



**17th McDOUGALL
MEMORIAL
LECTURE**

Jacques Attali

**President of the European Bank
for Reconstruction and Development**

**Rome
9 November 1991**

**Food and Agriculture Organization
of the United Nations**

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Earth: the first wanderer

*Mr Chairman,
Mr Director-General
Your Excellencies,
Ladies and Gentlemen,*

I am pleased and of course very honoured to address such an eminent assembly. Few places in the world are so emblematic of mankind's efforts to meet, to reach an understanding, and together to try to forge a world of peace, balance, justice and brotherhood. Allow me, as the head of a very young international organization (barely six months of age) to pay my respects, with gratitude and a touch of envy, to this older organization whose role in remoulding the conscience of the world is so enormously important. And may I also pay my respects to FAO's Director-General, without whom all this would be inconceivable. You have indeed succeeded in surmounting considerable financial and political difficulties to develop and strengthen a vital international organization which – I see it every day in my own sphere of action – has been able to catalyse development, to conceive the future and to serve as a source of invaluable expertise.

Europe, which is my special interest, is of course neither Africa, nor Latin America, nor Asia, and it has its own specific problems. I am very aware of the fact that feeding people is, today more than ever, the top priority of development in Eastern Europe, which has been devastated by five centuries (and not the oft-cited half a century) of authoritarian rule. Immense errors were committed because industry was given priority over agriculture, because it was thought that one could develop a social system founded on dictatorship, and because it was believed that progress was an inherent concomitant of history and that therefore the individual could justifiably be overlooked.

Today everything has to be rebuilt from scratch. It is no doubt towards Rome that Europe as a continent and Eastern Europe in particular will have to turn for the necessary expertise.

I have every intention of making the new European Bank a prime user of FAO's expertise. But here, of course, I am speaking in a personal capacity, and I should like to mention some of the key issues at stake. Despite the prevailing sense of euphoria, and unless the international agencies are considerably strengthened in the short time left before the turn of the century, we are courting irreversible planetary catastrophe. I believe that never before has a generation of leaders been faced with so many fundamental decisions, decisions that will set the course not only of this generation's future but that of the entire planet. Never before have we skirted such awesome catastrophes in such a deceptively light-hearted atmosphere. Never has success or failure been

so closely tied to the ability of all peoples and of a handful of leaders to agree, in solidarity, to perceive the planet as one earth and to harness its resources without depleting them. Understandably, euphoria does reign in some parts of the world. The great East-West conflict seems to be abating, world peace is apparently a reality, talk of disarmament is everywhere; a great many countries have achieved impressive growth and some have doubled their average income in a decade. World trade has boomed in the last 20 years (growing twice as fast as production, according to some statistics), but we should not let this conceal the immense problems that remain.

Over one billion people, one-fifth of the world's population, have less than one dollar a day on which to live. Drought gains ground, the gap between North and South yawns ever wider and war is not a thing of the past. Since 1960, at least 20 million people have died in so-called "civil wars" – a tragic misnomer: what can be civil about a war, when war is nothing but violence and barbarism? And wars, the prime cause of hunger in the world, far from fading away, are on the increase. The proliferation of arms and the proliferation of violence have not slowed down either, despite the end of the ideological conflict between East and West. And even in the self-confident North, so sure of its own values, growth has not wiped out injustice and poverty, growth has not seen the rise of civilized urban societies, growth has not seen the emergence of hope-inspiring values. It has instead witnessed an upsurge of suicide and oblivion in the form of drugs, the major indication today that our civilization is in danger.

Across the face of the earth growth advances in force, to the detriment of the globe, as we all know. We here are particularly aware of the fact that the greenhouse effect and its aggravation produce a string of consequences whose impact will be lethal if not stopped in time. The earth's temperature will rise by three degrees, some say seven, within the space of a century. The ocean levels will rise significantly with disastrous consequences for the overpopulated deltas of the Nile, the Rhine, the Ganges and the Mekong. The fertile plains of North America will dry up. The southern shores of the Mediterranean will become unfarmable. We have already seen carbon dioxide levels in the atmosphere climb from 275 in 1860 to 375 today, and perhaps to 700 in 50 years if nothing is done. We have seen the ozone layer considerably reduced each year. We have watched the biodiversity of our genetic heritage shrink. Today 30 cultivated species supply 90 percent of our food; this is a massive reduction in the genetic diversity of which we are the heirs and which is ours to bequeath. Of the estimated five million plant and animal species to which Earth is home, 30 000 to 50 000 are said to vanish every year, particularly in the tropical forests. Roughly 40 million hectares, about 5 percent of the world's tropical forest cover, disappear every year. And so, in the name of this ephemeral thing called growth, we destroy this irreplaceable thing which is our heritage.

Our thinking on development has undeniably evolved greatly in the last 40 years. There have been successes and there have been failures, but the problems have led to understanding and expertise, and though some questions remain unanswered, certain matters are fairly well under

control. In any case, most of the absolute convictions have disappeared. Until fairly recently it was thought (and some of the countries gathered here today still think) that successful development comes from forceful government, and from hyperindustrialization financed by taxes on agriculture and backed by industrial protectionism. In Eastern Europe, as in most countries in other parts of the world, such doctrines have not stood the test of time. Dictatorial regimes corrupt innovation, hyperindustrialism stifles agriculture and protectionism stunts development. It seems to me that two new absolute convictions are dawning today but, though essential, I do not feel that they are themselves sufficient to implement balanced and sustainable development. These two new convictions are that democracy is necessary, and that the market economy is necessary.

In the new institution placed under my care, we see – for the first time – an international treaty stating that democracy is a value in its own right that needs to be promoted, that the institution is not only charged with helping its members to integrate within the European Economic Community (EEC) but also with fostering their democratic development, in the belief that the two are inextricably linked. Democracy is not to be dependent upon sanctions, but assistance is to be conditional upon scope for democratic development. This is why the institution which I represent has to take a stand, as has the EEC, with respect to one European country which is offering the rest of the world a tragic example of violence and civil war.

It is generally accepted that civil and political liberties are the keystone of economic growth. A dictatorship offers the full panoply of state control (such as the granting of licences) which fosters corruption and waste, retards development, suppresses any freedom to create or to innovate, and encourages the theft of innovations. Undeniably, democracy cannot alone guarantee development, reforms are always enacted to the detriment of vested interests, and democratic rule does generate reluctance on the part of politicians to make difficult decisions. Undeniably, the necessary macro-economic stabilization always implies increased unemployment, at least in the short term, and the democratic governments that lack the courage to undertake such reforms are always, of course, at fault.

Some people in the Third World are anxious about democratic principles, as defined in Europe, and market economy principles, also defined in Europe, being imposed as Western values which are essentially geared towards promoting Western interests, whatever their original intent. I personally can understand this reaction but I do believe that, while the theories of democracy and the market economy are undeniably of European origin, or rather of Eurasian origin, both values are today indispensable. In any case, the large countries of the Third World, or those countries in the Third World that have already blended these two values to their satisfaction, have managed to place them within a meaningful context, meaningful, in fact, beyond what Europe will one day call "community democracy". I shall come back to this point.

As I mentioned, there is apparently a second fundamental principle of growth and development, and this is competition. Competition assumes the following three conditions: a reasonable system of taxation, the right to private ownership and the acceptance of domestic and foreign competition.

Concerning taxation, I shall not give examples but clearly, particularly in Eastern Europe, Mexico and elsewhere, successful economic recovery and stabilization hinge upon the establishment of fiscal and financial institutions capable of guaranteeing balanced development.

In countries where agricultural taxation has been very high, growth has been stifled. On the other hand, countries such as Brazil, Chile, Korea, Malaysia or Portugal, which have wisely reduced agricultural taxation, have seen a massive increase in production. Fiscal equilibrium, fiscal simplicity, and fiscal effectiveness are a *sine qua non* for developing competition.

The second principle is private ownership of the means of production. Neither competition nor a competitive economy can exist without private ownership of the basic means of production, without the possibility to create small enterprises, without the organized privatization of the large enterprises producing competitive goods. This is true for both agricultural and industrial services, but of course such transformations need to be organized and institutionalized. I shall come back to this in a moment.

Competition is in itself fundamental: domestic competition of course, but also and above all international

competition. And here I think we should not delude ourselves, for international competition is at present under severe threat. Whereas the industrialized countries have courageously lowered their tariffs in the last few decades, non-tariff barriers in the 1980s in the form of quotas, subsidies, voluntary limits to imports and exports, compensatory levies and anti-dumping measures have been surreptitiously and gradually increased everywhere. The proportion of imports affected by the battery of non-tariff measures has mushroomed, according to the official statistics accepted by the United States, Japan and the EEC. The 1986 statistics, the latest available, show that 21 percent of the OECD country imports from developing countries were subject to non-tariff barriers in the strict sense of the word. Clearly, the percentage has increased since then.

You, better than anyone, know how alarming this situation is with respect to agriculture. From 1980 to 1985, agricultural subsidies grew in the United States, Canada, Japan and the EEC, and are now even larger in some of these countries. The number of claims presented by Australia, Canada, the EEC and the United States on the grounds of compensatory rights and anti-dumping laws has more than doubled in the interim. Total earnings lost to the developing countries through Northern protectionist policies were estimated a few years ago at 75 billion dollars, which is virtually the equivalent of all official aid to development granted by the OECD countries.

I often say that there is no point in helping the Eastern European countries to build an infrastructure and to secure the

means to finance their balance of payments if, in the long run, their products cannot be exported to the rest of Europe. It would be somewhat hypocritical to privatize their economies and then bar their access to the international market. And what is valid for Eastern Europe is naturally valid for the South, all the more so in that consumers in the industrialized countries will themselves, in the long run, have an exorbitant bill to pay for this protectionism: higher prices, needless taxes, poorly directed resources and unacceptably large surpluses. The whole thing is senseless. The industrialized countries must therefore have the courage to dismantle their trade restrictions. In particular, the Uruguay Round cannot be allowed to fail; the stakes are too high, not only in the agricultural sector but also in trade in manufactured goods, intellectual property rights, foreign investments, services and the like.

From this perspective, regional agreements are essential and extremely positive. I particularly welcome what is currently taking place in each of the major continents. In North America, the agreement that is beginning to bind Canada, the United States of America and Mexico is a wonderful opportunity for their expansion and growth and for that of their subsequent partners. In Europe, the Common Market and its 12 members have shown how unity, reconciliation and the dismantling of frontiers can foster growth. I believe, however, that this will all be to no avail, particularly in Europe, unless we go further and create what I refer to as a *continental common market* which will soon embrace, I hope, the 35 to 40 countries that currently make up this continent and that all have the full, equal and

inalienable right to belong to this democratic community. All this will, of course, upset world production structures. Nor should we delude ourselves; new markets and more competition do not solve anything *per se*. But they do facilitate the emergence of new agricultural competitors worldwide; they also encourage new directions in international labour specialization; and they will lead to immense population movements that only organized states and strengthened international institutions can handle.

Clearly, only strong and organized governments will be able to cope with this change. The state needs to have the authority to grant agriculture the priority status it requires in Europe and in most of the world. To do so, governments must have the capacity to influence prices, as has recently been successfully shown in China where production growth has doubled since prices were allowed to rise.

The state must also play a leading role in the creation of institutions that will make possible the growth of the private sector. Without a strong state, a free market economy is nothing but a black market economy. Without a strong state, a competitive economy becomes an economy governed by corruption and violence. Without a strong state, the economy abides by the law of the jungle and perpetrates social injustice. It is also the duty of the state to organize the funding of education, infrastructure, poverty relief measures, population control and environmental protection. And to do this, as I said earlier, it needs tax revenue and savings. Only a strong and democratically governed state is in a position to determine the rules of ownership, to establish juridical,

judicial and regulatory systems, and to create the conditions for a competitive economy. In my opinion, the overriding priority for governments must be educational development, for nothing can be either developed or maintained, in whatever culture, without education. Perhaps this needs to be proved statistically but, in any case, all data indicate that a low level of education results in weak growth, and that growth has been stronger in countries where the level of education has been raised. For my part, I would say that education is the key to development in the agricultural sector as in others. Education is the instigator of the very research which enables yield to be increased.

The third role of the state is to provide social solidarity, particularly with regard to the poorest and the unemployed, for without such solidarity the very existence of the free market economy, and democracy itself, would be called into question. That is why I believe that a market economy and democracy are only meaningful within the context of a community approach. This has perhaps been better safeguarded in Africa and Asia than in the industrialized North, and perhaps it can be shaped along more sustainable lines by blending the perceptions of the North with those of the South.

Finally, the state's role is to protect the environment, to fix the price of commodities and raw materials, to establish a clear law on property, and to operate efficient systems of taxation and population control. Investment in new forms of production can be effective only where the state has real power. In sum, democracy and the market economy are

necessary but I strongly believe that they cannot in themselves be said to constitute social values because democracy and the market economy are practices, not values. They are practices that pave the way for values such as liberty, creativity, social justice and a sense of responsibility. But they are also practices with deeply ingrained dangers, for both democracy and the market economy are founded on the vindication of replaceability. Whoever upholds the market economy also upholds the right to topple its leaders. In other words, both vindicate the fleeting, the temporary; by favouring replaceability they both undermine durability. Yet we need to view democracy and the market economy in a more long-term perspective if we are to protect them, particularly as, from a cultural and technological point of view, we are now entering a period that is universally conditioned by a growing tendency towards what I call "nomadism".

I should like to draw your attention, as agricultural leaders, to the fact that although for some millennia now people have been sedentary, before that they wandered the earth as nomads. I personally believe that people are by and large reassuming the nomadic state: first, because democracy is based on freedom of movement; second, because a free market is itself founded on movement and migration; and finally, because large human fluxes, in obedience of the two principles of the market economy and democracy, are seeking food and wealth where these are easier to obtain through their work, and also because modern industrial production is overwhelmingly geared towards portable (that is, nomadic) goods, which are drastically altering both agriculture and industry.

That is why I think it is particularly important today to address issues from the global perspective. You know better than anyone that the first wanderer is the earth itself – wanderer in the universe – and that it needs to be protected and nurtured for future generations. This can only be done in our time by the international institutions, for they alone are able to promote sustainability as a value. They alone are in a position to protect democracy and the market economy by adopting a more broad-ranging vision – in a position to create what I refer to as a sanctuary. I dream of the day when democratically established international institutions, such as those within the United Nations system, will have real decision-making powers in areas vital to the survival of the human race – areas that are not too numerous but that, if neglected, will be lastingly and irretrievably destroyed by this vindication of the fleeting that underpins modern society. The international institutions, and particularly FAO, must today turn their attention to these few basic areas without which life cannot go on.

Some organizations are already engaged in defining the human heritage. I myself believe that thought and reflection are needed in at least five areas:

- In art, where Unesco has already begun to work – though this is apparently not enough to stop the bombs now falling on Dubrovnik and other places.
- Forests, which are already receiving the attention of FAO and other bodies, as was recently shown by the World Forestry Congress in Paris, and where binding decisions are clearly needed.

- The arms sector, which is a daily threat to mankind. Only the international organizations will one day – soon I hope – be able to make development and development aid conditional upon countries in both the North and the South jettisoning the scourge of arms build-up. We have here an innovatory opportunity for international cooperation.
- An area where I believe the international organizations need to have genuine worldwide authority is the *drug trade*. The drug phenomenon embodies all the contradictions of development today. In the South, drugs constitute a peerless source of agricultural income, while in the North, drugs are an understandable way-out from a society devoid of ideals and solidarity, where the community spirit is becoming a thing of the past, and where young people no longer have any guiding values. Worldwide, the drug cartels now earn more and wield more power than the oil industry. The battle needs to be fought on all fronts, and I humbly suggest that FAO address the issue so that one day, perhaps, rice production throughout the world may be more profitable than the cultivation of opium poppies.
- The fifth area where the international community, as represented here, needs to act concertedly is that of genetic engineering. Agriculture is the source of seemingly innocuous technological change that actually has far-ranging implications. Genetic advances, which started in agriculture, are leading to the manufacture, first of plant species, then of animal species, and tomorrow of human beings, like industrial products. Species are patented and life becomes an artefact, a mass-produced

object which itself produces mass-produced goods. Where will all this end? Who will be the patent holder? What will be the rights of the new species? How far will we be allowed to go in transforming the animal world, in inventing plant life and in creating human beings? Who will ban clone products? I think that it is up to the international organizations to consider the issue today before the market economy lays its hands on these things and turns them into objects that are clinically dead because they have been irretrievably endowed with market value.

The end of the cold war and of ideological conflict does not mean that we have a world without rivalry or threat: on the contrary. In a world without dreams, models or utopias, each of us has gone back to such basic items as food, clothing and transportation. Rivalries are today far greater than they were because our desires are once more identical, and this leads us to vie for material things and to harbour technological and racial hostility. We can all sense that the human race, which only lives and prospers from its differences, is running the risk of destroying itself.

The problem however is that we have today some 2 000 ethnic groups in the world but fewer than 200 nations, and less than 200 territories. There will therefore be a need for compromise which can be reached only when we have understood that diversity draws its sustenance from the larger whole.

I should like to suggest that you, in your capacity as agricultural leaders, have a particular role to play in this regard and that you should, I believe, enlighten leaders in other fields concerning three values that have become somewhat neglected in our increasingly urban, rootless and individualistic societies.

The sedentary farmer knows that there will be no harvest without seeds, no food without savings. The nomadic herder knows that a flock has to be tended. The forest dweller, both nomadic and sedentary, knows that there will be no wood without saplings and that herders and farmers are both allies and enemies, to be reconciled only, according to a great Indian philosopher, after seven generations.

You, as authorities, know that only the long term has validity in an ephemeral world. You alone may be able to help policy-makers to fulfil their long-term role. The three key words for forward-looking policy-makers are: saving, safeguarding and foreseeing. But they cannot play their role unless measures are taken to delegate authority to the organizations that are in a position to ensure respect for the sanctuary that I mentioned before.

After all, the most important works of art were those of nomadic wanderers anxious to leave their mark on eternity, and the greatest work of art is clearly life.

In his book *The teachings of Don Juan: a Yaqui way of knowledge*, the American anthropologist, Carlos Castaneda, recounts the wisdom of the Yaqui Indians who believe that

human beings confront four successive enemies in their lives. The first is fear; the fear of not having enough to eat and of not being able to grow and develop. The Yaqui sage states that once human beings have overcome this fear they meet a second enemy: power. They fear power not because they have none, but because power confuses and menaces those who hold it. When human beings have overcome the fear of power they are faced by a third enemy: clearsightedness. When they know that they can overcome poverty and hunger, when they know that power is relative, they are at the mercy of the mastery of knowledge and science, which can destroy everything including the planet itself. When human beings can come to terms with knowledge they meet their fourth enemy: death, whose inevitable victory they can only postpone.

I think that today we need to learn to fear death from the exercise of power.

