. Those two goals will not be achieved without first gaining the cooperation of Northern states (or the most influential of them) in achieving this goal for Africa--or at least in not interfering with the goal. Africa needs Northern aid and assistance in the present to get its current goals and, unfortunately for Africa, it is deeply into financial debt to the Northern states and/or financial organizations primarily based in Northern states and economies. As expressed above under condition #1, if Africa simply decided to put certain commodities precious to the North out of the North's reach or to use them as an economic weapon, then Africa probably would bring onto itself retaliation from the North in sufficient intensity and form as to destabilize African governments.

The Lagos Plan assumes also that "African leaders will be willing to impose the necessary austerity entailed by delinkage [from the economies of the North], and to live with the discontent precipitated thereby [and that the] African public will accept this austerity and will rally to the call."<sup>68</sup> The weakness of these assumptions was demonstrated in Chapter II of this paper. Most African governments do not enjoy the degree of legitimacy among their populations necessary to permit policies that would begin to put western imported goods out of reach of African populations.

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<sup>68</sup>Browne and Cummings, 355.

(3) There must be an attitude of willingness to accept a degree of dependence on other participants in a cooperative endeavor.

As discussed in Chapter I, this prerequisite to cooperation contains several conditions. All participants must perceive the commitment of fellow producers to the production of a mutually desired collective good as being genuine.

The Lagos Plan of Action assumes the presence of this third condition. The following phrase appears over and over in the 1980 document: "We commit ourselves, individually and collectively, on behalf of our governments and peoples, to..."<sup>69</sup> Cartel's like OPEC and OAPEC will fall apart when this third condition is no longer met.

With regard to accepting some degree of political interdependence, several points can be made about the North-South case. In the sense of reducing inequalities in North-South economic relations, Northern states must be willing to accept greater dependence on a relationship in which developing countries have more control over their primary resources. For the sake of long-term development of undeveloped economies, Northern states must be less willing to exercise their military and economic advantages as a means

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<sup>69</sup>Organization of African Unity, "Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa," from U.S. Technical Assistance to African Regional Economic Institutions: An Assessment (Appendix I), Congress, House, Committee on Foreign Affairs, 98th Cong., 2nd sess., 1984, p. 24.

of coercively maintaining access to primary resources in third-world countries.

It is possible to argue for a long-run view of profit maximization for Northern economies in this regard. Third world markets for Northern products and services will grow larger on the whole with increased income levels of peoples of the third world. This is a simple and straightforward argument, but, is probably true. A long-run political benefit for Northern states resulting from reduced poverty in LDCs will certainly be that political environments become more stable. This will mean less unpredictability for foreign policymakers and analysts of the Northern DCs.

Chapter I addressed a possible obstruction to initiation of collective-good production as coming from the fact that cooperative behavior replaces, to some degree, competitive behavior. This demands a willingness to incur some measure of shared sovereignty over decision-making which means (a) a loss of some individual freedom, and (b) an amount of shared vulnerability.

(a) Loss of Some Individual Freedom (see Chapter I for explanation).

The Lagos Plan of Action calls for the development of an African Economic Community similar to the European Economic Community. This will require a great deal of regional cooperation not only in economic matters but in security issues as well. The EEC relies on the provision of its

security largely through its membership in the North Atlantic Treaty Organization (NATO) and the U.S.'s support of the defense treaty. An African Economic Community will firstly be required to have few if any border conflicts. The Organization for African Unity is aware of this requirement and continually tries to make of itself a neutral forum for the working out of regional conflicts. But, with regard to North-South relations, how will an African Economic Community relate to the two Northern superpowers? Will it try to achieve a sort of non-alignment or ally itself strategically with one or the other of the superpowers? Most of the external debts of African states are owed to organizations tied to or from the "West."

(b) Shared Vulnerability/Security Cost (see Chapter I for explanation).

States of Sub-Saharan Africa will have to deal with the fact that the Northern countries are extremely sensitive to the nature of this condition of cooperative behavior. The formation of cartels or simply the attempt to form cartels makes Northern states and organizations very defensive. The EEC fears growing dependency on Third-world suppliers of commodities and periodically seeks to renew old protectionist trade policies against other economic regions. It has been the U.S. primarily which has moderated EEC policies. If an emerging African Economic Community adopts policies that cause the U.S. to assume increasingly defensive postures,

then Africa can expect a quick erosion of the current status of its relations with the EEC.

Of all conditions outlined above, cartels usually only satisfy condition #1 and fall apart as a result of lacking some or all of the others.

The international balance-of-power policy of Deterrence is used to assure the absence of war. It is dependent only upon satisfaction of requirement #1. Absence of any need for Deterrence as well as the arms race which naturally develops from it, is mainly contingent upon fulfillment of the second requirement (though all production conditions must be met eventually for secure and lasting peace).

With North-South economic relations, I believe that all of the above conditions must eventually be met for the support of sustained economic development among LDCs and the reform of unfavorable terms of trade for the Southern states. However, the visibility of costs and benefits to DCs of the nonproduction or production of economic strength in LDCs is not yet appreciable to or even acknowledged by decision-makers of or based in the DCs.

There have been some North-South cooperative attempts at improving the developing countries' side of the economic relationship. Most notably are the Lome Conventions and the Generalized System of Preferences (GSP).

The European Communities arrangements with African, Caribbean, and Pacific states [ACP], which replaced former colonial preference schemes, were formalized under the first Yaounde Convention of 1963 and are now enshrined in the Lome Convention, the third of

which was signed in 1984. The STABEX compensatory financing facility is a principal feature of the Lome Convention. Other features are the free access for most ACP goods into the EC and the European Development Fund, which administers foreign aid to ACP countries.<sup>70</sup>

Under the GSP, developing countries; exports to markets in industrial countries enjoy tariff reductions or exemptions. The scheme has had little effect on exports, however, partly because its product coverage is so limited. Imports from beneficiaries are only a fraction of the total import of industrial countries.<sup>71</sup>

Although the economic effects of the Lome Convention are hard to quantify, there are several reasons for thinking that they are relatively small: first, preference margins are slim; second, the main effect of most preferences seems to have been to divert trade rather than to boost it; third, market structures sometimes allow monopsonistic European importers to capture the tariff preferences; and fourth, the ACP countries have not always taken (or been able to take) full advantage of any increase in trade opportunities that has arisen. The last point applies particularly to the smallest and least developed countries. In return for these generally small and uncertain benefits, the ACP countries are bound into EC protectionism. Fearing the erosion of their preferences, they tend to oppose more widespread trade liberalization.<sup>72</sup>

Efforts at "cooperation" like the GSP and the Lome Conventions are not enough and tend to be fairly self-serving for some number of the Northern countries--especially the EEC countries.

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<sup>70</sup>World Bank, 140.

<sup>71</sup>Ibid., 142.

<sup>72</sup>Ibid., 144.

CHAPTER IV  
CONCLUSIONS

Chapter IV examines a concept of "rational" behavior in economic endeavors and is contrasted with the discussion of attitudes and perceptions given in Chapters I and III regarding the achievement of cooperation. The term "rational" is used here to mean that as we are faced with more than one possible choice of action, we will make choices that, to the best of our understanding, will be most supportive of self and self's goals and/or the least injurious to self and self's goals.

Our ability or propensity to perceive collaboration as legitimate and credible is affected by our concept of rational behavior. Facts and information we consider to be relevant to an analysis of our reality determine our rationality as well. Our assessment of what is rational and irrational is probably the most influential characteristic of our effort to "make" and perceive the world.

The above definition of rational behavior is an integral part of a theory of economic behavior that has been taught in economic classes for a long time in the "westernized" part of the world; often referred to as neoclassical economic theory. This popular approach assumes that the mechanisms of private property and private two-party exchange can "satisfactorily"

allocate the extraction, refinement, development, production, and distribution of natural and human resources among consumers according to their relative purchasing powers and preferences. Some other necessary conditions are that the preference orderings of consumers and the production processes of producers must be independent. An example of lack of independence on the consumer side is found in the effects of advertising. Its function is to bias and manipulate consumer preferences. Given certain price parameters, consumers must maximize utility according to income and producers must maximize profits.

Together, these profit-maximizing firms and utility-maximizing consumers compose competitive markets. The theoretical goal of this system (if, indeed, it is not the goal of any or all of the participants) is to attain and maintain, through reallocations, Pareto Optimal conditions. Pareto Optimality is realized if it is impossible to better anyone's situation without also worsening someone else's. By the same token, a status quo is inefficient if it is possible to improve the circumstances of at least one member without also worsening another's via reallocation.

A point worth making here is that if we can ever say that conditions are Pareto Optimal, we have not necessarily stated that the ideal set of conditions for most people has been attained. By definition, a society can still have rich and poor, prospering and suffering while being at the same

time in a position where no person's situation can be improved without making someone else's position "worse."

A logical requirement for the realization of Pareto Optimality in a social environment where no one is suffering want while another is prospering greatly is that, among completely rational actors in possession of perfect information, there will exist a consensus of opinion as to what constitutes need, "worse off," and "better off." It further demands that Jeremy Bentham's dream of civilization achieving "the greatest good for the greatest number" will be a common goal among perfectly rational actors. This must be the case even if the reallocations necessary to maximize "the greatest good" in relation to maximizing the number of recipients of said good entails some sacrifice on the part of some actors who possess well above what they require while others possess appreciably less than they need.

Strictly speaking, it is impossible to maximize for two or more entities who share a need for something existing in a closed system, and who are desirous and perhaps capable of having all of the available "something." However, it is entirely possible to imagine a situation that gives maximum benefit to each entity in relation to the other(s). Furthermore, if achievement of optimal efficiency requires also the production of the greatest degree of equity (it is considered a necessity here because, otherwise, there is the foundation for inefficient social conflict), then it is essential that there be a shared set of values. The

importance of a consensus on a system of values is emphasized simply because it points to one of the major impediments to the realization of needed cooperatively-produced goods.

Perhaps the key to our success or failure in overcoming our tendency to underproduce needed collective goods is contingent upon the values which have the broadest consensus among potential participants in the process of collective-good production. We seek what we desire and in this regard we are universally consistent. It is our values that determine what we desire and give definition to concepts such as need, efficiency, equity, private good, and collective good. The importance of this guiding factor in our behavior is seen in our aggregate ability to write-off the welfare of future generations. After all, responsibility for the good of the world beyond our lifetime--beyond our individual, physical experience--is not assessed as a component of a person's unitary, private good. It is considered rather as a contribution to society's collective good through time. The remark "What will future generations ever do for me" is a representative expression of a Free Rider perspective.<sup>73</sup> Inherent to such a statement is a set of values which defines private good in an atomistic and reductionist manner.

We "see" and "remember" events and information that, on the whole, support our "point of view."<sup>74</sup> This, in addition

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<sup>73</sup>See Appendix for description of the Free Rider perspective.

<sup>74</sup>Leon Festinger, A Theory of Cognitive Dissonance (Evanston, Illinois: Row, Peterson and Co., 1957). Leon Festinger, Vernon Allen, Marcia Braden, Lance Kirkpatrick Canon, Jon R. Davidson, Jon D. Jecker,

to our use of incomplete information on the nature of ourselves and our environment, causes in us a tragic near-sightedness. We do not have a high visibility of the costs of nonproduction of a needed collective good or of what production requires from us.

Because we do not and cannot perceive the total effects of any of our actions and consciously selected interests, we often behave as though we have little need for a serious regard or concern for user and opportunity costs resulting from our behaviors. Individually and in groups, we are centered almost exclusively on the most obvious effects of our actions on ourselves and, secondly, (to the extent it further affects us) on those people, states, groups, organizations, and/or objects to which we intend the direction of our actions and interests.

Our near-sightedness prevents us from perceiving actions, interests, services, and goods as possessing and/or producing both private- and collective-good qualities. There is no purely private good because all actions are interconnected even if the relation is indirect, remote, and perhaps "negligible" to what we are able to perceive in our world. The belief that life is a continuum goes against a concept of reductionism. A reductionist perspective must prevent or at least work against, by its own logic, the satisfaction of production condition #2 listed in Chapters I

and III. If the private good of one unit can be completely separate from the private good of another, then it is possible for behavior to be oriented toward a support of attitudes such as Beggar-Thy-Neighbor, Buyer-Beware, Every-Man-For-Himself, or foreign policies such as Colonialism and Imperialism. This must contribute to the decline of cooperative endeavors and/or deterioration of the ability of potential participants to produce or try to produce the collective goods they desire.

If we maximize profit or utility as discrete, atomistic particles and perceive private good in a fashion whereby each entity's private good is separate from any other, then unequitable economic relations will be an inevitable result.

The internal harmony of a tree does not exist because each individual cell treats the other as something to compete against. The harmony exists because each cell fulfills itself, not in spite of, but in cooperation with the other cells in its environment. The reverse of this in the body of a tree, in the body of a human, in the body of an economy, in the body of a nation, in an international economic "order," or in relations between economically developed and undeveloped states is cancer.

We must maximize our profit and utility in relation to profit, utility, and need of other entities as well as ourselves. No estimation of the results of any action can be expected to be complete. Such "perfection" is not a necessary prelude to behaving in a way that gives beneficial

results to both self and environment. On the other hand, the type of perception of the world that accepts private good as existing in distinctly discrete units, will have to make rational decisions that produce aggregate ills just as Garrett Hardin showed in his paper entitled "Tragedy of the Commons."<sup>75</sup>

If, however, private goods are seen in a continuum (at least accepted as the case in theory since direct perception of this is not feasible) and that no person's private good can be maximized if someone else is suffering some form of deprivation, then decision-making processes can contribute to production of needed cooperative behavior and fit this orientation within a concept of rationality which demands that actions be taken that support the optimum health and continuance of an entity.

As we develop an ever-increasing consensus on a set of values that by definition allows individual, rational decisions to contribute logically to production and maintenance of needed collective goods, we will then be developing an inherent, systemic support for development and continuance of desired collective behavior. Any effort in this regard is not unrealistic and wasteful of time and resources, but, just the opposite.

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<sup>75</sup>Garrett Hardin, "Tragedy of the Commons" in Pollution, Resources, and the Environment, eds Alain C. Enthoven and A. Myrick Freeman III (New York: W. W. Norton and Co., Inc., 1973), 1-13.

At this point, the analysis could be taken as a simple recommendation for adoption of three very old pieces of advice: (1) "Do unto others as you would have them do unto you"<sup>76</sup>;

(2) "Thou shalt love thy neighbor as thyself"<sup>77</sup>; and (3) Do learn to love thyself or else practice of the other two rules will not amount to much benefit for self or others. These comprise a live-and-let-live attitude toward our social and natural environments; obviously, a most cooperative state of mind and emotion.

If we do not perceive our personal good as being bettered in any tangible way by the "betterment" of other people's health and "happiness" or "well-being", then our attitudes and perceptions of self and world must become very competitive and narrowly defined. However, personal definitions of "happiness" and "well-being" are derived from personal beliefs and values which are impacted by social environments. How then, do we hope to achieve cooperation in a setting that contains many cultures, religions, forms of government, and economies, and in which each person's material and social circumstances add up to a unique position within humanity?

We must come to some basic set of assumptions about the nature of mankind on the whole. Since I desire to know what

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<sup>76</sup>"And as ye would that man should do to you, do ye also to them likewise." Verse 31, Chapter 6, Gospel of St. Luke from the Bible.

<sup>77</sup>Verse 31, Chapter 12, Gospel of St. Mark from the Bible.

will increase the occurrence of cooperation, I make the following three assumptions: (1) humans desire to understand self and the environment both human and natural; (2) this desire to understand requires a willingness to attempt to communicate with the environment as well as reflect upon our own feelings and thoughts; and (3) as a species, we will persist in efforts to achieve communication and understanding.

The three assumptions given above do not have to be held as untrue simply because their full realization has not occurred in the known world. Obviously, cooperative and competitive motivations exist in each culture and state and probably within each person. There are two conditions that promote both competition and cooperation. One is a scarcity of resources needed to obtain goals. The second is the condition of limitation on abilities to gain and effectively utilize resources to achieve goals. However, if humankind basically desires an increase in understanding of itself and "life," then our species will move, on the whole, toward an increase in the number of members whose understanding includes more and more of the whole of humanity and its environment. If this is not a fundamental characteristic of humankind then life must be indeed always "nasty, brutish, and short," as once described by Thomas Hobbes. Why then bother to study the nature of cooperation and its manifestation? We should then study only the nature of

competition and ways to maximize personal ability to employ it at the expense of competitors.

This paper concerns cooperation and its realization and, therefore, must accept the three assumptions about human nature as given above. I carefully make this point because, too often, researchers and writers do not acknowledge the most basic assumptions upon which they build their research. If they do not, it is because (1) they do not think it necessary, (2) they haven't given the matter enough thought, or (3) they fear the chastisement of being labelled an idealist. These assumptions have not been addressed in earlier chapters because there has been no attempt to verify or disprove them. They have simply been accepted as plausible possibilities.

Our world is a mixed bag. There are people, organizations, states, and cultures that wish to work with others to achieve a collective good and those that wish to spend most of their resources in competition with others. Self-interest can be assumed to exist within cooperative endeavors as well as competitive activities. It was brought up in Chapter III that a person can make heroic efforts on behalf of the benefit of others without sacrificing self-interest if that person's definition of what betters self-interest includes the benefit of others' interests.

People like Mother Teresa, Mohandas Gandhi, St. Francis of Assissi, and Martin Luther King Jr. define life and their own nature in a way that considers the work they do as more

of a private gain than a private loss. Thus, according to their set of values, their behavior is efficient toward achieving personal goals and beneficial to self. In other words, they behave(d) rationally. They believe(d) their work to be productive of a high level of private and collective gain.

Self-interest should be viewed as necessary to cooperation even though it is most often used to explain competitive behavior. When is self-interest ever completely absent? If there were no potential gain for self as a result of cooperation, then why cooperate? When analyzing individual and group behavior, use of the concept of self-interest should be qualified by considering how broad or narrow is the part of the human and natural environment with which the individual or group identifies. Robert Axelrod makes this point indirectly in his book entitled The Evolution of Cooperation.

The Cooperation Theory that is presented in this book is based upon an investigation of individuals who pursue their own self-interest without the aid of a central authority to force them to cooperate with each other. The reason for assuming self-interest is that it allows an examination of the difficult case in which cooperation is not completely based upon a concern for others or upon the welfare of the group as a whole. It must, however, be stressed that this assumption is actually much less restrictive than it appears. If a sister is concerned for the welfare of her brother, the sister's self-interest can be thought of as including (among many other things) this concern for the welfare of her brother. But this does not necessarily eliminate all potential for conflict between sister and brother. Likewise a nation may act in part out of regard for the interests of its friends, but this regard does not

mean that even friendly countries are always able to cooperate for their mutual benefit. So the assumption of self-interest is really just an assumption that concern for others does not completely solve the problem of when to cooperate with them and when not to.<sup>78</sup>

Methods to be used for discovering or discerning the broadness or narrowness of self-interest would be the same as already employed by historians, political analysts, sociologists, and social psychologists. The precise methodology is not at issue here, just the focus.

If my assumptions are true regarding humanity's need for pursuing understanding of self and environment via self-reflection, communication, and exploration, then it is possible that with greater self- and outer-awareness comes an enlargement of what self-interest includes. It would begin to encompass more and more of the world outside of self. The enlarging circles of self-interest of individuals and groups would begin to overlap in the sense of sharing more interests and values.

The possibility for increase in the number of individuals and groups who can appreciate each other intrinsically (if not appreciating all the activities and goals of each other), holds forth the further possibility for the development of common values. Common values will permit the development of increased communication, understanding, and common goals.

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<sup>78</sup>Robert Axelrod, The Evolution of Cooperation (New York: Basic Books, Inc., Publishers) 6-7.

We see so much conflict in our world that evidence of an increase in the number of people who can identify with the good of other people is easily unnoticed or taken for granted. For example, there exists ample reason to believe that, on the whole, there is in our world less bigotry based on race, nationality, or sex than existed two centuries ago. More and more people see a need to care about how their activities impact the natural environment. In the latter case, it can be seen how self-interest is a large part of this phenomenon. We begin to see that very few activities and goods are perfectly private in their development, acquisition, use, and disposal or termination, as discussed in Chapter III.

Perhaps, we first recognize how activities and characteristics of our human and natural world affect our "private" interest. We notice this as part of an attitude of protecting and securing our private interests. It is an aspect of survival efforts. Then, we could take the step of recognizing how our "private" activities and interests impact our world in some way. The latter choice probably requires a broadening of what is included in our definition of self-interest. What we value must be perceived as related to, shared by, or common with an ever-increasing portion of the world outside ourselves.

Thus far in this paper, cooperation has been treated as desirable because the goals being addressed by potential participants are desirable. This approach should not be

applied to every particular situation. "Usually one thinks of cooperation as a good thing.... Yet...there are situations in which one wants to do just the opposite. To prevent businesses from fixing prices, or to prevent potential enemies from coordinating their actions, one would want to turn the approach around and do the opposite of what would promote cooperation."<sup>79</sup>

With the example of businesses colluding in order to increase profits to the point of injuring the interests of consumers, one could take the perspective that the businesses have an overly narrow definition of what constitutes their self-interests. Their private good has not been enlarged enough to permit inclusion of the private good of the people who purchase their goods and/or services. While the businesses could be viewed as cooperating with each other, they can be viewed also as not cooperating with the entire human environment with which they interact. Were they to provide their goods or services in a way that permitted their consumers access without undue pain (i.e. gaining a profit for themselves that was acceptable to themselves and their consumers), then the world with which they cooperate would be enlarged.

In the absence of being forced by some more powerful agency<sup>80</sup> to cooperate, they could make an expansion of their

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<sup>79</sup>Axelrod, 125.

<sup>80</sup>The term agency is used here to indicate any individual, group, situation, circumstances, means or instrumentality capable of inducing a need for change or of authoritatively commanding change.

cooperative efforts only if they had enlarged the part of their world with which they identify common interests and values. Their self-interests shall have been made to include some portion of the private interests of other members of their human environment.

Not all entities are involved in a process of appreciable change in attitude toward themselves and their world. In the meantime, while letting the assumed processes of increasing communication and understanding work away at social and economic divisions, what does an individual, group, or state do when faced with a choice between cooperation and competition? Axelrod developed some advice for reforming a situation in order to promote cooperation. The next few pages address certain parts of his study. His analysis was derived from studying the strategic setting of the Prisoner's Dilemma.<sup>81</sup>

Enlarge the shadow of the future. Mutual cooperation can be stable if the future is

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<sup>81</sup>The Prisoners' Dilemma itself is named for such a situation. The original story is that two accomplices to a crime are arrested and questioned separately. Either can defect against the other by confessing and hoping for a lighter sentence. But if both confess, their confessions are not as valuable. On the other hand, if both cooperate with each other by refusing to confess, the district attorney can only convict them of a minor charge. Assuming that neither player has moral qualms about, or fear of, squealing, the payoffs can form a Prisoners' Dilemma. From society's point of view, it is a good thing that the two accomplices have little likelihood of being caught in the same situation soon, because that is precisely the reason why it is to each of their individual advantages to double-cross the other. As long as the interaction is not iterated, cooperation is very difficult. That is why an important way to promote cooperation is to arrange that the same individuals will meet each other again, be able to recognize each other from the past, and to recall how the other has behaved until now. This continuing interaction is what makes it possible for cooperation based on reciprocity to be stable (Axelrod, 125). [Axelrod cites the following for the Prisoners' Dilemma: Luce and Raiffa 1957, 94-95].

sufficiently important relative to the present. This is because the players can each use an implicit threat of retaliation against the other's defection - if the interaction will last long enough to make the threat effective....<sup>82</sup>

There are two basic ways of doing this: by making interactions more durable, and by making them more frequent....<sup>83</sup>

[P]rolonged interaction allows patterns of cooperation which are based on reciprocity to be worth trying and allows them to become established.<sup>84</sup>

[In the case of making interaction more frequent], the next interaction occurs sooner, and hence the next move looms larger than it otherwise would.<sup>85</sup>

Axelrod has noted two techniques that can promote more frequent and prolonged interactions. "Concentrating interactions" by limiting the number of individuals involved is one method. "Hierarchy and organization are especially effective at concentrating the interactions between specific individuals."<sup>86</sup> "Decomposition" of interactions into smaller pieces is another method. He presents the examples of breaking down bargaining into a number of more manageable components and that of payments in business contracts being divided into a number of smaller payments. With the business example, the possible gain for cheating on any single payment becomes less tempting than if there were only one lump sum. With both examples, the implicit threat of reciprocity easily applies.

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<sup>82</sup>Axelrod, 126.

<sup>83</sup>Ibid., 129.

<sup>84</sup>Ibid., 129.

<sup>85</sup>Ibid., 129.

<sup>86</sup>Ibid., 130.

The second major category given by Axelrod is about the changing of payoffs to the players for cooperation or noncooperation. It could include both greater reward for cooperation and/or greater punishment for noncooperation. He explains the latter approach as being government's main function. This is similar to part of my discussion of government's purpose as given in pages 8-9 of Chapter I. Axelrod uses also the example of how informal groups such as gangs develop ways of promoting loyalty via the threat punishment for defection or betrayal.

Both scenarios depend upon there being some overarching agency possessing the power, will, and ability to punish any and all actors for defection from a cooperative endeavor. In the international setting of governments and economic actors, there does not exist any single agency capable of inflicting unilateral, unreciprocable injury to every single actor or to the entire group without also injuring its own long- and/or short-term interest.

Axelrod's third category is a recommendation to teach the players "values, facts, and skills that will promote cooperation."<sup>87</sup> There are three main components within this approach. "Teach people to care about each other<sup>88</sup>...Teach reciprocity<sup>89</sup>...[and] improve recognition abilities."<sup>90</sup>

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<sup>87</sup>Axelrod, 126.

<sup>88</sup>Ibid., 134.

<sup>89</sup>Ibid., 136.

<sup>90</sup>Ibid., 139.

Axelrod gives a couple of cautions about the use of altruism to manipulate others actions and/or opinions. Also, a "selfish individual" may exploit the altruism of others. He concludes that the safest approach is to be "altruistic to everyone at first, and thereafter only to those who show similar feelings." Both cautions are an invocation of a very old adage: "Fool me once, shame on you; Fool me twice, shame on me."

In discussing the teaching of reciprocity he contrasts two extreme approaches and then recommends a compromise. To present the first extreme, Axelrod uses the Golden Rule to describe a moral standard which would lead a person to cooperate unconditionally in every situation: Do unto others as you would have them do unto you.

The problem with this view is that turning the other cheek provides an incentive for the other player to exploit you. Unconditional cooperation cannot only hurt you, but it can hurt other innocent bystanders with whom the successful exploiters will interact later. Unconditional cooperation tends to spoil the other player; it leaves a burden on the rest of the community to reform the spoiled player, suggesting that reciprocity is a better foundation for morality than is unconditional cooperation.

Axelrod's point regarding the dangers of exploitation are well taken but his application here of the Golden Rule is inappropriate. It shows a lack of understanding of what is intended by that old piece of advice. A practitioner of the Golden Rule does not by definition engage a pattern of behavior that encourages exploitation of others or self, injury of "innocent bystanders," or that burdens the "rest of

the community" with socially disfunctioning entities. Indeed, it is conceivable to act in a way that discourages exploitation of self without also exercising a will to exploit in return. A parent who loves his/her children is concerned with their long-term emotional, mental, and physical growth and health. The parent will exercise discipline to discourage exploitative behavior in the children. The parent can do this with an appreciation also for the loving discipline they received (hopefully) from their parents.

The context in which the Golden Rule was originally conveyed, as well as how it is usually taught by parents and various types of groups in the present, suggests that the rule is to be applied with a will to benefit self and others; not to promote moral collapse.

Axelrod further states that "the Golden Rule would advise unconditional cooperation, since what you would really prefer the other player to do is to let you get away with some defections."<sup>91</sup> While this motivation is probably exercised often enough in the real world, this is not necessarily the sole motivation behind use of the Golden Rule. The parenting example is obviously an exception. A live-and-let-live attitude represents a high commitment to cooperation. However, it can be possessed not only instrumentally as a kind of informal contract with our

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<sup>91</sup>Axelrod, 136-137.

environment (to permit us our peace and freedom of choice and behavior as long as we do the same in return) but also as an ideal regarding the most efficient and practical way to obtain the greatest health and benefit to self and others.

In a more dreary sense, it could be also adopted by an opportunistic player whose motive is to manipulate others solely for personal advantage. This would be a player whose self-interest is not self-defined to encompass something of the other's private interest. As the Golden Rule is traditionally conveyed, a practitioner would possess a much broader definition of self-interest and how it impacts and is impacted by the interests of others. Furthermore, it seems logical that such an opportunistic player would readily substitute the Golden Rule with Every-Man-For-Himself if he felt he had the resources to gain advantage with a more direct and competitive approach. He is not a person convinced or very interested in the productive potential of the Golden Rule for all the players in his environment.

The second extreme presented by Axelrod is that of "an eye for an eye"; reciprocity in a most brutal form. A danger with this is the development of feuds and longstanding conflicts. He uses as examples the nuclear arms race and ongoing vendettas between ethnic groups. Current examples of the latter exist in just about every state in the world.

As a possible compromise for situations in which there is "no central authority to enforce community standards," Axelrod considers a reciprocity that might "return only nine-

tenths of a tit for a tat. This would help dampen the echoing of conflict and still provide an incentive to the other player not to try gratuitous defections [from cooperation]."<sup>92</sup>

A problem with the concept of reciprocity as used by Axelrod, is that it does not say enough in itself. "Reciprocity" is more of a neutral term like "power." What are all the goals reciprocity serves for the practitioner? How is it applied and in what circumstances? Is there other ongoing activity between the players? Does a chosen form of reciprocity promote or inhibit attempts at communication and understanding? Does it build or degenerate existing levels of communication? Do the players possess common values that can serve as a bridge for effective communication and self-representation? Is the motivation(s) behind a reciprocating behavior perceived by the recipient as it was intended or as it was intended to be perceived by the initiator? After all, reciprocation is a form of communication. With more complicated players (e.g. states, economies, organizations), there will be a greater range of possible courses of action and forms of reciprocity that might be tried.

It was illustrated in Chapters II and III how the states of Sub-Saharan Africa are not in a position to adopt an extreme reciprocity toward the economic dominance of the

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<sup>92</sup>Axelrod, 138.

northern rich states. An equal dialogue of "tit for tat" is not one of their doable choices either.

A more realistic form of reciprocity is the pursuit of self-development and self-sufficiency. Agricultural independence from the north is a must. Most African states are not consistently working toward self-sufficiency in food staples. The governments have made an imbalanced effort to be like the northern states industrially, administratively, and militarily in order to enter the economy of that northern-westernized world. In doing so, African states have sacrificed far too much of their freedom. They have accepted entry into that other world on terms not favorable to themselves. They have had to sell too much of themselves to gain a crack at entry. The speed at which they have attempted westernized development is too fast to allow time to make certain they can feed, clothe, shelter, and educate their own people all along the way.

The ability to provide basic, simple necessities has been let go. Agriculturally, these states must import many of the food needs of their populations because too much of their own food producing resources have been turned over to cash cropping (for reasons already given in Chapter II). Their ecosystems are being destroyed. Even with their problematic patterns and volumes of yearly rainfall, most of their land is lost to desert because of human activities.

These states must accept a slower pace of industrialization and economic "modernization." They must

not continue to sacrifice their agricultural freedom in an effort to emulate the northern states. However, such decisions are not easily made since the African states are in debt already to financial organizations based in the north. Presently, most of the northern states also have become debtors to these organizations. Therefore, in the absence of any other motivation, northern governments can be pressured to apply pressure, in turn, to southern governments and economies to keep up a high pace of debt payment. The present pace leads only to the need for further refinancing and borrowing, further cash cropping and industrialization, and further need of southern politicians to ask for military and economic aid of the more powerful governments to shore up unstable political situations at home.

Aside from outside pressures on African states, I feel that their greatest impediment to creating some self-sufficiency lies in their urban populations. Chapter II addressed how members of the urban population can destabilize a government to the point of causing changes in leadership. Internal and external conflicts point to the need for persistent attempts at self-sufficiency in basic needs, communication and understanding between internal and external players, and education of youth to appreciate values which include the benefit of self along with all parts of the social and natural environment. The ability to diffuse potential civil strife and war would be enhanced if internal divisions were addressed politically with governments more

representative of the ethnic and tribal groups in the state. Every group could share the burdens of making some decisions that would be unpopular.

A political approach more representative of all groups within the states would be consistent with Axelrod's three general recommendations for reforming a situation as outlined above. These will be applied briefly in the next few paragraphs.

"Enlarge the shadow of the future." Axelrod's two suggestions on how to do so are to make "the interactions more durable" and by making them more frequent. Direct involvement of all ethnic and tribal groups in government would increase the frequency of interaction as well as make the possibility of reciprocity more immediate and more lasting. Members would have to learn to work with each other just as do members of the U.S. Congress - not a perfect solution but much better than civil war.

"Change the payoffs." This would be accomplished via three structural conditions. Firstly, the new political setup would entice all groups to invest resources in the government since it offers, at least in structure, opportunity to effect change. Secondly, there would be less chance of political gain for action prejudicial to other groups in the state. Thirdly, all groups should perceive a greater need to cooperate and make compromises in order to achieve anything at all - short-term or long-term.

"Teach the players value, facts, and skills that will promote cooperation." This would occur in the daily course of working in the new structure. It would present an opportunity for exercising reciprocity that is more practiceable in the long-run just as members of the U.S. Senate have developed an internal system of "help/hinder me with my project and I'll help/hinder you with yours."

The most fundamental of Axelrod's suggestions is that of teaching youth the desirability of altruism and a nonvengeful form of reciprocity, i.e. exercised to improve the overall benefit of all involved. A government structure that includes members representative of all the groups in the state and gives to every member the same legal, political, social, and economic rights, has a chance to teach by example the values of altruism, cooperation, and mutually beneficial compromise. Of course, the goals of any system fail if its users do not make it work as intended. Thus, we see the requirement of advice on teaching our youth "values, facts, and skills that will promote cooperation."

A truly representative government is indeed a collective good. The decision-maker attitudes and perceptions already given would need to be fulfilled for such a good to be realized. If the ruling party/group/tribe were to adopt plans for greater participation of all other groups and a practiced equality of rights for every member, then dissident groups may be enticed to join and treat the new political structure as an opportunity. Their motivation may be mostly a

desire for benefits that might be had. The possibility for private gain must become highly visible to overcome their alienation.

If private gains are not perceived as worthwhile, then the visibility of private costs for not joining must become greater. If the ruling group made the offer for a more representative government, then dissident groups might consider joining to be a necessary risk. Their main motivation probably would be a fear of damage to private interests which might result from being left out. There could be no posture of moral, self-righteous indignation to be convincingly assumed against such a new political structure since all groups would have been invited to realistically participate. This assumes, of course, that the representativeness of the new structure will be genuine. Obviously, this is a phenomenon witnessed about as often as the parting of a sea so that a prince, who gave away a position of power and popularity in one culture, could lead a conquered people of another culture to freedom from the one which favored him.

Opposition could still exist simply because another group wants to "do it" their way. They may present themselves as opposed to and incompatible with the political and economic ideology of the other groups. It would be either an excuse for wanting to acquire greater relative power and perhaps wealth or there truly could be some ideological differences. In the second case, if there is no

willingness on any side to participate in a situation which permitted compromise, then there will be conflict because each has defined self-interest with a narrow scope.

Although dissident groups must participate eventually for any chance of cooperation to replace civil conflicts, little will change at any time until the dominant group(s) perceive direct "private" gains from cooperation or unacceptable "private" costs from noncooperation. This is the first change in attitude that must occur for any participant. Dissident groups which merely wish to place themselves in power at the expense of the current ruling group(s) will never achieve the resolution of civil strife.

Axelrod's concept of the use of nonvengeful reciprocity would hold out hope for eventually providing an opportunity for mutually beneficial compromise. However, if the relative powers of each group do not always remain about equal, then there will be no maximum benefit achieved for all as long as their self-defined self-interest does not include the benefit of the private good of the others. Thus, we have the need for the second attitude/perception discussed in Chapters I & III: Private good must be perceived as at least partly dependent upon the private good of others who also need the good(s) to be produced via cooperation.

This second condition can mean simply that the participants perceive the strength, health, wealth, or some aspect of the private good of other members as important to those members' ability to contribute to a cooperatively-

produced collective good. As given before, a military alliance or economic cartel provide clear examples. This second attitude/perception can be based further on identification with the private good of other members in ways that go beyond a simple concern for how other members can be made useful. Only a development or realization of some common values and interests could permit such an enlargement of self-interest. A family is the best and most prevalent example.

Axelrod's use of reciprocity would work well in the context of internal political, social, and economic problems of these African states. The fact that most of the groups in conflict can find or develop some means of reciprocating against aggressive behavior from a more powerful group is a possible incentive for the dominant groups to work toward cooperative efforts at resolution of civil strife and the many other domestic troubles. A smaller group may only have the ability to ally itself with a larger faction that opposes the politically dominant party. Even this alternative can be enough to cause problems for their aggressors. Also, policies of outright cultural or physical genocide are more difficult to carry out in the modern world than in centuries past. The dominant group would likely receive adverse reactions from other states if public opinion became informed of such extreme actions. Even in the case of the small farming and pastoral communities in these Sub-Saharan states, the ruling parties are increasingly aware of how these

peoples' productive capacity and/or how these people live on the land can have powerful effects on the long-run health of the state.

If we assume the possibility of most sides possessing some ability for reciprocation, cooperation still will be little if at all unless there is an attitude of willingness to accept a degree of dependence on other participants within a cooperative endeavor; a willingness to accept some loss of individual freedom of choice with regard to use of "private" resources; and a willingness to accept some shared vulnerability due to others having increased awareness of needs, weaknesses, and strengths.

APPENDIX  
FREE RIDER EFFECT

A radio station whose support is primarily dependent upon listeners and their contributions (i.e. there is little or no contractual support) is producing with its radio waves a service which they cannot (within the parameters of their broadcasting strength) determine exactly who gets it or how much of their service any user receives. The reception of their product cannot be controlled and is not completely contained in a market. Ultimately, they can decide to stop broadcasting out of lack of support or just the desire to do so, but, there is no middle ground. Provision of the radio waves is all or nothing within certain parameters and the use of their service by one person does not diminish its availability to others.

If the radio station is unable to receive its needed support from users of its service, then the organization is said to be suffering from the Free Rider Effect. The rationale of the free rider may be said to be comprised of three conceptual elements.

(a) The majority of users are aware that for any one of them to contribute according to the value they receive would not have enough effect to ensure the production function of the radio station.

(b) Likewise, for any one person, the withholding of his/her potential payment for the value they obtain would not of itself undermine the radio station to any appreciable degree.

(c) As long as the radio station is functioning, it is reasonable to assume that the station has, at least, sufficient support for its present activities. This being the case, the rational actor sees his/her own distinctly private good as maximized by letting others provide support since his/her own lack of support does not diminish access.

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