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Socialist Globalization against Capitalist Neocolonialism: The Economic Ideas behind the New International Economic Order

> This conference must also establish in plain terms the right of all peoples to unrestricted freedom of trade, and the obligation of all states signatories of the agreement emanating from the conference to refrain from restraining trade in any manner, direct or indirect.
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> —Ernesto Che Guevara, speech delivered March 25, 1964, at the plenary session of the United Nations Conference on Trade and Development[1]

Much globalization scholarship assumes that the United States and other advanced industrialized capitalist countries are the primary agents of globalization. Meanwhile, in spite of nonaligned and socialist countries' historical claims to internationalism, scholars have often presented Third World countries primarily as passive victims of globalization and socialist countries as autarkic and thus isolated from the rest of the world until the 1990s.[2] Both supporters and critics of globalization have equated economic globalization with capitalism and specifically neoliberal capitalism.[3] This would make it difficult to understand Che Guevara's statement above. Such scholars have also pointed to alternative globalizations, grassroots movements opposed to neoliberal capitalism, but these movements have been understood more as political protest movements than as producing economic globalization.[4] However, if we examine economic globalization more closely and from the perspective of Second and Third World institutions, we can see that the Non-Aligned Movement, the Second World, and the Third World more broadly worked hard to create a global economy in the face of active resistance by the United States and other current and former colonial powers, which sought to maintain the economic status quo of the colonial system. Only later, in the 1980s and 1990s, after the defeat of Second and Third World internationalism, could the United States and other core capitalist countries coopt and exploit the emergent global economy for their own benefit and appear as agents, rather than enemies, of globalization.

In this essay, I explore one of the centers of global economic thought and policy for the New International Economic Order (NIEO): the United Nations Conference on Trade and Development (UNCTAD). In 1964, the first UNCTAD conference took place in Geneva, Switzerland, bringing together over four thousand representatives, including Che Guevara, from 120 countries. In contrast to the Bretton Woods institutions, UNCTAD included, on an equal basis, all nation-states recognized by the UN; focused on the trade and development problems of the Third World; worked against colonialism; and worked toward what Raúl Prebisch, the famous Argentinian economist and UNCTAD's first secretary-general, already in 1963 called a "new international economic order."[5] To explore the economic ideas of UNCTAD, I use both the official proceedings of UNCTAD's first meeting in 1964 and documents from the UNCTAD archives in Geneva and New York City.

In several ways, the economic ideas of UNCTAD are surprising. First, they appear neoliberal. From the start, UNCTAD called for "the liberalization of trade," "structural adjustment," "export-oriented production," "markets," and increased financial flows. I demonstrate here, however, that UNCTAD staff understood these policies as integral to socialism. Second, the vision of UNCTAD was global. Popular writers such as Thomas Friedman present globalization as already realizing a "flat" world, a global economy as a relatively level playing field with an unobstructed, worldwide flow of money, goods, and services.[6] In practice, as almost every scholar would agree, the so-called global economy today is a profoundly uneven terrain of resources and power, more neocolonial and American-dominated than global in any real sense.[7] In this essay, I show that globalization has not been an inevitable force, as often imagined in globalization rhetoric, but rather that UNCTAD, the Second World, and the Third World had to work together to forge the global economy in the face of continual resistance from the advanced industrialized, capitalist countries of the First World. I call the economic institutions and policies advocated by UNCTAD "socialist globalization." They provided the basis for the economic policies of the NIEO and the basis for an emergent global economy. As I briefly discuss in the conclusion, this emergent global economy set into motion a crisis of inclusion, which allowed the United States and other capitalist core countries to take advantage of the emergent global economy and the globalizing discourse to reinstate an international colonial economy in a new form.

Postwar Capitalist Neocolonialism

U.S. government officials and business elites have long presented the United States as an advocate of free trade, free markets, and, in more recent terms, economic globalization. They have attacked the preferential trading systems of the European colonial powers, while simultaneously mobilizing the very economic tools of colonialism, especially bilateral trade relationships and protectionism, to jockey for position within a neocolonial world system. The U.S. government and business elites have imposed free trade on others, while developing new ways to protect the U.S. economy, as a means to undermine colonial systems in the hope of becoming the dominant metropole.[8]

For example, in 1946, the U.S. government submitted a resolution to the United Nations to convene a Conference on Trade and Employment, which was understood as forging a multilateral system of free trade. The conference took place in Havana and resulted in the Havana Charter in 1948, which would have created an International Trade Organization (ITO). At the conference in Havana, in which the Charter was negotiated, the governments of former colonies, especially those in Latin America, attacked the Charter for helping the former colonial powers at the expense of the former colonies and made more than eight hundred proposals for changes.[9] Even though the signed Havana Charter sustained current U.S. agricultural subsidies and textile quotas (understood as a temporary measure) and allowed the United States and the European colonial powers to maintain their trade preferences with their current and former colonies, the U.S. Congress refused to ratify the treaty, which led to its abandonment.[10] In its analysis of the Havana Charter, the Brookings Institution argued, "The United States would be required merely to bring its own practices into greater harmony with the principles of commercial policy often proclaimed and recommended to other countries."[11] Given its interests in the current system reorganized to support American interests, the U.S. Congress could not do this and thus rejected the global system of the ITO.[12] U.S. trade representatives could gain support for the much more narrow General Agreement on Tariffs and Trade (GATT), which was signed a month before the Havana conference began and remained in force from 1948 to 1995.[13] The GATT limited the discussion of international trade to reducing tariffs—negative measures—and ignored the positive measures that the socialist and developing worlds sought in order to eradicate colonialism and build a new international economic order.

As the Cold War developed, the U.S. government further institutionalized its antipathy toward economic globalization. With the Export Control Act of 1949, the United States implemented an embargo of any items that might support the Soviet military, Soviet war powers, and, more generally, the further development of the Soviet economy.[14] The United States required European countries receiving U.S. assistance to participate in the embargo. From 1949 to 1994, the Coordinating Committee for Multilateral Export Controls (COCOM) formed a multilateral export control system, which had a common list of commodities under various levels of control. Furthermore, the U.S. government also rejected imports from socialist countries. The 1962 Trade Expansion Act, for example, sought "to prevent Communist economic penetration" by maintaining duties and import restrictions on "products, whether imported directly or indirectly, of any country or area dominated or control by Communism."[15] These laws made global trade movements impossible.

W. W. Rostow's ideas reflected the antiglobal thinking of American elites. Rostow developed his now-infamous stages-of-growth model, which demonstrated how all societies lie on a linear path with five stages that move from the traditional society to the preconditions for take-off, and from take-off to the drive to maturity, ending with the age of high mass consumption.[16] Nils Gilman has demonstrated how modernization theorists like Rostow envisioned the United States as the model high mass-consumption country and assumed that all countries would rationally converge toward the American model, thus presenting U.S. interests as universal interests. In the meantime, countries should not turn toward socialism or jump to "the age of high mass-consumption" before they were ready.[17] Rather, they should progressively develop toward self-government and support the further development of high-mass-consumption states, so that they may eventually hand off their low technology industries to the Third World.[18] Rostow thus advocated a U.S.-dominated neocolonial world economy. Furthermore, the model contradictorily assumed not only state action to assist movement along the linear development path but also an evolutionary process ensuring that movement along this path was inevitable and should not be unnaturally accelerated.

U.S. government and business elites supported neither free trade nor globalization imagined as a level playing field with flows moving evenly around the globe. Instead, they supported the international neocolonial system through the GATT, while using the rhetoric of free trade and modernization to support U.S. national interests.

The Economic Ideas of UNCTAD

UNCTAD's first secretary-general, Raúl Prebisch, is widely known as a supporter of protectionism and import substitution, a policy of replacing imports with domestically made items in order to encourage domestic industries.[19] During his tenure as secretary-general from 1964 to 1969, Prebisch played a central role in creating UNCTAD's strategy. One might assume, then, that UNCTAD advocated such polices, and state intervention more generally, in opposition to free trade and free markets.[20] By the 1960s, Prebisch was, in fact, a vocal critic of national import substitution and protectionism. In a 1963 meeting, he had even argued against import substitution to Rostow, who told Prebisch that UNCTAD was on the wrong track altogether, and that Latin American countries in particular should rely *more* on import substitution and work on "remedying their own internal deficiencies."[21] In 1970, Rostow reiterated his argument that import substitution is necessary for the "take off" of economies of the Third World.[22] In the same year, Prebisch wrote, "There is room for grave doubts as to whether the substitution process can, as before, be carried out to any considerable extent on national bases."[23] Prebisch, in fact, supported free trade, markets, and structural adjustment, as part of an integrated strategy, or what he called "convergent measures," to realize a new international economic order.[24]

From its very beginnings, UNCTAD advocated the "liberalization" of trade.[25] As this essay's epigraph indicates, in 1964 Che Guevara called on the UNCTAD members "to refrain from restraining trade in any manner, direct or indirect."[26] Most of the concern was with the obstacles—both tariff and nontariff barriers—to entry into the markets of the developed countries, as well as the embargoes against exports to, and imports from, the socialist world.[27] Yet liberalization of trade required not only negative actions, such as the removal of obstacles, but also positive actions to make free trade possible. State officials wrote to UNCTAD asking for assistance in establishing trade relations with other countries. For example, in 1969, the Philippine Mission wrote to UNCTAD asking for data on trade between developing countries and socialist countries of Eastern Europe, "particularly a list of the countries in these two groups which conduct direct trade between them even without consular or diplomatic relations, as well as the arrangements used in lieu of such relations."[28] While socialist and nonsocialist countries sought to trade with each other, this trade was difficult given both a lack of historical experience trading with each other and a lack of legal knowledge about the different systems involved. From 1964, UNCTAD worked "to promote international trade . . . particularly trade between countries at different stages of development, between developing countries and between countries with different systems of economic and social organization," to initiate action for multilateral legal instruments in trade, and to be a center "for harmonizing the trade and related development policies of Governments and regional economic groupings."[29] While it may sound paradoxical, a laissez-faire approach to free trade would merely strengthen existing trade networks. Truly global free trade required assistance on many levels, from the national to the regional, interregional, and international.

In 1950, Prebisch and Hans Singer, who also worked at UNCTAD, independently developed the theory of the deteriorating terms of trade, now famous as the Singer-Prebisch thesis. In classical economic theory, Malthus argued that expanding populations would make raw materials scarcer and more expensive, thus increasing their prices relative to manufactured products. These increasing terms of trade meant that colonialism was economically necessary. In contrast, as Singer later explained, raw material prices would decrease, such that colonialism would no longer be economically necessary and the colonial powers could simply maintain noncolonial trade relations with the former colonies. The deteriorating terms of trade for raw materials also meant that former colonies should move beyond colonialism's imposition of single-commodity economies (such as those based only on coffee or sugar) and diversify their economies with manufacturing, services, and other raw material production.[30]

Throughout the official documents of its first meeting, UNCTAD called for "structural adjustment," "structural readjustment," and, generally, "adjustments" to various "structures" to make the terms of trade beneficial for all countries. Today, structural adjustment is commonly and quite correctly understood as part of the Washington Consensus, in which the World Bank and the IMF have required highly indebted countries to implement a range of reforms—such as privatization, trade liberalization, and austerity—to pay back their loans to the advanced capitalist world. However, from its start in 1964, UNCTAD officials assumed that *all* countries had to undergo structural adjustment. Since developing countries would industrialize and diversify their economies, and thus undertake structural adjustments, the developed countries had to change—thus adjust—the structure of their economies to allow for structural adjustment in the developing economies. The fifth general principle listed in the Final Act of the 1964 UNCTAD conference stated, "Developed countries should assist the developing countries in their efforts to speed up their economic and social progress, should cooperate in measures taken by developing countries for diversifying their economies, and *should encourage appropriate adjustments in their own economies* to this end."[31] These structural adjustments to developing and developed economies required "a modified international division of labor, which is more rational and equitable and is accompanied by the necessary adjustments in world production and trade" in the hope of returning the world economy to equilibrium and helping the 1960s Development Decade reach its growth goals.[32] Socialist countries also supported the "deliberate progressive *restructuring of the international division of labour*" between socialist and developing countries, "*adjustment policies*" implemented in socialist countries themselves, and the effort by developing countries "to *promote exports*" especially to the socialist world.[33] According to UNCTAD's preamble, "The task of development, which implies a complex of structural changes in the economic and social environment in which men live, is for the benefit of the people as a whole," which meant that evolution within existing structures would never benefit all people.[34]

The adjustment of the very structure of economies—national and world—was necessary.

UNCTAD envisioned an integrated system of institutions, related to production, markets, trade, and finance, to realize this new structure. In the colonial world economy, goods and services flowed between the colonies and their respective metropoles, while rarely moving among colonies. In this colonial bilateral relationship, colonies provided raw materials for production processes that often took place in the core industrial countries. UNCTAD advocated creating a system of postcolonial multilateral, as opposed to colonial bilateral, institutions and rules. Multilateral institutions and rules promised increased transparency, at least to the negotiators, and universality, as opposed to ad hoc bilateral decisions. The World Bank and IMF also work multilaterally, but they can by statute only work with individual countries, reflecting Rostow's view of individual countries moving autonomously along the slow modernization path. In contrast, UNCTAD thought in relational terms, seeking to build channels between countries worldwide. One of UNCTAD's most important programs was its Economic Cooperation among Developing Countries (ECDC), which supported south-south cooperation at the regional, subregional, and interregional levels. These attempts to build global ties, as opposed to bilateral neocolonial ties, required a great deal of effort.

Structural adjustment meant the reorganization of production and services worldwide. Most immediately, UNCTAD gave priority to commodity agreements in tin, coffee, tea, and other goods to stabilize commodity prices multilaterally. Commodity production would be just one part of the worldwide expansion of export production encouraged by UNCTAD.[35] UNCTAD also called for the movement of industry from the global north to the global south: "UNCTAD is deeply interested in the problem of a dynamic international division of labor, particularly with reference to the reallocation of certain industries or processes in favor of the developing countries, taking into account their comparative advantage in these industries and processes."[36] Structural adjustment also required the creation of new production facilities through south-south industrial cooperation. This economic cooperation could mean creating new joint ventures to produce multinationally among developing countries and increase exports. Prebisch supported increasing export-oriented production and import substitution at the regional, subregional, and interregional levels, not at the national level:

> There are no alternatives but to promote the intensive growth of industrial exports to the rest of the world and to pursue import-substitution policy much more energetically than in the past. In my own view, however, given existing conditions in Latin America, this substitution policy would have to be resolutely founded on regional and subregional integration of basic industries.[37]

By producing and selling to each other, developing countries would move away from colonial dependence on the metropole and create a more global form of interdependence and collective self-reliance. None of this "collective self-reliance" was spontaneous but rather required a great deal of work; none of this "collective self-reliance" was isolationist but rather required cooperation, in particular, among postcolonial states.

Structural adjustment also required the creation of new markets for these produced goods and services. UNCTAD's vision of a new international economic order was based on markets. Prebisch did not promote state intervention and reject markets; he rejected a laissez-faire, evolutionary approach to the economy. The concepts of "state intervention" and "market failure" do not capture Prebisch's and UNCTAD's approach. Prebisch and others clearly understood that markets did not form spontaneously, especially in former colonies with single-commodity economies and minimal consumer markets in competition with the economic strength of the former colonial powers, but rather required concerted effort at the national, regional, and international levels. To create a new international economic order, markets required the fundamental reorganization of the economic structures of the world. Prebisch argued, "Strategy and planning are not incompatible with the market mechanism, which cannot be effective if it is founded on structural bases that are inimical to the expanding operation of the economy's dynamic forces."[38] For Prebisch and others at UNCTAD, the choice was not between planning and the market: both were essential. There was no global market to be against; they had to build it. And these postcolonial markets were free markets, liberated from the colonial and neocolonial structures and obstacles in their way. In place of laissez-faire and evolutionary polices, the Third World needed global structural adjustment, trade liberalization, and markets.

UNCTAD sought structural adjustment to create and expand "multinational markets." Postcolonial export-oriented economies could rely on each other, by producing together and trading with each other: "regional industrialization programs and creation of market free of trade barriers must not be considered separately."[39] Developing countries formed regional trading blocs, which sought to end tariffs within regions and build regional markets for goods:

Some Preferential Trading Arrangements as of 1989
Latin American Free Trade Association (LAFTA), 1960
Central American Common Market (CACM), June 1961
Central African Customs and Economic Union (UNDEAC), December 1964
Caribbean Free Trade Association (CARIFTA), May 1967
Association of South-East Asian Nations (ASEAN), August 1967
Andean Group, May 1969
West African Economic Community (CEAO), May 1973
Caribbean Community (CARICOM), July 1973
Mano River Union (MRU), October 1973
Economic Community of West African States (ECOWAS), May 1975
Economic Community of the Great Lakes Countries (CEPGL), September 1976
Southern African Development Co-ordination Conference (SADCC), July 1979
Latin American Integration Association (ALADI), 1980
Co-operation Council for Arab States of the Gulf (GCC), May 1981

Organization of Eastern Caribbean States (OECS), continuation of former Eastern Caribbean Common Market (ECCM), 1981
Preferential Trade Area for Eastern and Southern African States (PTA), June 1982
Economic Community of Central African States (CEEAC), 1983
Arab Co-operation Council (ACC), February 16, 1989
Arab Maghreb Union (AMU), February 17, 1989[40]

Developing countries also sought new interregional markets, such that, for example, Yugoslavia, India, and Egypt formally developed trade with one another and aimed to include a wide range of other nonaligned countries. To build these markets, multilateral institutions were required to inform others of the products of potentially new trading partners. These new markets with new demands would, it was hoped, restructure and break down colonial world economies.

To create a new international economic order that connected former colonies with one another, developing countries had to build a new infrastructure for horizontal trade channels. Immediately, UNCTAD supported the formation of multinational shipping companies, such as the Arab Shipping Line and the East African National Shipping Line owned by the governments of developing countries, as well as Shippers' Councils to allow for negotiation of prices.[41] These new shipping companies were intended both to lower the costs of shipping and to transport goods to more countries than before. In addition, UNCTAD advocated for special rights for land-locked countries, including free access to neighboring countries' ports, thus allowing for new development of their economies.[42] UNCTAD also supported other forms of transportation to expand trade. In 1973, for example, UNCTAD sent to East and Central Africa an interregional advisor from its Division for Trade Expansion and Economic Integration among Developing Countries. This advisor visited the East African Community (EAC), which sought help "fostering intra-African trade between the E.A. Community and francophone, as well as anglophone, countries of Africa." The EAC also sought help with opportunities related to the Trans-African Highway, such as a long-distance, multinationally owned passenger bus service and a multinationally owned trucking service.[43] These horizontal channels connecting developing countries to one another began to forge a new international economic order.

To realize a new international economic order, finance had to depart from colonial pathways and flow in non- or postcolonial directions worldwide. The preamble of the 1964 meeting immediately recognized "the severe burden" that external debt and service payments placed on developing countries.[44] Increasing numbers of countries sought to renegotiate their debt. Between 1956 and 1968, eight countries—Argentina, Brazil, Chile, Ghana, India, Indonesia, Peru, and Turkey—had undertaken multilateral debt renegotiations, some multiple times.[45] By 1965, foreign private investment had shifted from core investment in the former colonies to investment within the core countries, primarily U.S. and European investments in each other. Earlier grants to developing countries declined greatly in this period.[46] Without medium- and long-term financing, developing countries had to turn to short-term export credits, loans used to pre-pay exporters for their goods, which made up the majority of indebtedness.[47] UNCTAD sought solutions to this growing problem.

As Simone Polillo has argued, financial innovation can serve as a vehicle through which financial inclusion becomes possible.[48] UNCTAD assisted in creating new financial institutions and mobilizing existing financial ones to extend and expand financial capital to the nonaligned world. While UNCTAD was headquartered in Geneva, it set up a New York City office to confer with Wall Street and Washington. UNCTAD supported the creation of regional clearinghouses with multilateral credits systems to reduce the use of convertible foreign exchange and lower costs otherwise involved in regular bilateral trade clearing:

Multilateral Clearing and Credit Arrangements

Central American Clearing House (CACH) 1961: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua

Latin American Integration Association (ALADI) 1965: Argentina, Bolivia, Brazil, Colombia, Chile, Dominican Republic, Ecuador, Mexico, Paraguay, Peru, Uruguay, Venezuela

Regional Cooperation for Development (RCD) 1967: Iran, Pakistan, Turkey

Asian Clearing Union (ACU) 1974: Bangladesh, Burma, India, Iran, Nepal, Pakistan, and Sri Lanka

West African Clearing Housing (WACH) 1975: Benin, Gambia, Ghana, Guinea, Guinea Bissau, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo, Upper Volta

Caribbean Community and Common Market (CARICOM) 1977: Barbados, Belize, East Caribbean Currency Authority, Guyana, Jamaica, Trinidad and Tobago

Great Lakes Economic Community (GLEC) 1978: Burundi, Rwanda, Zaire

Central African Clearing House (CACH) 1979: Cameroon, Central African Republic, Congo, Gabon, Zaire[49]

UNCTAD helped to develop multilateral export insurance and re-insurance, so that developing countries did not have to rely on the financial institutions of developed countries.[50]

To attract private investment, UNCTAD joined in the creation of new financial instruments. The Soviet Union arguably created the Eurocurrency market in the mid-1950s by moving its dollar deposits from U.S. banks to Soviet banks in Paris—the Banque Commerciale pour l'Europe du Nord, also known by its telex name "Eurobank"—and in London, Moscow Narodny Bank.[51] The Eurocurrency market, also called the Eurodollar market, is one of the origins of today's offshore banking and the international bond market. These dollar deposits became available for a wide range of investments, including socialist and nonaligned projects. Between 1974 and 1976, the Soviet Eurobank provided Eurocurrency loans to Algeria ($50 million), Brazil ($120 million), Egypt ($100 million), Gabon (20 million DM), Indonesia ($60 million), Iran ($40 million), Malaysia ($140 million), the Philippines ($200 million), Senegal ($20 million), Venezuela ($50 million), and Zaire ($100 million); and the Moscow Narodny Bank provided such loans to Brazil ($30 million), Iran ($10 million), Lebanon ($40 million), and other countries.[52] While Eurodollar markets were the primary channel for developing countries to obtain loans, over 80 percent of the total publicized Eurocredits went to only ten countries.[53] Therefore, banks like Moscow Narodny Bank and even BCCI, willing to loan to a broad range of developing countries, were particularly important to these countries.[54]

UNCTAD sought ways to expand these sources of finance and also explored the use of repayment of loans in kind or in local currency practiced by socialist and developing countries. For example, Soviet investment in a cotton-spinning mill in Uganda was paid back in cotton textiles.[55] UNCTAD also explored new forms of barter, called countertrade, in which the seller accepts goods, services, or other items in partial or full payment for the products. Further, UNCTAD explored new financial instruments, such as debt-equity swaps, as a way to reduce debt. In 1967, Indonesia renegotiated its debt and devised the first debt-equity swaps.[56] These swaps presented a way to increase FDI to the developing world.

UNCTAD supported the creation of an integrated series of institutions to forge a global economy. These institutions had to be deliberately created; otherwise, colonialism's pathways would remain in place. UNCTAD's integrated strategy of convergent policies was aimed at creating a new international economic order. From the outset, an essential element of UNCTAD's programs was the call to restructure *all* economies, those of colonizer and colonized. All economies would have to change to create a new international world order that worked in the interests of all nations, not just those of the colonizers. UNCTAD's strategy integrated trade liberalization, structural adjustment, export-oriented production, new markets, and new financial flows. However, even from the initial meeting in 1964, the United States, often on its own, voted against, or abstained from voting on, nearly every principle of UNCTAD.[57] Perceiving that an equal playing field threatened its interests, the United States did not support the global world envisioned by UNCTAD staff.[58]

Socialist Globalizations

Why should the economic ideas of UNCTAD be considered socialist? André Gunder Frank and Immanuel Wallerstein argued that the Non-Aligned Movement merely sought complete integration of the world into the capitalist world economy. Frank found the economic globalization conducted between the socialist east and the socialist or capitalist south as exploitative and counterrevolutionary. Wallerstein similarly judged the NIEO and the Non-Aligned Movement reformist and capitalist.[59] More recently, Arturo Escobar has characterized development economics, like that practiced within UNCTAD, as created by Americans and as supporting U.S. government interests:

> Indeed, the set of imperatives the United States faced after the war—the five imperatives mentioned earlier: to consolidate the core, find higher rates of profit abroad, secure control of raw materials, expand overseas markets for American products, and deploy a system of military tutelage—shaped the constitution of development economics.[60]

The United States did have these imperatives, but development economics primarily emerged from discussions among socialists from as far back as the 1920s and 1930s. UNCTAD's global and socialist visions come from within economics itself.

Mainstream neoclassical economists, ranging from socialist planners of the East Bloc to the Chicago School today, use a "social planner" model. According to Vilfredo Pareto, writing in 1896, economic equations describing the free market could, at least in theory, be used to plan an economy. Pareto found that an economy based on a free market and an economy based on central planning were mathematically equivalent.[61] Based on Pareto's work, economists developed the model of the "social planner," an imaginary benevolent representative for all of society, who has complete information about costs and preferences. Economists of all political stripes use this model to evaluate policies (cost-benefit analysis), to plan (economies, development planning for the IMF or World Bank, the military, corporations), or to transition to a new system (the transition to socialism, the transition to capitalism). When an economic system is in disequilibrium, as in the neocolonial world economy, the social planner could help the world jump to a new system in equilibrium.

The Nobel laureate Jan Tinbergen was one of the most important innovators of the social planner model—a central figure in development economics, an advocate for international economic integration, a lifelong socialist, and one of the most important economists for the UN.[62] While he developed the ideas of analyzing economic policy, Tinbergen was most interested in the optimal social order, a set of institutions that would maximize social welfare, which he took "to be identical with the mature socialist order."[63] Thus, for Tinbergen, the optimal economic system was a socialist system. The social planner might help restructure all economies and implement a "mature socialist order." One could imagine UNCTAD seeking to realize this integrated set of institutions immediately, not waiting for progression through stages as the United States and other colonial powers advocated but rather jumping to the optimal economic system of mature socialism that would maximize global welfare.

However, Raúl Prebisch, as well as other Latin American economists, had long condemned neoclassical economics.[64] They criticized neoclassical economists, whom they often labeled "monetarists," for advocating free trade and free markets without recognizing that unchanged social structures and power relations would merely maintain and strengthen the former colonial system. Without a big jump or push to a new (socialist) system through structural adjustment, global free trade and global free markets could not be realized. The UNCTAD staff saw the IMF, the World Bank, and the GATT as monetarists observing the world from the perspective of their most powerful members, the United States and, to a lesser extent, the European former colonial powers, which sought to maintain and strengthen the neocolonial system. UNCTAD staff understood themselves as working from the perspective of the Third World.

Prebisch embraced an emergent form of market socialism with roots in the 1920s and 1930s. As noted above, for Prebisch and others the choice was not between planning and the market: both were essential. They sought to build multinational markets, which were liberated from structures and obstacles in their way. In 1971, Prebisch admired how socialist countries such as Hungary had recently introduced markets and competition. In his mind, such market socialism would not lead to capitalism but was rather "a quest for a new modus operandi compatible with the collective ownership of the means of production."[65] Prebisch later wrote, "I therefore believe the time has come to search for a synthesis of both socialism and genuine economic liberalism."[66]

This fusion of socialism and economic liberalism came from the work of one of the most popular economists at the League of Nations, the Swedish economist Gustav Cassel.[67] In 1939, the British socialist and economist H. D. Dickinson wrote, "The beautiful systems of economic equilibrium described by Böhm-Bawerk, Wieser, Marshall, and Cassel are not descriptions of society as it is, but prophetic visions of a socialist economy of the future."[68] During the 1920s and 1930s, many neoclassical economists came to the conclusion that socialism in fact provided the necessary institutions—especially the eradication of private property—for the realization of perfect market competition as envisioned by neoclassical economists. Like other neoclassical economists, Cassel criticized the labor theory of value and the ideas of socialists more generally. After describing his model of an exchange economy, Cassel asserted:

> These principles would remain unchanged in any community which took over the control of production and reserved to itself the ownership of the material means of production. Such a community we call "Socialistic." The name indicates a self-contained exchange economy in which the entire production is conducted by and for the community itself through officials appointed for the purpose, and all the material means of production are the property of the community; but in which there is still freedom of work and consumption to the extent to which it is essential to an exchange economy. This definition does not, of course, apply to every economic order that has been described as "Socialist." It represents the theoretically simplest Socialist economy, a pure type.[69]

Cassel's neoclassical form of market socialism took the socialist world by storm. In general, this market socialism took the following form:

1. Collective ownership of the means of production by one or more of the following:
   a. Worker-owned and -managed firms
   b. Cooperatives
   c. State ownership of land and means of production (use through auction or lease)
2. Free markets (in occupation and consumption)
3. Redistribution of the surplus (lump-sum transfers or dividends)
4. Management by a central planner or nonstate worker self-management

Prebisch, like many other neoclassically trained economists, believed that economic liberalism worked perfectly well and, in fact, best with socialist institutions like worker self-managed firms and small-scale noncorporate companies, as well as with the radical structural adjustment of the international economic order, rather than the crisis-ridden, monopolistic nature of capitalism.[70]

UNCTAD officials assumed a form of socialism on an even more fundamental level. Addo and Shaw have suggested that decolonization and economic nationalism threatened capitalism, which requires unequal interdependency.[71] UNCTAD officials assumed a world in which all states were equal and had sovereignty, thus eliminating colonial or neocolonial dependence. They further assumed an interrelated global world and the need for cooperation and solidarity, in contrast to the isolated countries envisioned by Rostow, the World Bank, and the IMF. As a result, the policies of UNCTAD assumed a normative or anticipatory socialism within a truly interconnected global economy of free markets, the endless flow of trade, finance, and people, universal trade laws that apply to all, as well as universal participation, the end of corporations, and so on.[72] It was not clear how to get to this new world: through a social planner, through a revolutionary like Che, or through diplomatic agreement on multilateral laws? In any case, UNCTAD's vision of a truly global economy required a socialist restructuring of the existing neocolonial world system.

Conclusion

The Non-Aligned Movement, in cooperation with the socialist world, sought to break with the colonial world economies and their bilateral relations between colony and metropole. In place of these relations, they forged economic connections with a wide variety of countries, emphasizing cooperation and solidarity. UNCTAD helped to build this emergent, deeply interconnected global economy through such surprising means as free trade, structural adjustment, export-oriented production, market expansion, and financial flows. This strategy was not state-oriented as opposed to markets; rather, both were needed. UNCTAD's vision of economic globalization was built on socialist ideas rooted as far back as the 1920s and 1930s. Attempts by UNCTAD to create economic globalization faced continual U.S. resistance, especially through the GATT, the World Bank, the IMF, and the U.S. government itself. What we often call globalization—such as Americanization, neocolonialism, and neoliberal capitalism—is, in fact, not particularly global.

However, the expanded participation of the Second and Third Worlds in production, trade, finance, and consumption, as well as the increasing interconnections of this global economy itself, set into motion a crisis of inclusion.[73] By the 1980s, the long-lasting debt crisis provided the opportunity for neocolonial appropriation of the emergent global economy and the radical reinterpretation of economic ideas developed in places like UNCTAD. In 1986, the IMF established its structural adjustment facility explicitly for "the elimination of structural imbalances and rigidities in the economies of the poorer countries," thus assuming that only heavily indebted, poorer countries needed to adjust structurally.[74] Also in 1986, in its comments on UNCTAD's report titled "Protectionism and Structural Adjustment," the United States representative deleted a section stating that developed countries in particular should implement structural adjustment; in its place the representative wrote that structural adjustment should be implemented by

> allowing market-place decisions to proceed without interference with a view to facilitating the establishment of an efficient international division of labor . . . [and] examining the structural adjustment measures in the economies of the developing countries, which would facilitate the transition from import substitution to export promotion to take advantage of these market opportunities newly opened through trade negotiations and generalized systems of preferences.[75]

The United States' comment ignored the global economy that UNCTAD and others envisioned and reasserted Rostow's vision of modernization as a linear path of isolated countries within a slowly evolving neocolonial system. In the place of the emergent global economy, "the global factory," in which companies in the Second and Third Worlds are integrated into First World corporate networks of production, services, and finance, creates new forms of dependence. The south turned from multilateral global connections and from south-south collective self-reliance toward north-south bilateral agreements reminiscent of colonial bilateral relationships.[76] In such ways, the long-lasting debt crisis resulted in deglobalization and the reassertion of the colonial economies in a new form. Still, the economic globalization created by the concerted action of the Second and Third Worlds remains in some form that provides a basis from which to protest neoliberalism, neocolonialism, and the global factory.[77]

NOTES

1. Ernesto Che Guevara, "On Development," March 25, 1964 http://www.marxists.org/archive/guevara/1964/03/25.htm (accessed July 15, 2014).

2. For example, see Arturo Escobar, *Encountering Development: The Making and Unmaking of the Third World* (Princeton, NJ: Princeton University Press, 2012); and Robert K. Schaeffer, *Understanding Globalization: The Social Consequences of Political, Economic, and Environmental Change* (Lanham, MD: Rowman and Littlefield, 2009).

3. For supporters, see Jagdish Bhagwati, *In Defense of Globalization* (New York: Oxford University Press, 2004). For critics, see Walden F. Bello, *Deglobalization: Ideas for a New World Economy* (London: Zed Books, 2002); Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism* (New York: Picador, 2007); Philip McMichael, *Development and Social Change: A Global Perspective* (Thousand Oaks, CA: Sage Publications, 2012); and Leslie Sklair, *The Transnational Capitalist Class* (Oxford: Blackwell, 2001).

4. Donatella Della Porta and Sidney G. Tarrow, eds., *Transnational Protest and Global Activism, People, Passions, and Power* (Lanham, MD: Rowman and Littlefield, 2005); and Margaret E. Keck and Kathryn Sikkink, *Activists beyond Borders: Advocacy Networks in International Politics* (Ithaca, NY: Cornell University Press, 1998).

5. Prebisch's reference to the "new international economic order" is discussed in Edgar J. Dosman, *The Life and Times of Raúl Prebisch, 1901–1986* (Montreal: McGill-Queen's University Press, 2008), 429. See also UNCTAD, *Proceedings of the United Nations Conference on Trade and Development* (New York: United Nations, 1964–).

6. Thomas L. Friedman, *The World Is Flat: A Brief History of the Twenty-First Century* (New York: Farrar, Straus and Giroux, 2005).

7. Peter Dicken, *Global Shift: Mapping the Changing Contours of the World Economy* (New York: Guilford Press, 2011), and Saskia Sassen, *The Global City: New York, London, Tokyo* (Princeton, NJ: Princeton University Press, 2001). Friedman tellingly presents today's globalization, Globalization 3.0, as the continuation of imperialism, Globalization 1.0, and corporate-dominated capitalism, Globalization 2.0. Friedman, *The World Is Flat*, 9–10.

8. Clavin presents a similar view of the interwar period: "The American penchant for protection, offset only by the occasional bilateral agreement to reduce tariffs that eschewed the principle of unconditional most-favored-nation (MFN) status, flew in the face of its responsibilities as the world's banker." Patricia Clavin, *Securing the World Economy: The Reinvention of the League*

of Nations, 1920–1946 (Oxford: Oxford University Press, 2013), 43. While Chorev correctly argues that the U.S. government did not have a uniform view of foreign trade policy, this does not mean that segments of the government have had a global vision; rather parts of the U.S. government have had a neocolonial vision in opposition to the more isolationist Congress. On the new forms of protectionism, see Nitsan Chorev, *Remaking U.S. Trade Policy: From Protectionism to Globalization* (Ithaca, NY: Cornell University Press, 2007); Mark S. Manger, *Investing in Protection: The Politics of Preferential Trade Agreements between North and South* (Cambridge: Cambridge University Press, 2009); and Mark Mazower, *Governing the World: The History of an Idea* (New York: Penguin Press, 2012). Much recent scholarship has explored American attempts to take control of neoimperialism on a global scale, thus not creating a global economy but rather developing an international neocolonial economy. See David Harvey, *The New Imperialism* (New York: Oxford University Press, 2003); and Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Times* (Cambridge: Cambridge University Press, 2007).

9. Michael Hart, *Also Present at the Creation: Dana Wilgress and the United Nations Conference on Trade and Employment at Havana* (Ottawa: Centre for Trade Policy and Law, 1995), 44.

10. The WTO website states: "The ITO Charter was finally agreed in Havana in March 1948, but ratification in some national legislatures proved impossible. The most serious opposition was in the U.S. Congress, even though the U.S. government had been one of the driving forces. In 1950, the United States government announced that it would not seek Congressional ratification of the Havana Charter, and the ITO was effectively dead." "The GATT Years: From Havana to Marrakesh," http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact4_e.htm (accessed July 15, 2014).

11. William Adams Brown, *The United States and the Restoration of World Trade: An Analysis and Appraisal of the ITO Charter and the General Agreement on Tariffs and Trade* (Washington, DC: Brookings Institution, 1950), 353.

12. According to a member of the Canadian delegation's assessment, "The United States Delegation was handicapped by the needs of insisting upon freedom to use quantitative restrictions for the protection of agriculture under certain conditions . . . They were further prejudiced by their inability to agree to the renunciation of the right to use export subsidies under all circumstances." "Report of the Canadian Delegation to the United Nations Conference on Trade and Employment at Havana," in Hart, *Also Present*, 79.

13. Fewer countries took part in the GATT discussion, about half the countries involved in the Havana Charter, representing primarily the interests of the wealthier, industrialized countries, leaving the expanding number of newly independent former colonies and most socialist counties without effective influence on the GATT.

14. Michael Mastanduno, *Economic Containment: CoCom and the Politics of East-West Trade* (Ithaca, NY: Cornell University Press, 1992).

15. The Trading with the Enemy Act (1917) and Johnson Debt Default Act (1934) were also used to restrict trade with socialist countries.

16. W. W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (Cambridge: Cambridge University Press, 1960).

17. Nils Gilman, *Mandarins of the Future: Modernization Theory in Cold War America* (Baltimore: Johns Hopkins University Press, 2003), 100–103.

18. Dosman, *The Life and Times of Raúl Prebisch*, 396–97, and Mazower, *Governing the World*, 253.

19. Toye and Toye note: "Fifty years on, the mainstream economics literature still recognizes Raúl Prebisch as an advocate, a very powerful and important advocate, of import substituting industrialization as a development strategy for Latin America. So he was . . . There is something odd in the view that Prebisch's fame rests solely on his advocacy of ISI." For an example, see McMichael, *Development and Social Change*, 51–52. John Toye and Richard Toye, "Raúl Prebisch and the Limits of Industrialization," in *Raúl Prebisch: Power, Principle, and the Ethics of Development*, ed. Edgar J. Dosman (Buenos Aires: IDB-INTAL, 2006), 21.

20. One example of such an assumption about UNCTAD is John Toye and Richard Toye, *The UN and Global Political Economy: Trade, Finance, and Development* (Bloomington: Indiana University Press, 2004).

21. By 1956, Prebisch criticized protectionism, especially that practiced by Perón in Argentina. When Rostow recommended import substitution in 1963, Prebisch thought that Rostow was joking and asked if this was U.S. policy, which made Rostow angry. Rostow threateningly told Prebisch that developing countries should help the United States create new technologies, so that "old industries like textiles will gradually wither away on their own" and move production to the development countries. Prebisch told Rostow that import substitution in closed markets after the Great Depression had created great problems. Dosman, *The Life and Times of Raúl Prebisch*, 396–97. Prebisch's departure from import substitution is clear in his 1970 IDB report *Change and Development—Latin America's Great Task: Report Submitted to the Inter-American Development Bank* (1970; New York: Praeger, 1971).

22. W. W. Rostow, "The Past Quarter-Century as Economic History and the Tasks of International Economic Organization," *Journal of Economic History* 30, no. 1 (March 1970): 150–87.

23. Prebisch, *Change and Development*, 111.

24. United Nations Archives, S-0552-0043-0001, File: UNCTAD Registry—Trade and Development—Substantive Matters, Financing Related to Trade—Private Capital (Part I), November 27, 1967, Letter from Prebisch to Ralph I. Straus.

25. For example, UNCTAD, *Proceedings*, 1: 26, 27, 32, 41.

26. Guevara, "On Development."

27. In the 1968 Charter of Algiers, the G-77 made "trade liberalization" a priority, by which they first meant the opening of developed countries' markets, "unrestricted and duty-free access to the markets of all the developed countries for all manufactures and semi-manufactures from all developing countries." Group of 77 and United Nations Conference on Trade and Development, *Trends and Problems in World Trade and Development; Charter of Algiers* (Belgrade: Medunarodna štampa Interpress, 1968), 15.

28. United Nations Archives, UNCTAD fonds, Arr. 40/1929, Box 547, File: Trade with Socialist Countries, TD 810/1, February 10, 1969, Letter from Wilfreda V. Vega, Philippine Mission to the UN, to the Secretary General of UNCTAD.

29. UNCTAD, *Proceedings*, 1:15.

30. Raúl Prebisch, *The Economic Development of Latin America, and Its Principal Problems* (Lake Success, NY: United Nations, Department of Economic Affairs, 1950); H. W. Singer, "The Distribution of Gains between Investing and Borrowing Countries," *American Economic Review* 40, no. 2 (May 1950): 473–85; and Transcript of Interview of Hans W. Singer, ed. Richard Jolly, January 2, 2000, Columbia Center for Oral History.

31. UNCTAD, *Proceedings*, 1:10 (emphasis added).

32. The UN Development Decade had this goal: a minimum rate of growth of aggregate

national income of 5 percent per annum by 1970. UNCTAD, *Proceedings*, 1:3–4. According to Silva and Teixeira, economists understood that structural transformation was necessary for economic growth. Ester G. Silva and Aurora A.C. Teixeira, "Surveying Structural Change: Seminal Contributions and a Bibliometric Account," *Structural Change and Economic Dynamics* 19, no. 4 (December 2008): 273–300.

33. United Nations Archives, S-0552-0060-0002, File: UNCTAD Registry—Trade between Socialist Countries and Developing Countries (Part I), November 11, 1969, Letter from V. V. Mordvinov to J. Viteri de la Huerta, Special Assistant to the Secretary-General, Regarding the Pearson Report.

34. UNCTAD, *Proceedings*, 1:3.

35. UNCTAD, *Proceedings*, 1:8.

36. United Nations Archives, UNCTAD fonds, Arr. 40/1862, Box 436, File: Manufactures, TD 428, International Division of Labour, March 12, 1971, Letter from H. Stordel, Manufactures Division, to Tinbergen.

37. Prebisch, *Change and Development*, 106.

38. Ibid., 241.

39. "State that UNCTAD secretary general convinced achievement of multinational markets essential for coherent policy for development and as market basis for industrialization particularly . . . Important generally emphasize that regional industrialization programs and creation of market free of trade barriers must not be considered separately." United Nations Archives, UNCTAD fonds, Arr. 40/1862, Box 437, File: TD 451, Symposia on Industrialization, December 7, 1967, Telex from Eckenstein to Krishnamurti.

40. UNCTAD Secretariat, "Index of Economic Co-operation and Integration Groupings of Developing Countries: Membership and Objectives," December 12, 1990. TD/B/C.7/AC.3/3/Rev.1.

41. United Nations Archives, S-0552-0024-0001, File: UNCTAD Registry, Technical Assistance Activities, February 29, 1972–July 26, 1973.

42. UNCTAD, *Proceedings*, 1:11.

43. United Nations Archives, S-0552-0024-0001, UNCTAD fonds, File: Technical Assistance Activities, February 29, 1972–July 26, 1973, July 25, 1973, "Report of Mission to East and Central Africa, 26 June–14 July 1973, by O.S. Knowles, Inter-Regional Adviser, Trade Expansion and Economic Integration, UNCTAD."

44. UNCTAD, *Proceedings*, 1:9. While the 1980s debt crisis brought foreign indebtedness to the awareness of the world, Latin American countries had suffered overwhelming debt and debt renegotiations since their independence in the 1820s. See Vinod K. Aggarwal, *Debt Games: Strategic Interaction in International Debt Rescheduling* (Cambridge: Cambridge University Press, 1996). Even colonies had debts, since the colonial powers required them to be self-funding (e.g., Portuguese colonies from 1958) and charged colonies' budgets for such items as ports, railroads, colonial residences, and wars (for example, Kenya in the 1920s), which followed them into independence. Colony and Protectorate of Kenya, *Colonial Loans: Statement Submitted to Legislative Council at the October, 1930, Session*, XVII (Nairobi: The Government Printer, 1930). The worldwide recession of 1957–58 caused further trouble because it reduced trade and increased indebtedness due to decreased private investment to the low-income countries and the shifting of public grants to public loans. Dragoslav Avramovic and Ravi Gulhati, *Debt Servicing Problems of Low-Income Countries, 1956–1958* (Baltimore: Johns Hopkins Press, 1960).

45. Patrick B. de Fontenay, *Multilateral Debt Renegotiations: 1956–1968* (Washington, DC: International Bank for Reconstruction and Development, 1969).

46. United Nations Archives, S-0552-0043-0001, File: UNCTAD Registry—Trade and Development—Substantive Matters, Financing Related to Trade—Private Capital (Part I), January 30, 1967, Reports in correspondence between B. Toren, Chief, Financing for Trade Section, to S. Vohra, Director, Manufactures Division, Regarding Suppliers' Credits.

47. United Nations, *Export Credits and Development Financing: National Export Credits Systems*, E/4616, ST/ECA/111 (New York: United Nations, 1969), 1.

48. Simone Polillo, "Wildcats in Banking Fields: The Politics of Financial Inclusion," *Theory and Society* 40, no. 4 (July 2011): 348.

49. United Nations Archives, UNCTAD fonds, Arr. 40/1929, Box 594, File: TDE 315/8 Working Group on Payments Arrangements among Developing Countries (2nd file), Sixth Session of the Coordinating Committee on Multilateral Payments Arrangements and Monetary Co-operation among Developing Countries, Uruguay, November 2–4, 1987, "Multilateral Payments Arrangements of Developing Countries."

50. For example, United Nations Archives, S-0552-0024-0001, File: UNCTAD Registry—Technical Assistance Activities, November 18, 1964–December 30, 1968, Technical Assistance Programme 1969–1970, Inter-Regional Projects, Proposal for an International Seminar on Insurance with Special Reference to Developing Countries—1969.

51. Jeffry A. Frieden, *Banking on the World: The Politics of American International Finance* (New York: Harper and Row, 1987), and J. Wilczynski, "Financial Relations between the EEC and the CMEA," in *The EEC and Eastern Europe*, ed. Avi Shlaim and G. N. Yannopoulous (Cambridge: Cambridge University Press, 1978), 177–206. Robbie states that there were such markets funding trade in London, Paris, and Italy since the 1940s, but these changed in 1958 to wholesale foreign currency markets, at the same time that the Soviet Union entered these markets with large deposits from socialist banks. By 1959, British, Canadian, and Portuguese banks were making deposits in Moscow Narodny Bank in London. K. J. H. Robbie, "Social Banks and the Origins of the Euro-Currency Markets," *Quarterly Review—Moscow Narody Bank* (Winter 1976–1977): 21–36. American banks became involved later, after the policy changes discussed by Krippner motivated American corporations to do financial transactions in the Eurodollar and Eurobond market. Greta R Krippner, *Capitalizing on Crisis: The Political Origins of the Rise of Finance* (Cambridge, MA: Harvard University Press, 2011).

52. Wilczynski, "Financial Relations," 205.

53. Ian H. Giddy and Russ Ray, "The Eurodollar Market and the Third World," *University of Michigan Business Review* 28, no. 2 (1976): 11–15.

54. In 1972, the Bank of Credit and Commerce International (BCCI) began working in Eurodollar markets, which allowed it to fund Third World development projects and to hide CIA funding of covert operations around the world. By 1991, U.S. and British courts had closed BCCI for a wide range of illegal activities. Following Polillo, we can understand the corruption charges against BCCI "in the context of the threat that financial innovators pose to established, entrenched elites," as well as in relation to institutions that could be used for a wide range of interests. Simone Polillo, "Wildcats in Banking Fields," 348.

55. United Nations Archives, S-0552-0059-0006, File: UNCTAD Registry—Trade with Socialist Countries (Part I), April 29, 1968, Letter from Dell to Mordvinov, Regarding USSR Agreement with Uganda.

56. Bankers discussed plans for these swaps earlier in 1967 with UNCTAD. United Nations Archives, S-0552-0043-0001, File: UNCTAD Registry—Trade and Development—Substantive Matters, Financing related to Trade—Private Capital (Part I), January 17, 1967, Statement by Mr. Edouard de San, Representative of Belgian Bankers and Belgian Federation of Industrialists, Economic Commission for Africa, Conference of Industrialists and Financiers, January 16–20, 1967.

57. In the 1964 vote on the fifteen general principles of UNCTAD, all of which were successfully adopted with overwhelming majorities, the United States was the sole vote against four of the general principles, joined a very small group voting against five, abstained from voting on two, and voted for only four. UNCTAD, *Proceedings*, Annex A.I.1, 1:18–22.

58. Mazower similarly argues that the United States went on a counterattack against the New International Economic Order starting around 1975. Mazower, *Governing the World*, 310.

59. André Gunder Frank, "Long Live Transideological Enterprise! The Socialist Economies in the Capitalist International Division of Labor," *Review (Fernand Braudel Center)* 1, no. 1 (1977): 91–140, and Immanuel Wallerstein, "The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis," *Comparative Studies in Society and History* 16, no. 4 (September 1974): 387–415.

60. Escobar, *Encountering Development*, 84.

61. Vilfredo Pareto, *Cours d'économie politique*, vol. 1 (Lausanne: F. Rouge, Editeur, 1896).

62. For example, see Jan Tinbergen, *On the Theory of Economic Policy* (Amsterdam: North-Holland Publishing, 1952), and his *Economic Policy* (Amsterdam: North-Holland Publishing, 1967).

63. Jan Tinbergen, *Some Thoughts on Mature Socialism* (New Delhi: Jawaharlal Nehru Memorial Fund, 1970), 11. Tinbergen understood socialism as the "institutionalization of solidarity among human beings and as the recognition that in the last resort the community is responsible for the welfare of its members." In other words, socialism seeks "to maximize the welfare of its members." Tinbergen, *Some Thoughts on Mature Socialism*, 1.

64. For example, see Raúl Prebisch, "Economic Development or Monetary Stability: The False Dilemma," *Economic Bulletin for Latin America* 6, no. 1 (March 1961): 1–25, and his *Capitalismo periférico: Crisis y transformación* (Mexico City: Fondo de Cultura Económica, 1981), 279–81.

65. Prebisch, *Change and Development*, 18.

66. Raúl Prebisch, "Five Stages in My Thinking on Development," in *Pioneers in Development*, ed. Gerard M. Meier and Dudley Seers (New York: Oxford University Press, 1984), 175–191.

67. Clavin, *Securing the World Economy*, 56.

68. H. D. Dickinson, *Economics of Socialism* (London: Oxford University Press, 1939), 205.

69. Gustav Cassel, *The Theory of Social Economy* (1918; London: T. Fisher Unwin, 1923), 129, 290.

70. Roman Szul, "Liberal Socialism and the Economics: On Branko Horvat's and Raul Prebisch's Views," *Oeconomica Polona* 13, no. 4 (1986): 509. The UNCTAD economist Hans Singer was exposed early to these notions about market socialism based in neoclassical economics, first as a graduate student of Schumpeter along with fellow student Kläre Tisch (who wrote a highly influential dissertation on the topic and was killed in the Holocaust), and later when he worked at

Cambridge University. Transcript of Interview of Hans W. Singer; Kläre Tisch, "Wirtschaftsrechnung und Verteilung im zentralistisch organisierten sozialistischen Gemeinwesen" (Ph.D. diss., University of Bonn, 1932).

71. Herb Addo, "Approaching the New International Economic Order Dialectically and Transformationally," and Timothy M. Shaw, "The Non-Aligned Movement and the New International Economic Order," in *Transforming the World Economy? Nine Critical Essays on the New International Economic Order*, ed. Herb Addo (London: Hodder and Stoughton, 1985). Addo, "Approaching," 278; Shaw, "The Non-Aligned Movement," 146.

72. Maderthaner describes the social democratic strategy at that time as "anticipatory socialism," a strategy of creating a New Man and a new society within the existing society. W. Maderthaner, "Austro-Marxism: Mass Culture and Anticipatory Socialism," *Austrian Studies* 14 (2006): 21–36.

73. Graeber more generally discusses this "crisis of inclusion" in capitalism. David Graeber, *Debt: The First 5,000 Years* (Brooklyn: Melville House, 2011), 374.

74. Norman K. Humphreys, *Historical Dictionary of the IMF* (New York: International Monetary Fund, 2000), 246.

75. United Nations Archives, Arr. 40/1862, Box No. 300, File: TDO 501/1(8), Economic Measures as a Means of Political and Economic Coercion against Developing Countries, October 6, 1986, Protectionism and Structural Adjustment, Note by the Secretariat.

76. Nina Bandelj and Matthew Mahutga have demonstrated that, from 1989, there was a worldwide explosion of bilateral investment treaties (BITs) from 386 in 1989, to 1,813 in 1999, to 2,678 in 2009. Zachary Elkins et al. argue that these treaties are driven by international competition among the developing countries for FDI. Manger has also shown, in contrast to earlier north-north and south-south regional trade agreements, a worldwide explosion from 1989 of north-south preferential trade agreements (PTAs) driven by northern multinational corporations. Nina Bandelj and Matthew C. Mahutga, "Structures of Globalization: Evidence from the Worldwide Network of Bilateral Investment Treaties (1959–2009)," *International Journal of Comparative Sociology* 54, no. 2 (July 2013): 96; Zachary Elkins, Andrew T. Guzman, and Beth A. Simmons, "Competing for Capital: The Diffusion of Bilateral Investment Treaties, 1960–2000," *International Organization* 60, no. 4 (2006): 811–46; and Manger, *Investing in Protection*.

77. Paul Almeida argues, "The histories of state-led development in the global South laid the sediment for the patterning and character of the opposition to economic restructuring in the contemporary age of global integration." Paul Almeida, "Subnational Opposition to Globalization," *Social Forces* 90, no. 4 (June 2012): 1053.