

QUITE A DIFFERENT APPROACH. WILLY BRANDT'S
NORTH-SOUTH CONCEPT AS AN ALTERNATIVE MODEL
TO US INTERNATIONAL AND ECONOMIC POLICIES 1974-1989

by Wolfgang Schmidt

In his late years, dealing with North-South relations was of central importance to Willy Brandt, as he considered a fair balance between industrialised and developing countries to be crucial for peace in the world. His thinking and his agenda for action were primarily formed by the Independent Commission on International Development Issues (ICIDI), which under his chairmanship delivered the so-called "Brandt Reports" of 1980 and 1983. Studying his vast North-South activities from the mid-1970s throughout the 1980s shows that the former German Chancellor followed quite a different political and economic approach towards the countries of the Global South than several US administrations and the World Bank did. Based on an economic model that can be called "Global Keynesianism", Brandt strived for an alternative to the US style of capitalism.

Keywords: North-South relations, Brandt Report, Keynesianism, Willy Brandt, USA, World Bank.

Nei suoi ultimi anni, Willy Brandt si è sempre di più occupato delle relazioni Nord-Sud in quanto riteneva che un equo bilanciamento tra i Paesi industrializzati e quelli in via di sviluppo fosse di fondamentale importanza per la pace nel mondo. Il suo pensiero e il suo piano d'azione hanno trovato concreta attuazione principalmente nella Commissione indipendente sulle questioni di sviluppo internazionale (ICIDI), la quale, sotto la sua guida, ha prodotto i cosiddetti "Rapporti Brandt" del 1980 e del 1983. Lo studio dell'ampio spettro delle sue attività relativamente alle relazioni Nord-Sud dalla metà degli anni Settanta fino alla fine degli anni Ottanta mostra come l'ex Cancelliere tedesco abbia adottato un approccio politico ed economico diverso rispetto a quanto fatto dai Governi statunitensi e dalla Banca mondiale. Basandosi su un modello economico che potrebbe essere definito "Keynesismo globale", Brandt ha costantemente cercato un'alternativa allo stile statunitense del capitalismo.

Parole chiave: relazioni Nord-Sud, Rapporto Brandt, Keynesismo, Willy Brandt, USA, Banca mondiale.

Willy Brandt's name is inseparably linked with *Ostpolitik*, for which he was much praised and awarded with the Nobel Peace Prize in 1971. In contrast, his later international engagement in development issues has often been treated as a mere subtopic or an annex of his life in politics (Miard-Delacroix, 2016, pp. 174-6). Thereby, many scholars overlooked the fact that dealing with North-South relations was of central importance to Brandt, as he considered a fair balance between industrialised and developing countries to be crucial for peace in the world. Moreover, studying his vast North-South activities from the mid-1970s throughout the 1980s is worthwhile because it helps to explain why

Brandt and five different US administrations were increasingly politically drifting apart from each other¹.

This contribution argues that the former German Chancellor pursued quite a different political and economic approach towards the countries of the Global South than the USA, and hence strived for an alternative model to the American style of capitalism. In this respect, three historic events between 1971 and 1974 represented initial turning points in Brandt's thinking, and prompted him to enter the field of North-South politics: the collapse of the Bretton Woods system, the first oil crisis and the call of the developing countries for a New International Economic Order (NIEO).

Willy Brandt's agenda for action was primarily formed by the work of the Independent Commission on International Development Issues (ICIDI) (known as the North-South or Brandt Commission), which he chaired from 1977 to 1984. His role and achievements in the proceedings of ICIDI are examined here, as well as the US responses to the recommendations of the so-called "Brandt Reports" of 1980 and 1983. In addition, the World Bank's reply to the first report is investigated, since ICIDI had initially been proposed by World Bank President Robert S. McNamara, the former US Secretary of Defence. Finally, further North-South initiatives launched by Brandt in the wake of the "Third World's" debt crisis during the 1980s, and their reception by the US administrations of Reagan and Bush Senior are discussed.

TURBULENCES AND TURNING POINTS: THE END OF BRETTON WOODS, THE OIL CRISIS, AND THE CALL FOR A NIEO

Already during his chancellorship, Willy Brandt was confronted with events that had a profound impact on the international financial and economic system. The unilateral announcement by the Nixon administration in 1971 to end dollar convertibility to gold, and the withdrawal from the system of fixed currency exchange rates in 1973 made the post-war monetary order of Bretton Woods collapse. The western European States, above all West Germany, which were particularly affected by the turbulences, henceforth wanted to reduce their dependence on the USA, and pushed for a reorganisation of the currency system. But the odds were not favourable. The oil crisis that broke out in the wake of the Yom Kippur War in October 1973, leading to drastic increases in energy prices, plunged the global economy into a severe recession, and ended the decades-long post-war boom. The western industrialised countries suddenly had to cope with massive structural changes in traditional industries, growing unemployment, and high inflation rates (Levinson, 2016; Bini, Garavini and Romero, 2016; Voigt, forthcoming).

At the same time, their relations with the Global South deteriorated. Just as the Organization of the Petroleum Exporting Countries (OPEC) cartel deliberately used oil as a weapon in 1973, many developing countries, which had organised themselves in the "Group of 77", strived for control over their natural resources, and wanted to use the raw materials dependence of the industrialised nations as a lever for fundamental changes in the structures of the global economy². Leaders of the "Third World" countries, quite a few

¹ For a detailed analysis of this relationship, cf. Michel (2010, pp. 397-493).

² For the countries of the Global South, as well as for the western industrial nations, the control over oil was pivotal in the struggle for the international economic order. Cf.: Dietrich (2017); and Graf (2018).

of whom were looking for a “third way” between capitalism and communism, vehemently called for the establishment of a NIEO. The international economic relations were to be changed by reforms in such a way that the developing countries could participate equally and more strongly in the benefits of the world economy. The developing countries also demanded compensation for the damages caused to them by “colonialism”, “neo-colonialism”, and “unjust trade relations”. The call for a NIEO was endorsed by the UN General Assembly in May 1974 in a declaration³ to this effect, and the demand was reaffirmed in the Charter on the Economic Rights and Duties of States, adopted by a large majority in December 1974⁴.

During his last trip abroad as German Chancellor, which took him to Algeria and Egypt in April 1974, Willy Brandt was directly confronted with the radical ideas and the growing self-confidence of the developing world. One of the leading figures of the Group of 77 (G77), Algerian President Boumediène, made it unmistakably clear in conversation with the German Head of Government: “The world economic system must be put on a new and fairer footing in the interests of both the industrialized and the developing countries. The time of imperialism and exploitation must finally be over”⁵. This meeting in Algiers, and especially Boumediène’s personality impressed Brandt very much (Brandt, 1976, pp. 610-6). As he confessed in 1986, in the talks with the Algerian President, he had become “fully aware” of “the full meaning of the North-South problem, also for world peace”, and this had led him later become involved in development policy⁶. For the Chancellor, who had been so concerned with *Ostpolitik* and European issues since 1969, the meeting was “something like a revival experience”, recalled the then Minister for Development Cooperation Erhard Eppler. After returning to Bonn, Brandt said to him: “Erhard, I got it. Now let us work” (Eppler, 1996, p. 91). Yet, that did not happen anymore, because barely two weeks later the Chancellor resigned on the occasion of the spying affair around his aide Günter Guillaume.

Willy Brandt’s successor, Helmut Schmidt, had much less understanding for the demands of developing countries. West Germany, together with its main ally, the USA, was one of only six States that voted against the Charter on the Economic Rights and Duties of States in the United Nations (UN) at the end of 1974. Brandt “would probably have decided otherwise”⁷. Schmidt’s rigid course towards the “Third World” was one of the reasons why he engaged himself increasingly internationally from the mid-1970s.

Another and more important reason for Brandt’s return to the world political stage was his dissatisfaction with the two Superpowers. Since the mid-1950s, he had wished for their joint efforts, particularly in the field of development, in order to promote “peaceful coexistence” worldwide (Schmidt, 2003). But even in the period of détente, the USA and the USSR, in his opinion, failed to live up to their responsibility for world peace when they tried to win over individual developing countries to their own

³ “Declaration on the Establishment of a New International Economic Order”, Resolution adopted by the United Nations (UN) General Assembly, A/RES/S-6/3201, available at: <http://www.un-documents.net/s6r3201.htm>.

⁴ “Charter of Economic Rights and Duties of States”, Resolution adopted by the UN General Assembly, A/RES/29/3281, available at: <http://www.un-documents.net/a29r3281.htm>.

⁵ Cf. “Aufzeichnung des Ministerialdirektors Hermes”, Doc 121, pp. 517-521, available at: <https://www.degruyter.com/downloadpdf/book/9783486718133/10.1524/9783486718133.501.xml>, in Taschler, Hilfrich, Ploetz (2005).

⁶ Brandt’s statement in a press conference on the occasion of the 25th anniversary of the Federal Ministry for Economic Cooperation in Bonn on 13 November 1986, in Service der SPD für Presse, Funk, TV, available at: <http://library.fes.de/cgi-bin/pdpdf.pl?d=36&f=272&l=273>.

⁷ He said so in a conversation with the Mexican President Luis Echeverría on 23 March 1975, in Brandt (2006, p. 126).

camp through direct and indirect military interventions or by economic pressure, thus exporting the Cold War to the Global South. At a conference of representatives of social democratic parties from Europe, and leftist movements from Latin America, held in Caracas in May 1976, Brandt expressed his sympathy for the Non-Aligned Movement (NAM) and the concept of a “third way”. He declared that “the excessiveness of an outmoded capitalism must be overcome just as we cannot accept human totalitarianism, either in the state communist form or any other guise” (Brandt, 2006, p. 144). Brandt committed himself to the “path of political and social reform in social freedom”, which, according to his understanding, also included basic social rights such as adequate food, education for all, decent housing, and the chance of a livelihood-securing job (Brandt, 2006, p. 28).

THE LAUNCHING OF THE BRANDT COMMISSION

Interestingly, the idea of Willy Brandt becoming directly engaged in the core matters of development politics originated in Washington, DC. In 1976, William D. Clark, the World Bank’s Vice President in Charge of External Affairs, internally suggested the establishment of a reprise of sorts of the Pearson Commission, whose 1969 report, *Partners in Development*, had investigated the effectiveness of development assistance, and recommended a strategy for the Second Development Decade (Pearson, Commission on International Development, 1969). As Clark later remembered, “Pearson II” was intended to “produce a report which would send us on our way again”. According to him, it was Barbara Ward, the British journalist and pioneer on environment and development issues, who in a private discussion with Robert S. McNamara had first brought up the idea of the former German Chancellor Willy Brandt becoming the chairman of a new commission⁸.

However, it took a while for the President of the World Bank and former US Secretary of Defence to seize Ward’s idea. McNamara put the suggestion to Brandt shortly after the Chairman of the Social Democratic Party of Germany (SPD) had been elected President of the Socialist International in November 1976. Apparently, neither man considered this position to be an obstacle to the 63-year-old taking on yet another job: when Brandt was approached about heading the commission in late December 1976, he agreed to what McNamara was not going to publicly announce until two weeks later⁹. In a speech given in Boston on 14 January 1977, McNamara proposed that “a high-level, but deliberately unofficial, commission” be established “to recommend action to be taken by both developed and developing nations” in order to break the deadlock in North-South negotiations. “The chairman and convener of such a commission ought to be a person of the great political experience and stature, say, of a Willy Brandt [...]”¹⁰.

Despite Brandt’s pre-eminent international reputation, the initial reactions to this initiative were not very favourable. Representatives of the “Third World” were opposed

⁸ Cf. Clark’s interview of 4 October 1983, transcript, pp. 19-20, in World Bank Group Archives, Washington, DC, available at: <http://documents.worldbank.org/curated/en/571041468337173687/pdf/789640v20TRN0C0on010October04001983.pdf>.

⁹ Cf. McNamara’s letter to Brandt of 27 December 1976, Box 1078, Nachlass Bahr, in Archiv der sozialen Demokratie (AdsD) of the Friedrich-Ebert-Stiftung, Bonn.

¹⁰ Cf. “Closing remarks of World Bank President Robert S. McNamara’s speech delivered on January 14 in Boston at the World Affairs Council”, Box 89, Nord-Süd-Kommission, in AdsD of the Friedrich-Ebert-Stiftung, Bonn.

to it. Within the non-aligned G77, Algeria, Jamaica, Pakistan, Venezuela, and Yugoslavia uttered strong criticism, fearing interference with the ongoing Conference on International Economic Cooperation (CIEC) in Paris, where 19 developing and eight developed countries had been in negotiations since December 1975. CIEC ended without tangible results in June 1977.

The response of the new US Government under President Jimmy Carter was also less than warm. On 21 February 1977, Assistant Secretary of State Arthur Hartman told Egon Bahr that the administration looked on McNamara's proposal with a "certain suspicion". In his opinion, the establishment of a new, Government-independent body would do the North-South dialog no service¹¹.

Over the course of the following months, Willy Brandt made it clear that he would not launch a commission without international approval, in particular from "Third World" countries. Privately and publicly, he stressed that a large US influence was to be avoided and that developed and developing countries were to be equally represented. Brandt strongly emphasised that a commission under his chairmanship, in contrast to the Pearson Commission, would be truly independent from the World Bank¹², which was dominated by the western industrialised countries, preponderantly by the USA.

It was not until 28 September 1977 that the creation of ICIDI was officially announced by Willy Brandt at the UN Headquarters in New York. Until shortly before he had wrestled with himself whether he should take over the task. The talks he held with UN Secretary General Kurt Waldheim and several foreign ministers and ambassadors from around the world convinced him. The majority of the developing countries had finally expressed their agreement with the idea of the commission. Hence, Brandt believed that an "independent commission can make a contribution, in factual but also in atmospheric terms, to changing the character of the conflicts and pointing out possible solutions". He was ready to tackle what he saw was ultimately about nothing less than "the decisive social question for the rest of our century". For Brandt, development policy represented a new dimension in the policy of peace and détente: "We live in *one* world, and every conflict of the dangerous dynamics of the North-South divide stands in the way of a lasting peace order, which must remain the primary goal of our policy"¹³.

Three weeks before his announcement, Brandt had sent official letters to several international leaders, among them Jimmy Carter, asking for support and advice. Notably, the US President did not endorse the North-South Commission prior to its launch, but only replied to the former German Chancellor on 7 October 1977, writing a very amiable letter to the effect that he was happy to learn that Brandt was going to head the new body, and expressing his best wishes for its success¹⁴.

Brandt envisioned to bring his experiences with *Ostpolitik* – the reduction of tensions aiming at peacefully changing the status quo – into the work of the commission. He tried to transfer the reasoning behind the policy of détente to North-South relations: "The example of *Ostpolitik* has shown that it is possible to change the character of a conflict and

¹¹ Cf. telex from the German Embassy in Washington, DC to the Ministry of Foreign Affairs in Bonn of 22 February 1977, Box 1078, Nachlass Bahr, AdsD of the Friedrich-Ebert-Stiftung, Bonn.

¹² Cf.: Clark's interview of 4 October 1983, transcript, p. 21 (see footnote 8); and Brandt's interview with *Westfälische Rundschau* of 7 April 1977, in Brandt (2006, pp. 179-82).

¹³ Cf. Brandt's interview with *Süddeutsche Zeitung* of 29 September 1977, in Brandt (2006, pp. 202-9).

¹⁴ Cf. Brandt's letter to Carter of 5 September 1977, and the President's reply of 7 October 1977, Box 41, Nord-Süd-Kommission, AdsD of the Friedrich-Ebert-Stiftung, Bonn.

find within it those elements of mutual interest which can produce acceptable common solutions". By pointing to the aspirations and achievements of Social Democrats for the working class, the Chairman suggested yet another experience his commission might draw on: "The evolution of our industrialized societies since the 19th Century has all been in the direction of greater political and material participation by wider and longer sections of society to the benefit of the whole national community. [...] Cannot we see here a path forward for the greater involvement of more and more of the poorer nations in an increasingly prosperous global society?"¹⁵.

In total, ICIDI had 21 official members, all formally appointed by its Chairman. The most prominent figures were the British Conservative Edward Heath, the Swedish Social Democrat Olof Palme, the Chilean Christian Democrat Eduardo Frei, and the US publisher Katharine Graham. The former US Secretary of State Henry Kissinger, who had been approached by Willy Brandt to join the commission early on, and had accepted, unexpectedly retracted his commitment in November 1977¹⁶, and was replaced by Peter G. Peterson, the CEO of the investment bank Lehman Brothers, and former US Secretary of Commerce in the Nixon administration. Eleven commission members were from countries of the Global South.

ICIDI represented a very broad political spectrum, and this was what made its deliberations so difficult over the next two years. Brandt had wanted this diversity, but he had not anticipated how hard it was going to be to reconcile the different positions. From the beginning, the crucial and divisive issue was the "Third World" countries' call for a NIEO. The key figures among the members from the southern hemisphere who were pushing to make the NIEO the basis of discussion in the Brandt Commission were Shridath Ramphal from Guyana, at the time Secretary-General of the British Commonwealth, and Layashi Yaker, Vice President of the Algerian National Assembly. They were strongly supported by ICIDI's treasurer Jan Pronk, the Dutch Minister for Development Cooperation. On behalf of the World Bank's leadership, William Clark, who feared a rerun of the fruitless debates on the topic in the UN organisations, advised Willy Brandt to refuse the NIEO demand. Initially, Brandt agreed with Clark, but in the end, Pronk and the members from the "Third World" prevailed¹⁷. In its Terms of Reference, adopted during its first meeting in December 1977, the Brandt Commission declared that a "New International Economic Order" was needed (Brandt, 2006, p. 71). The use of the controversial term was undoubtedly a bow to the developing countries.

Brandt attached particular importance to a reinterpretation of development policy. He said that ICIDI would deliberately avoid words like "aid" or "the rich help the poor", and replaced them with the idea of "interdependence" and "common interests". At the beginning of the second meeting of the Commission in Mont Pelerin, Switzerland, in March 1978, Brandt presented to his colleagues a definition of "the mutuality of interests"¹⁸. With this contribution to the discussion, he attempted to give the deliberations a political-

¹⁵ Cf. Brandt's opening speech at the first meeting of ICIDI at Schloss Gymnich near Bonn on 9 December 1977, Box 24, Nord-Süd-Kommission, AdsD of the Friedrich-Ebert-Stiftung, Bonn.

¹⁶ Cf. Brandt's letter to Kissinger of 28 November 1977, Box 24, Nord-Süd-Kommission, AdsD of the Friedrich-Ebert-Stiftung, Bonn.

¹⁷ Cf. Clark's interview of 4 October 1983, transcript, p. 24 (see footnote 8)

¹⁸ Cf. "Reflections on Mutuality of Interests", Box 55, Nord-Süd-Kommission, AdsD of the Friedrich-Ebert-Stiftung, Bonn. For the German translation, cf. Brandt (2006, pp. 221-7).

philosophical foundation. Brandt wrote that world peace was threatened not only by nuclear weapons, but also by famine catastrophes and ecological destruction with global consequences. “A programme that aims at satisfying basic human needs is, therefore, not only a humanitarian duty, but can also be founded on the common interest for survival”. This became the leitmotif of ICIDI.

The Brandt Commission turned away from the modernisation and growth theories that had determined development policy until the 1970s. It adopted a new approach, which placed the satisfaction of basic needs in the foreground. However, Brandt refused to impose certain priorities for action on developing countries that feared being excluded from modern technology in this way: “I only accept basic needs where they are defined by my friends and colleagues in the development world themselves”¹⁹. The possibility of linking development aid to internal reforms in the recipient countries was thus unfortunately virtually excluded. On this issue, Brandt yielded to pressure from the Commissioners from the Global South, who categorically rejected any kind of “conditionality”, as, for example, the International Monetary Fund (IMF) already practiced with its economic and financial policy conditions²⁰.

BRANDT’S PROPOSAL FOR A NIEO COMPROMISE, AND HIS APPEAL TO THE USA

Willy Brandt aimed to find a compromise on the NIEO issue. This became obvious in a speech before the United Nations Association in New York on 26 October 1978, in which he tried to explain to a US audience why a “new international order” was needed and, in general terms, what it should look like²¹.

Brandt regarded the problems faced by the “Third World”, and those of the industrialised countries, including the USSR and its eastern European allies, as interdependent. Hence, North and South would mutually benefit from cooperation in a “healthier”, more balanced world economy, and mitigating their conflicts would contribute to world peace. Brandt also asserted that the existing international system had never been quite equitable for the South, and failed even the interests of the North. He expressed his sympathy for the developing countries’ complaints that they were at a disadvantage in the international economic system and not adequately represented in the decision-making bodies of the World Bank and the IMF. Brandt also expressed his regret over the lack of stability in the global finance system and international trade since the breakdown of the Bretton Woods system in the early 1970s²².

For implementation of the necessary reforms, the Chairman of the North-South Commission strongly pinned his hopes on the USA, which, in his opinion, had to take the lead within the western industrialised world. He advocated a substantial US contribution towards the creation of a better and more just international order. Though denying that he would ask for a “Marshall Plan for the Third World”, Brandt praised the Marshall Plan

¹⁹ Cf. Brandt’s interview with the science magazine *Bild der Wissenschaft* of August 1979, in Brandt (2006, p. 261).

²⁰ Cf. “Summary Record, Fifth Meeting: Kuala Lumpur, 24-27 November 1978” and “Summary Record, Eighth Meeting, Vienna, 4-9 July 1979”, Box 73, Nord-Süd-Kommission, AdsD of the Friedrich-Ebert-Stiftung, Bonn.

²¹ Cf. the English manuscript of this speech, titled *Why a New International Order?*, of 26 October 1978, Box 773, A3, Willy-Brandt-Archiv (WBA), AdsD of the Friedrich-Ebert-Stiftung, Bonn. For excerpts in German, cf. Brandt (2006, pp. 234-42).

²² Cf. the English manuscript of this speech, titled *Why a New International Order?*, of 26 October 1978, Box 773, A3, WBA, AdsD of the Friedrich-Ebert-Stiftung, Bonn. For excerpts in German, cf. Brandt (2006, pp. 234-42).

and its underlying policy as a shining example that the USA should follow again. Instead of turning inwards, the USA should courageously take the political lead, as it did in 1947, to implement a similar programme of aid to developing countries together with Europe and Japan, and gradually help to create a better international order²³. It was the old school of American liberal internationalism he made his appeal to.

At the time, the chances for this message to be heard seemed not too bad. In addition to his general commitment to the promotion of human rights worldwide, President Jimmy Carter showed a strong personal interest in North-South affairs, indicated, for example, by his grand tour through Venezuela, Brazil, Nigeria, and Liberia in the spring of 1978. In another letter to Brandt, he wrote in July 1978: "I am deeply interested in your efforts to identify the mutual interests between developed and developing countries"²⁴.

It was evident that the US Government was in search of a new development policy. In 1977, Carter had established a Presidential Task Force on Global Resources and Environment that was to conduct a study on how the world's population, natural resources, and environment would change until the year 2000. Additionally, a Presidential Commission on World Hunger was founded on 5 September 1978. The two resulting reports, *Global 2000* and *Overcoming World Hunger* (Presidential Commission on World Hunger, 1980), were finally released in 1980 – only a few months after the Brandt Commission's report. The central recommendation of all three studies was a call to end world hunger and widespread poverty, which were identified as contributing to environmental degradation and resource depletion. The reports also concurred in emphasising the need for greater public awareness of these global issues, and greater support for foreign aid.

But the chances for a new US development policy deteriorated dramatically as early as the beginning of 1979. With the fall of the Shah of Persia as a result of the Islamic revolution in Iran, the USA lost one of its closest allies in the region. The western Superpower was further humiliated by the hostage-taking of its embassy staff in Tehran. The events in Iran also triggered a second oil price shock, which soon afterwards sent the world economy on a long downward spiral. The fact that the Carter administration developed plans for a military intervention force in the Persian Gulf out of concern for US oil supplies prompted Willy Brandt to react unusually sharply in the summer of 1979: "Our esteemed American friends must stop being wasteful with oil the way they do"²⁵.

By the year 1980, the prospects for North-South cooperation as well as for East-West détente had become even more gloomy. The Soviet invasion of Afghanistan prompted a fundamental shift in international relations, and contributed further to the major changes in US domestic and foreign policies, changes that had already begun.

THE RECOMMENDATIONS OF THE BRANDT REPORT OF 1980, AND THE PUBLIC REACTIONS TO IT

It goes without saying that, when the Brandt Report was published in mid-February 1980, it fell on very stony ground. Its title, *A Program for Survival*, and Willy Brandt's

²³ Cf. the English manuscript of this speech, titled *Why a New International Order?*, of 26 October 1978, Box 773, A3, WBA, AdsD of the Friedrich-Ebert-Stiftung, Bonn. For excerpts in German, cf. Brandt (2006, pp. 234-42).

²⁴ President Carter's letter to Brandt of 28 July 1978, Box 34, Nord-Süd-Kommission, AdsD of the Friedrich-Ebert-Stiftung, Bonn.

²⁵ Brandt's interview with the radio station *Deutschlandfunk* of 9 July 1979, in Brandt (2006, pp. 258-9).

morally persuasive foreword highlighted the urgency of taking action (ICIDI, 1980). The people in the least developed countries (LDCs) suffered the most under the rising price of oil, and the unfolding crisis of the world economy. Therefore, the report proposed a short-term emergency package that should provide a global food programme, the stabilisation of commodity prices, and the development of an international energy strategy promoting, e.g., the application of alternative energies, such as solar energy.

The recommended long-term reforms would in essence have consisted of an increase of development aid, its concentration on the poorest countries and on the satisfaction of basic needs, more support for rural development and agriculture to increase food production, the improvement of health care and measures against excessive population growth in the Global South, the reduction of trade barriers, the reform of the international financial system and its institutions, and the regulation of relations between transnational corporations and their host countries. Aiming for a revival of the North-South dialogue, ICIDI also suggested a summit of about 25 Heads of State and Government who would represent the “major world groupings”.

Despite all the diplomatic rhetoric that heaped praise on the Brandt Report, its about 80 wide-ranging proposals did not find much approval, neither in the USA nor in the other western countries, including West Germany²⁶. Why was that? First of all, the main thrust of the report’s recommendations was on transferring additional resources to the LDCs, at a total of 50 to 60 billion \$ a year. The industrialised countries were urged to raise their Official Development Assistance (ODA) from 0.3% to 0.7% of their gross national product (GNP) within five years. Until the year 2000, their ODA was even supposed to rise to 1.0%. Furthermore, the World Bank, which was just about to double its lending capacity, was asked to quadruple it to 160 billion \$. In addition, the LDCs’ special drawing rights in the IMF were to be extended as well.

The Brandt report has been labelled “the last really serious effort at designing a comprehensive international development strategy”. In order to overcome the common crisis, it advocated a programme whose underpinnings could be described as “international Keynesianism”. “Its underlying assumptions were based on economic liberalism modified to fit the special needs of the Global South” (Wilkinson, 2007, p. 133). The massive increase in capital transfers from the North to the South was expected to boost the “Third World” economies and consequently the world economy. The Chairman himself explained it as follows: because the purchasing power of people in the poor countries was too low, they suffered from hunger, and were not able to buy the products the unemployed of the rich countries were in a position to manufacture²⁷. It therefore seemed to be in the North’s vital interest to strengthen demand in the South. By the same token, the Brandt Report argued for the integration of the developing countries into the global markets and against protectionism. It advocated trade liberalisation agreements, and recommended the merging of the General Agreement on Tariffs and Trade (GATT) with the United Nations Conference on Trade and Development (UNCTAD).

²⁶ In September 1979, Willy Brandt in a conversation with Chancellor Helmut Schmidt and the Minister for Economic Cooperation, Rainer Offergeld, had to listen to some criticism from the West German Government. Schmidt spoke out vehemently against changes in voting rights in the World Bank and the IMF, and denied the proposal to do away with the conditionality of IMF loans. Offergeld was particularly critical of what he saw as the “dirigiste ideas” of the commission, whose report was too much like a catalogue of demands from the developing countries. The minister rejected new funds and new institutions. Above all, Offergeld missed a clear reference in the report’s recommendations to the developing countries’ own efforts (Brandt, 2006, pp. 267-74).

²⁷ Cf. Brandt’s press statement of 17 December 1979, in Brandt (2006, pp. 288-94).

In any case, the climate for higher spending on foreign assistance was anything but favourable in the early 1980s, not least in the US Congress. In all industrialised countries, the economic crisis had triggered conflicts over diminishing financial resources. Moreover, the heyday of Keynesian economics was over after its shortcomings had revealed themselves in the 1970s: deficit spending, rather than eliminating mass unemployment, had fuelled inflation instead, and monetarism and supply-side economics were on the rise, first of all in the USA and the United Kingdom. There was a fear that the call for a dramatic increase of development aid and almost unconditional lending would reinforce inflationary tendencies worldwide. There was also criticism that the Brandt Report would obscure the need for structural reforms, particularly in the developing countries.

The main reason why the US public completely ignored the report was a fundamental disinterest in the topic. Upon its release, “The Washington Post”, for example, only ran a short article on page 25, although Katherine Graham, the newspaper’s publisher, was a member of the Brandt Commission. Not even was she able to get publicity for the report in the USA because her own media outlets did not consider it important enough. When “Newsweek”, at Graham’s insistence, eventually devoted a cover story to the North-South conflict, it became the worst-selling issue of the year (Graham, 1997, pp. 587-8).

Not surprisingly, neoliberal economists were among the harshest critics of the North-South Commission’s prescriptions. The Nobel Prize winner for economics Friedrich August von Hayek, who was one of the leading representatives of monetarism, described the report as “stupid chatter” based on “ignorance of the real problems”²⁸. While conservatives and free market liberals accused the report of exaggerated pessimism containing a mixture of rhetoric and fantasy with mistaken analyses and recipes²⁹, leftist authors criticised that the proposals only sought to save the existing capitalist economic order, and did not deal with the problem of political power³⁰.

Against this backdrop, the report’s proposal to set up a 400 billion \$ World Development Fund (WDF) was a “red rag” to western Governments, and grist to the mill of its critics³¹. The fund was designed to operate independently from the World Bank and the IMF as an entirely new, multilateral, UN-type institution that all nations would be invited to join and in which decision-making rights would be “more evenly” distributed between rich and poor nations. The fund’s revenue was to be generated automatically through an international development tax (e.g. on trade, air travel, and transport), through expected earnings from deep-sea mining, and through the sale of IMF gold – a mechanism designed to weaken the control of national legislatures over the granting of aid.

The WDF proposal was clearly a vote of no confidence in the Bretton Woods institutions, and a concession to the advocates of a NIEO in the North-South Commission. According to Brandt, some commission members were in favour of founding a new organisation because they were unsatisfied with the fact that many international institutions had their headquarters in the USA (Brandt, 2006, p. 450). While he had sympathies for the idea of an international development tax (Brandt, 2003, p. 239), Brandt was not in favour of a WDF. But at the end of the day, he was forced to accept the idea because the report would

²⁸ “‘Ungleichheit ist nötig.’ Interview mit F.A. Hayek”, in *Wirtschaftswoche*, 6 March 1981. Cf. also von Hayek (1981).

²⁹ Cf., for example, the articles by P. D. Henderson, E. Kedourie, K. Minogue, W. Letwin, and J.-F. Revel published under the headline “What’s wrong with the Brandt Report?”, in “Encounter”, 55, 6, 1980, pp. 12-30.

³⁰ Cf., for example: Hayter (1981); and Søgaard Pedersen and Gebert (1985).

³¹ Cf. Clark’s interview of 4 October 1983, transcript, p. 26 (see footnote 8).

not have been completed otherwise. In early October 1979, after months of controversial debates over the final version, the Chairman seemed on the verge of calling it quits. It was Shridath Ramphal, Edward Heath, and Willy Brandt's aide, Michael J. Hofmann, who, chapter by chapter, worked out a last-minute compromise on the report's wording (Brandt, 2006, p. 78).

CRITICAL REVIEWS OF THE BRANDT REPORT BY THE WORLD BANK AND THE CARTER ADMINISTRATION

Although Robert S. McNamara praised the way Willy Brandt chaired ICIDI as "a magnificent political achievement", the World Bank President was in fact disappointed with the results produced by the body he had initiated three years earlier. He had hoped that the Brandt Report would rouse political support for his institution. But when it was officially submitted to him, he privately told Shridath Ramphal that it was too critical of the World Bank, and would do nothing but harm³².

The warning World Bank Vice President Clark had conveyed to Brandt and other commission members in 1979 had turned out to be in vain: "Proposals that please the Third World's political leaders but are not economically sound or have no chance of being adopted will leave the situation far worse"³³. As Clark later succinctly put it: "The difficulty about the Brandt Commission was that it didn't look to a revised World Bank, it looked to a new Heaven and a new Earth"³⁴.

McNamara also lamented "that the Report was poorly presented so that few would read it and it would not have much leverage". He agreed, though, that "the Bank should simply seize on those recommendations [...] which were useful for its purposes"³⁵. As World Bank Vice President Ernest Stern recalled in 1983, "twenty-three or so" proposals were selected and taken to the World Bank's Board of Governors. But it "did not show great interest in the Brandt Commission's recommendations", which in the end, from Stern's point of view, "had almost no impact on Bank policy"³⁶.

The US Government's response to the Brandt Report was initially welcoming. President Jimmy Carter, who held Willy Brandt in high personal esteem, still seemed very much interested in ICIDI's findings. He immediately instructed the International Development Cooperation Agency (IDCA) to conduct an interagency review of the report. Carter also arranged for Brandt and Ramphal to visit the White House on 15 February 1980, and personally deliver a copy to him with the cameras running.

But the Carter administration soon assumed a more reserved stance towards the Brandt Report. A memorandum to the Secretary of the Treasury warned as early as 15 February 1980: "By endorsing numerous demands of the developing countries that there

³² Cf. Clark's interview of 4 October 1983, transcript, pp. 26-27 (see footnote 8).

³³ Cf. "Your conversation with Peterson and Botero", Office memorandum from Clark to McNamara, 25 June 1979, in Brandt Commission – Correspondence 13, p. 29, Folder ID: 1771354, ISAD(G) Reference Code: WB IBRD/IDA 03 EXC-10-4539S, in World Bank Group Archives, Washington, DC.

³⁴ Cf. Clark's interview of 4 October 1983, transcript, p. 28 (see footnote 8).

³⁵ Cf. "Meeting on Brandt Commission Report, February 8, 1980", in Brandt Commission – Correspondence 13, p. 25, in World Bank Group Archives, Washington, DC (see footnote 33).

³⁶ Cf. Stern's interview of 2 March 1983, transcript, pp. 2-6, in World Bank Group Archives, Washington, DC, available at: <http://documents.worldbank.org/curated/en/970971468326687651/pdf/791300TRN0Ster0Box0377367B00PUBLIC0.pdf>.

is no realistic expectation of meeting – the Report may create false expectations which will lead to future disappointments. Most likely, it will have little or no effect on public opinion in this country and marginal effect in a few places abroad (Germany, U.K.)”³⁷. This assessment proved to be right.

The interagency study Carter had commissioned was not completed until mid-September 1980. The review the IDCA Director, Thomas Ehrlich, eventually presented to the President endorsed in general terms “the Commission’s view that there are growing mutual interests between North and South; and that all countries must assume an appropriate share of responsibility for managing a rapidly changing world economy”. It also saw US development assistance policy as largely being in line with the Brandt Commission’s call to focus aid on the LDCs.

But the review also found that not enough mention was made of the developing countries’ obligations. Moreover, several US administrative agencies took “strong exception to two major clusters of recommendations – those requiring large increases in development assistance and those calling for major reforms in existing international institutions, including substantially greater voting power for developing countries”. In particular, most agencies were “skeptical, if not opposed, of an international tax”, and unambiguously dismissed the proposed WDF³⁸.

The priorities of the Carter administration’s North-South policies were quite different from those advocated by the Brandt Report. In the letter accompanying the ICDA Director’s official submission of the interagency review, Ehrlich briefed the President on “several initiatives for consideration at the start of your next term”. He mentioned a “Coal for Peace and Development Program” designed to foster the purchase of US coal by developing countries as an alternative to high-priced oil. Ehrlich also hinted at “an international population initiative aimed at doubling in the 1980s the availability and use of family planning and related health services in developing countries” as well as a programme to increase food and agricultural productivity³⁹. These measures were supposed to achieve a number of the objectives outlined in ICIDI’s emergency programme. But the review did not contain proposals that addressed the central recommendations of the Brandt Report on financing and spending more development aid and restructuring international institutions.

Remarkably, the review did not even comment on the proposed North-South summit. President Carter’s stance on this issue wavered. Willy Brandt had left Washington with the impression that the US administration was open to the idea of a summit. At his request, the Austrian Chancellor Bruno Kreisky, along with the Mexican President José López Portillo, set out to explore the possibility of convening such a conference.

At the meeting of the Group of Seven (G7) in Venice in June 1980, however, the US President stated that he was personally against the proposed North-South summit. If it failed, he argued, the West would doubtless be blamed for its failure. At Carter’s insistence, a sentence saying that a North-South summit “could be useful under appropriate

³⁷ Cf. “Memorandum from the Assistant Secretary of the Treasury for International Affairs (Bergsten) to Secretary of the Treasury Miller”, 25 February 1980, Doc. 345, pp. 1089-1090, available at: <https://history.state.gov/historicaldocuments/frus1977-80v03/d345>, in Howard and Rasmussen (2013).

³⁸ Cf. “Interagency Review of the Report of the Independent Commission on Development Issues under the Chairmanship of Willy Brandt. Report to the President”, 15 September 1980, in National Security Affairs, Staff Material, Office, Outside the System File, Box 58, Chron: 9/10-20/80, Confidential, Jimmy Carter Presidential Library, Atlanta, GA.

³⁹ Cf. “Memorandum from the Director of the International Development Cooperation Agency (Ehrlich) to President Carter”, 16 September 1980, Doc. 351, pp. 1103-1105, in Howard and Rasmussen (2013).

circumstances and at a suitable time” was deleted from the draft of the G7 leaders’ declaration. The two sentences that remained in the final communiqué were: “We welcome the report of the Brandt Commission. We shall carefully consider its recommendations”. In reality, the G7 never mentioned the report again. Oddly, when the German Chancellor Helmut Schmidt and the Canadian Prime Minister Pierre Trudeau told their five colleagues in Venice that they would both participate in a North-South summit if it were convened by others, Carter added that, in that case, he would also take part⁴⁰.

Nevertheless, over the following months, the President’s position on the issue continued to harden. In early October 1980, Brandt was informed that Carter did not expect any progress to be made by a North-South summit and that he was not willing to attend a meeting that would only serve as a platform for showcase rhetoric⁴¹. Consequently, the USA was not present when foreign ministers and diplomats from 11 countries gathered in Vienna on 7 November 1980 – three days after the American presidential election – in order to prepare a conference in Cancún (Mexico) the following year.

THE REAGAN ADMINISTRATION AND THE BRANDT REPORT: SEPARATE UNIVERSES

While Jimmy Carter probably would have stayed away, Ronald Reagan, along with Margaret Thatcher, decided to take part in the first North-South summit in October 1981 – not without hesitation and only after the conveners had ensured that Fidel Castro would not be invited to Cancún (the USSR had refused to attend at an early stage). In his talks with the other attending leaders, among them the Indian Prime Minister Indira Gandhi, Tanzania’s President Julius Nyerere, the Chinese Prime Minister Zhao Zyang, the Saudi Arabian Crown Prince Fahd, and the Philippine President Ferdinand Marcos, the new US President seized the opportunity to promote his neoconservative and neoliberal beliefs in supply-side economics (Buzdugan, Payne, 2016, p. 94).

Compared to its predecessor, the Reagan administration’s attitude to North-South issues was even less compatible with the Brandt Report. Two letters exchanged before and after the Cancún meeting exemplify the very different approaches. In a joint letter of 11 September 1981, Willy Brandt, who had not received an official invitation to Cancún, and Shridath Ramphal addressed the 22 leaders who were expected to attend the conference. Referring to the recommendations of the North-South Commission, especially to its emergency programme, the appeal called for urgent action against the global economic crisis⁴².

In his answer of 4 November 1981, the US President implicitly but clearly rebuffed the thrust of the Brandt/Ramphal letter. Leaving no doubt about his opinion on what was necessary “to revive world growth” and “to achieve self-sustaining growth in the poor countries, particularly in food and energy”, Reagan wrote: “While foreign assistance remains a vital factor for development in many countries, constructive efforts to expand

⁴⁰ For the German record of the discussion among the G7 leaders, cf. “Weltwirtschaftsgipfel in Venedig, 22./23. Juni 1980”, Doc. 184, pp. 962-977, available at: <https://www.degruyter.com/downloadpdf/book/9783486718065/10.1524/9783486718065.i.xml>, in Das Gupta, Geiger and Szatkowski (2011).

⁴¹ Cf. “Betr.: Nord-Süd-Gipfel, hier: Treffen der Persönlichen Beauftragten der (westlichen) Regierungschefs in Washington am 25./26. September 1980”, Memorandum from Fritz Fischer to Willy Brandt, 2 October 1980, Box 2, Nord-Süd-Kommission, AdsD of the Friedrich-Ebert-Stiftung, Bonn.

⁴² Letter from Brandt and Ramphal to the Heads of State and Government invited to the Cancún summit, 11 September 1981, Box 3, Nord-Süd-Kommission, AdsD of the Friedrich-Ebert-Stiftung, Bonn.

global trade and increase domestic and international private investment play an even more important role in many countries". The President added that "the best hope to defeat protectionism and to continue the trade liberalization process" was offered by the GATT negotiations, thus implicitly expressing his dislike of UNCTAD and other UN institutions⁴³.

The Reagan administration advocated deregulation, liberalisation, and privatisation at home and abroad. Highly critical of multilateral mechanisms, it also preferred a bilateral approach in international politics. In short, the USA considered the Brandt Report recommendations to be irrelevant. In the time that followed, its ideas "were placed unequivocally at the bottom of the international agenda" (Thérien, 2005, p. 39).

AN IDEOLOGICAL DIVIDE: BRANDT'S SHARP CRITIQUE OF REAGAN'S POLICIES

Willy Brandt and his fellow members on the North-South Commission considered Ronald Reagan's domestic and foreign policies the main culprit for the worsening of the global economic and financial crisis in the early 1980s. The second Brandt Report (Brandt Commission, 1983), published in 1983, represented an updated emergency programme, and devoted special attention to institutional reforms in the World Bank and the IMF. With unmistakable echoes of Franklin D. Roosevelt's New Deal against the Great Depression 50 years earlier, the Keynesian-influenced proposals of the first report on stimulating the global economy were further intensified. The new report especially condemned the USA's excessive military spending, which caused record deficits in the federal budget. These deficits, in turn, contributed to record interest rates around the globe, exceeding 20% in the USA in 1982, which led to many developing countries, particularly in Latin America, incurring gigantic debts.

As a result of the combination of exploding debt service obligations and decreasing development aid, in net result, the "Third World" transferred more capital to the industrialised nations than it received from them. In Brandt's view, the rise of poverty worldwide thus resulted largely from the Superpowers' arms race in the renewed Cold War and from their export of the East-West conflict to developing countries, in particular to Central America and Africa. Time and time again, and with growing anger, he condemned what he saw as the correlation between military expenditure and hunger⁴⁴.

Willy Brandt's disapproval of US development policy reached its peak in 1984, when the Reagan administration unilaterally decided to reduce its payments to the International Development Agency (IDA), an affiliate of the World Bank designed to lend money to the poorest countries on particularly favourable terms. He unsuccessfully called on Reagan to revise the decision. Brandt also failed in an appeal to other G7 nations, in particular West Germany and Japan, to compensate for the US cuts⁴⁵.

The divide between the President of the Socialist International, and the US administration grew even wider with Willy Brandt's three-week trip to Latin America in

⁴³ Letter from Reagan to Brandt, 4 November 1981, Box 3, Nord-Süd-Kommission, AdsD of the Friedrich-Ebert-Stiftung, Bonn.

⁴⁴ This is the guiding theme of Brandt's book *Der organisierte Wahnsinn. Wettrüsten und Weltbunger*, published in 1985. For the English version, cf. Brandt (1986).

⁴⁵ Brandt, in close cooperation with Heath and Ramphal, exchanged letters on the IDA replenishment issue with Reagan and another 26 Heads of State and Government (Box 6, A 14, WBA, AdsD of the Friedrich-Ebert-Stiftung, Bonn).

October 1984, which included visits to Nicaragua and Cuba. During this trip, he called for a “New Bretton Woods” that would enable better coordination of economic and financial policies worldwide. For immediate relief, he suggested a cap on interest rates, a debt moratorium for the weakest countries, a ceiling on foreign debt service, and a social clause concerning a minimum standard of living. Brandt wanted the western Europeans to lead the way in helping to prevent Latin America from being destroyed by the debt crisis. The European Community should self-confidently use its increased economic power to set a good example in development cooperation, without waiting for the USA or the USSR. Europe, Brandt said, had to accept a new role “more in keeping with its current weight in the world economy and in today’s multipolar world. [...] It is time we began to speak with one voice”⁴⁶.

These proposals were aimed against the highly controversial “Structural Adjustment Programs” (SAPs) of the World Bank and the IMF, which eagerly followed the US Treasury Department’s neoliberal and monetarist prescriptions (Babb, 2009, pp. 77-91). The “Washington Consensus” pressured developing countries to implement free-market and export-oriented reforms, as well as to put in place austerity measures in return for emergency loans. In many cases, the SAPs exacerbated the crises in the indebted countries instead of easing them. For numerous nations in Africa and in Latin America, the 1980s turned out to be “a lost decade” for their development.

Willy Brandt did not merely declare monetarism a failure. His criticism of World Bank and IMF policies also contained an element of disagreement in principle. The way he saw it, the question “free market economy or centrally planned economy” was inapplicable to the developing countries because they either wanted a “third way”, or did not meet the requirements of a market economy. And he always underscored that under no circumstances was the West to impose its own economic model on the developing countries⁴⁷.

In 1985, Brandt even expressed the opinion that “the old post-war model of growth and recovery is finished”. In addition, he joined the call for a “recovery of growth through redistribution [...] accompanied by a fundamental restructuring of the ownership and traditional pattern of resource allocation”, and acceded to the demand that the “New International Economic Order, NIEO, must be progressively implemented” (Brandt, Manley, 1985, pp. 15-9).

Yet, at that time, the idea of a unified “Third World” was virtually dead. The G77 never achieved the status of a political and economic power united in solidarity that its leaders had envisioned in the 1970s and that Brandt had assumed the “Third World” would eventually attain in international politics. Additionally, the countries of the Global South chose very different roads to their development. Brandt did not overlook the fact that a number of eastern Asian States with an economic policy strongly oriented towards exports achieved high growth rates in the 1980s. Nonetheless, he did not believe that these strategies could simply be transferred to other regions of the world, and remained doubtful about development policy recipes that relied exclusively on the western model of market economy. In his opinion, “the various forms of supply-side policy triggered a ruthless competition between the industrialized nations for regional and international competitive

⁴⁶ Cf. the manuscript “Address by Willy Brandt before the Colegio de Mexico, Mexico City, October 18th, 1984”, 10. Box 43, A 11.10, WBA, AdsD of the Friedrich-Ebert-Stiftung, Bonn.

⁴⁷ Cf., for example, Brandt’s interview with the radio station *Deutschlandfunk* of 2 July 1978, in *Sozialdemokraten Service Presse Funk* TV, no. 318/78, available at: <http://library.fes.de/cgi-bin/digibert.pl?id=013683&dok=24/013683>.

advantages”, and also had the consequence that “the North-South relationship was characterized by an atavistic ‘Social Darwinism’”⁴⁸. “Third World” rhetoric, scepticism towards the western economic model, sympathies for a “third way” between capitalism and communism, post-materialist notions: over the course of the 1980s, Brandt advocated a concept that was at total odds with what the USA, especially during the Reagan era, stood for, and firmly believed in.

THE FAILURE OF BRANDT’S “CANCÚN II INITIATIVE” IN 1989

Towards the end of the 1980s, however, Willy Brandt also felt support for his ideas. In 1987, the World Commission on Environment and Development set up by the UN under the leadership of the Norwegian Prime Minister Gro Harlem Brundtland presented its report *Our Common Future*, which coined the term “sustainable development” (World Commission on Environment and Development, 1987). The Brundtland Commission explicitly tied in with the idea of common interests advocated by the Brandt Report, as well as the concept of “common security” developed in 1982 by the Commission on Disarmament and Security headed by Olof Palme.

The “new thinking” that began in the USSR when Mikhail Gorbachev took office in 1985 also sounded promising to Brandt. In a conversation with the Soviet President that took place in the Kremlin on 5 April 1988, he noted with pleasure how much Gorbachev was interested in development policy and global environmental issues. This meeting gave the decisive impetus for a new North-South initiative that had been on the elder statesman’s mind since a conversation with the Indian Prime Minister Indira Gandhi in 1984⁴⁹.

In early 1989, Willy Brandt suggested the new US President George Bush and the Soviet President Mikhail Gorbachev convene a North-South summit along the lines of the Cancún meeting, but this time with the USSR attending. With the Cold War coming to an end, Brandt believed that the situation was favourable for the multilateral dialogue and cross-bloc cooperation on global issues that he had envisioned for so long.

However, the Bush administration had no interest in this endeavour, and obviously was not very keen to hear what the Socialist International President and former German Chancellor had to say. Arriving at the White House on 3 March 1989 to personally deliver his letter to the US President, Willy Brandt actually had to spell his name to the doorman (Brandt, 2006, p. 95). Once inside, he was received not by George Bush but by Brent Scowcroft.

It was the National Security Adviser as well, not the President, who five months later officially replied to Brandt. In his letter, Scowcroft expressed doubt that a Cancún-type summit “would be the most effective way” to solve global problems. There already were “a number of mechanisms to promote international cooperation”, and those should be made to work better. Most notably, Scowcroft underscored that Governments throughout the developing world had “come to realize that economic development can best be achieved by economic reforms that give free rein to market forces”. Pointing to the “profound transformation of the postwar political landscape with political freedom and economic

⁴⁸ Cf. Brandt’s lecture at the Ruhr University in Bochum on 25 November 1988, in Brandt (2006, p. 457).

⁴⁹ Cf. Brandt’s letter of 12 June 1984 to the members of the North-South Commission, Box 6, A 14, WBA, AdsD of the Friedrich-Ebert-Stiftung, Bonn.

change proceeding” in many developing countries and in the communist world, Scowcroft made it clear that the US would continue to support “especially those countries pursuing strong market-oriented policies”⁵⁰.

On the verge of winning the East-West conflict in ideological and economic terms even in the “Third World”, the Bush administration could no longer see – if it ever had – anything to gain from the US-Soviet co-leadership for global governance that Willy Brandt still hoped for.

RESUME

The North-South conflict was certainly one of the greatest challenges Willy Brandt faced internationally. He always considered the fight against hunger and poverty, for peace and more justice in the world as a moral and human duty. The driving force behind the extraordinary commitment he showed from the mid-1970s onwards as Chairman of the North-South Commission was his conviction that the industrialised nations – and here above all the USA and its western allies, which were still the leading but challenged powers of the world economy – were reacting inadequately to the growing global security, economic, and environmental problems, as well as to the demands and needs of the developing countries.

The alternative concept advocated by Brandt, and reflected in the two reports of his commission in 1980 and 1983, emphasised the interdependence and the common interests of North and South, called for more development aid and less military expenditure, praised multilateralism within the UN framework, and followed the Keynesian model in economic policy, without wanting to impose a free market economy on the countries of the “Third World”, but allowing them to have a fair and better share in global trade. In essence, this approach represented a counter-model to the US policy. It came as a great disappointment to Brandt that his appeal to US Governments to take the lead for international reforms paving the way to an equal partnership of industrialised and developing countries was not heard in Washington. Under President Ronald Reagan, in particular, the USA massively increased its military expenditure and cut development assistance, intervened unilaterally in foreign countries and withdrew from UN institutions, and took protectionist measures and propagated a neoliberal/monetarist economic doctrine without consideration for the specific needs of other nations or for the damaging results of its own policies.

Even though hardly anything of the recommendations of the two Brandt Reports was implemented, and the 1980s were considered a “lost decade” for development policy, Willy Brandt achieved a great deal in terms of promoting his ideas: he was a mastermind of all aspects of globalisation, which includes not only purely economic issues, but also the political, social, and cultural dimensions. However, his impulses in the direction of global governance were only able to assert themselves and to come to fruition after the end of the East-West conflict in 1989-1990. In view of the many and varied global threats, it is now more necessary than ever to pursue the multilateral approach that he wanted to realise.

⁵⁰ Scowcroft’s letter to Brandt of 2 August 1989, Box 197, A 10.1, WBA, AdsD of the Friedrich-Ebert-Stiftung, Bonn.

REFERENCES

- BABB S. (2009), *Behind the Development Banks: Washington Politics, World Poverty, and the Wealth of Nations*, The University of Chicago Press, Chicago.
- BINI E., GARAVINI G., ROMERO F. (eds.) (2016), *Oil Shock. The 1973 Crisis and Its Economic Legacy*, I.B. Tauris, London.
- BRANDT COMMISSION (1983), *Common Crisis North-South: Cooperation for World Recovery*, The MIT Press, Cambridge.
- BRANDT W. (1976), *Begegnungen und Einsichten. Die Jahre 1960-1975*, Hoffmann & Campe, Hamburg.
- BRANDT W. (1986), *Arms and Hunger*, Pantheon Books, New York.
- BRANDT W. (2003), *Die Entspannung unzerstörbar machen. Internationale Beziehungen und deutsche Frage 1974-1982*, introduced and annotated by Fischer, F., Berliner Ausgabe, vol. 9, Dietz, Bonn.
- BRANDT W. (2006), *Über Europa hinaus: Dritte Welt und Sozialistische Internationale*, introduced and annotated by Rother, B. and Schmidt, W., Berliner Ausgabe, vol. 8, Dietz, Bonn.
- BRANDT W., MANLEY M. (1985), "Introduction", in W. Brandt, M. Manley, Socialist International Committee on Economic Policy, *Global Challenge – From Crisis to Cooperation: Breaking the North-South Stalemate. Report of the Socialist International Committee on Economic Policy*, Pan Books, London-Sidney, pp. 15-9.
- BUZDUGAN S., PAYNE A. (2016), *The Long Battle for Global Governance*, Routledge, London, New York.
- DAS GUPTA A., GEIGER T., SZATKOWSKI T. (2011), *Akten zur Auswärtigen Politik der Bundesrepublik Deutschland (AAPD) 1980*, vol. 1, Oldenbourg, München.
- DIETRICH C. R. W. (2017), *Oil Revolution. Anticolonial Elites, Sovereign Rights, and the Economic Culture of Decolonization*, Cambridge University Press, Cambridge.
- EPPLER E. (1996), *Komplettes Stückwerk. Erfahrungen aus fünfzig Jahren Politik*, Insel, Frankfurt a.M.-Leipzig.
- GRAF R. (2018), *Oil and Sovereignty: Petro-Knowledge and Energy Policy in the United States and Western Europe in the 1970s*, Berghahn Books, New York.
- GRAHAM K. (1997), *Personal History*, Alfred A. Knopf, Newark, NJ.
- HAYTER T. (1981), *The Creation of World Poverty. An Alternative View to the Brandt Report*, Pluto Press, London.
- HOWARD M., RASMUSSEN K. B. (eds.) (2013), *Foreign Relations of the United States (FRUS)*, 1977-1980, vol. 3, "Foreign Economic Policy", U.S. Government Printing Office, Washington, DC.
- ICIDI (INDEPENDENT COMMISSION ON INTERNATIONAL DEVELOPMENT ISSUES) (1980), *North-South: A Program for Survival. The Report of the Independent Commission on International Development Issues under the Chairmanship of Willy Brandt*, The MIT Press, Cambridge.
- LEVINSON M. (2016), *An Extraordinary Time: The End of the Postwar Boom and the Return of the Ordinary Economy*, Basic Books, New York.
- MIARD-DELACROIX H. (2016), *Willy Brandt. Life of a Statesman*, trans. by Isabelle Chaize, I.B. Tauris, London-New York.
- MICHEL J. (2010), *Willy Brandts Amerikabild und -politik 1933-1992*, V&R unipress, Göttingen.
- PEARSON L. B., COMMISSION ON INTERNATIONAL DEVELOPMENT WORLD BANK (1969), *Partners in Development: Report of the Commission on International Development*, Pall Mall Press, London.
- PRESIDENTIAL COMMISSION ON WORLD HUNGER (1980), *Overcoming World Hunger: The Challenge ahead*, U.S. Government Printing Office, Washington, DC.
- SCHMIDT W. (2003), *Die Wurzeln der Entspannung. Der konzeptionelle Ursprung der Ost- und Deutschlandpolitik Willy Brandts in den fünfziger Jahren*, "Vierteljahrshefte für Zeitgeschichte", 51, 4, pp. 521-63.
- SØGAARD PEDERSEN V., GEBERT P. (1985), *The Brandt Report as a Development Strategy*, "Cooperation and Conflict", 20, 1, pp. 41-57.
- TASCHLER D., HILFRICH F., PLOETZ M. (eds.) (2005), *Akten zur Auswärtigen Politik der Bundesrepublik Deutschland (AAPD) 1974*, vol. 1, Oldenbourg, München.
- THÉRIEN J. P. (2005), *The Brandt Commission: The End of an Era in North-South Politics*, in A. Cooper, J. English, R. Thakur, *International Commissions and the Power of Ideas*, United Nations University Press, Tokyo, pp. 27-45.
- VOIGT S. (ed.) (forthcoming), *Since the Boom. Continuity and Change in the Western Industrialized World after 1970*, University of Toronto Press, Toronto.
- VON HAYEK F. A. (1981), *The Flaws in the Brandt Report*, "The Times", 9 January.

WILKINSON P. (2007), *International Relations. A Very Short Introduction*, Oxford University Press, New York.

WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT (1987), *Our Common Future*, Oxford University Press, Oxford.

