"I don't wish to seem overdramatic, but I can only conclude from the information that is available to me as Secretary-General, that the Members of the United Nations have perhaps ten years left in which to subordinate their ancient quarrels and launch a global partnership to curb the arms race, to improve the human environment, to defuse the population explosion, and to supply the required momentum to development efforts. If such a global partnership is not forged within the next decade, then I very much fear that the problems I have mentioned will have reached such staggering proportions that they will be beyond our capacity to control."

- U Thant, 1969.

The above quotation of the late U.N. Secretary-General, U Thant underscores both the content and clarity of the central, long-term problems of modern men - population explosion, environmental deterioration, the arms race and economic stagnation. It is generally understood that the future course of human society or perhaps even its survival depends on the speed and effectiveness with which the international community responds to these issues. Yet there is no significant endeavour in the policy-making circles whether at the international or national levels, to grasp much less to search for solutions to these problems. This multi-faceted problem of staggering dimension, with its bearing on the present and future of the human society, however, become the probing mission of the so-called "The Club of Rome", a kind of invisible
college, which undertook to promote understanding of the varied but interdependent components - economic, political, social and natural - that make up the global system we live in.


A series of early meetings of The Club of Rome had culminated in the decision to initiate a remarkably ambitious undertaking - the Project on the Predicament of Mankind.

The intent of the project has been to examine the complex of problems troubling men of all nations: poverty in the midst of plenty; degradation of the environment; loss of faith in institutions; uncontrolled urban spread; insecurity of employment; alienation of youth; rejection of traditional values; and inflation and other monetary and economic disruptions. These seemingly divergent parts of the 'world problematique' as the Club of Rome calls it, have three characteristics in common; they occur to some degree in all societies; they contain technical, social, economic and political elements; and most important of all they interact.

It is the predicament of mankind that man can perceive the problematique, yet despite his considerable knowledge and skills, he does not understand the origins, significance, and interrelationships of its many components and thus is unable to devise effective responses. This failure occurs in large part because we continue to examine single items in the problematique without understanding that the whole is more than the sum of its parts, that change in one element means change in the other.
Interdependence - a part of life?

The growing interdependence among nations has been, in fact, a dominant fact of economic life since the end of second world war. Improvements in transport and communications, rapid industrialisation, reductions in governmental barriers to international transactions, have all contributed to the rapid revival of trade and investment from the havoc wrought by the second world war, and even earlier by worldwide depression. Interdependence, in fact, owes much to the increasing openness of countries, as measured by the relative importance of foreign trade and investment in their national economies that resulted as these international flows grew faster than the world output.

Interdependence is essentially a matter of policy interaction\(^2\) (at least so does it appear) to an extent that developments in one country affect the economies of others, stimulating responses which in turn have feedback effects on its economy. Apart from increasing economic openness, yet another factor that has been found\(^3\) to be equally important to the growth in interdependence is the very significant rise in the degree of government intervention in, and responsibility for, the domestic economy of the modern nation-state.

\(^2\) 'Interaction', by itself being a significant concept, has been dealt with specifically later, in the theoretical formulations.

\(^3\) Marina V.N. Whitman, Reflections of Interdependence: Issues for Economic Theory and U.S. Policy, (Univ. of Pittsburgh Press, 1979), Ch. VI.
It is observed⁴ that among the developing countries, ex-colonial peoples of South and Southeast Asia, the Middle East, black Africa and Latin America, 'Interdependence' is still a touchy word, under suspicion as a new formula for enslaving them - with Western ("White", "gringo") economists and businessmen taking the place of the garrison troops and intervening Marines that are still remembered in living colour.

A diplomat is reported to have said:

"...they still very much fear what they call neo-colonialism, that they are going to be exploited by multinational corporations, that interdependence is merely a code word of the developed countries to justify continuing to draw on their resources at an unfair price."


H. Cleveland feels that most Americans think the colonial era is history, and we tend to tune out the persistent anti-colonial rhetoric of Third World leaders. But that rhetoric is still an important fact of international life. If we had been listening on the March 1976 Lima meeting of the UN Commission on Transnational Corporations, we would have heard a fiery opening speech by the Peruvian Foreign Minister a string of denunciations of the way in which, he said, transnational enterprise had held back economic growth in the developing countries. Most Americans think these international companies, while perhaps too ready in the past to use bribes and pressure on their stockholders' behalf, are the best channel for the transfer of capital and technology to developing countries, needing only to be reined in by governments to enforce a code of public responsibility. But the Minister did not seem to have noticed any redeeming features. Transnational enterprise, he said, has exploited the economies, subverted the political systems, and violated the sovereignty of all developing countries, systematically, substantially, on purpose for years and years. During the Lima Meeting, multinational firms were repeatedly accused of using interdependence as a cloak for perpetuating dependence; this view poverty, in not progress, is their most important product.
Perceiving interdependence as the labyrinth of mankind
Harlan Cleveland questions: What limits the sliding scale of choices about interdependence? Why can't any nation - however isolated, however powerful, however reluctant about 'entangling alliances' - just stop the world and get off? The reason like the question, is a cliche: The world is round, crowded, shrinking. Everything is related to everything else. Communication is global, the environment is a unity, inflation is indivisible, war anywhere spreads worry everywhere. Drawing out a picture of a labyrinth may be difficult when one is inside it, looking for the exit. But that is exactly the critical assignment today; illustrating the

5. Or problem is not usually the absence of specialised knowledge; we know a great deal about nuclear weapons, arms sale, poverty, affluence, environmental impacts, man-made dangers and resource constraints. We are only just beginning to see that all these well researched 'problems' are so exquisitively tangled together that action on any one of them requires thinking about all of them - that is, thinking about the whole predicament. Nobody is trained to do this; no University offers a Ph.D. in "getting it all together". Yet that skill is now required to literally millions of us leaders in one way or another in a many-centred world.
emerging ethic of ecology as in the diagram:

Diagram

The Emerging Ethics of Ecology

In one perspective, the 'rich-poor' or 'North-South' axis, an emerging ethic of fieriness suggests a limit (A) to poverty, a minimum entitlement to human needs merely by virtue of being born into the family of Man; and also a limit (B) to the share which the most affluent person takes from a pool of resources which is flexible but finite. In other perspectives, an emerging ethic of prudence suggests socially-determined limits (C) to the dangers inherent in people managed processes; (E) to the rate at which people use up non-renewable resources; and (F) to practices that affect the renewability of renewable
resources. Still another perspective limits the scale of conflict about limits. Shortages and the desperation and rivalries they intensify will provoke acute conflicts. The nuclear technologies especially give everyone a common stake in limiting the extension of politics by military means. Factions and nations and regional or ideological blocs are going to have a bargain with each other to stay within limits (A) through (F) without the option of running to the nuclear weapons as a last resort, because that resort is too liable to be the last.

The crux of the matter therefore is that in a dangerous and determinedly pluralistic world, interdependence is here to stay; is to some extent a matter of choice; is regarded very differently by different peoples according to their differing historical experience; and must be thought of, and acted on, ecologically, which is to
Recent years have thrown up a trend where one begins to see the interrelated growth of openness and interdependence reflected in the economic models used as framework of analysis. The Keynesian income-expenditure approach that has dominated economic thinking policy analysis over the post-war period, as well as the monetarist 'counter-revolution' that challenged it, are both strongly rooted in closed-economy assumptions. 'Foreign repercussions' are introduced into such models  

6. In the 20th century the popularisation of Einstein's thinking and the revolutionary notion that matter and energy were inter-changeable, produced their social fallout, as in the past, whenever conceptual break-throughs eventuated - historically, speaking, inspired by the word 'relativity' if not by its abstruse mathematics, the idea that 'everything is relative' undermined organised religion and made it quite respectable to believe that eternal varieties might well be proven wrong by further study - the student meanwhile suspending judgement on whatever he might earlier have learned at home, in church or at school. The global spread of social relativity may even have contributed to the growing conviction, in colonial and underdeveloped lands that the self-evident principles by which the suppression of subject peoples had been justified and their resources appropriated might in a new world view prove unjustifiable. Beginning in the sixties, a new kind of outlook has emerged from the profound discoveries of life sciences (the cracking of genetic codes, the study of what goes on inside a cell, the deciphering of food-climate-population-energy puzzles), symbolised by the astonishingly sudden popularity of the term 'ecology'. Ecological science directs our attention to the way varieties of life relate to each other and to the environmental 'support systems' that make life possible. The key word, parallel to harmony, struggle and relativity in the earlier cosmologies, might indeed be inter-dependence.
only as secondary complications of the impact of policy measures or other exogenous disturbances at the national level. The trend in recent analytical work in international economies, however, is away from closed-economy models based on the assumption of a highly integrated world economy.

The International System - Hierarchic!

The International system, in the sense of a functional arrangement of related and inter-connected parts of an entity, would appear hierarchic in its structure. The elements of the system are formed by the national states, which represent a specific form of human organisation. The functional arrangement is evident in the world encompassing capitalism system, which displays a large measure of cohesion and interdependence. The same holds good for the communist system.

Though in certain circumstances (as in the UN Assembly) states do have an equal say and countries of unequal power may conclude agreements on the basis of equality but that is only the formal side of the matter. In effect, however, the International system is characterised by a markedly hierarchic
structure, in which the nation states have different ranks in accordance with their political, economic, technological and cultural power. Power, in the context implies a state's capacity to exercise influence over the other states. S. Sideri describes the international system as a pyramidal structure:

8. S. Sideri - *ibid* n. 7.
The direction of the arrows in this figure indicates that the lower regions are influenced more by decisions and changes at the top, than conversely. This means that the relations in the international system are asymmetric. Besides the aforementioned inequality of the parts, an important characteristic is the predominant verticality in the lower regions, the horizontal relations, are weak.

Historically, in former times the reality of the relations between states fitted better into the pattern outlined above than in present times. Oliver C. Cox\(^9\) describes how the rise and fall of the various trading centres were followed by a world-integration under British leadership. Cox arranges the countries in their order of importance at that time, using as classification criterion: the extent to which the country is able to control its external trade relations. He distinguishes between the following five ranks: (a) Leaders, (2) Subsidiaries, (3) Progressives, (4) Dependents and (5) Passives. At one time Great Britain, United States and Germany represented the absolute top, followed in the second rank by the other major European powers and Japan. In the lowest regions are the dependenta countries which, though possessing political

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independence, have a large measure of dependence through being within the sphere of influence of the great powers. The passives are the colonised nations of that time. Their economies were arranged to meet the wishes and requirements of the 'mother-countries'; they were the suppliers of raw materials and tropical foods, and functioned as markets of the industrialised nations.

The Centre-Periphery Mechanism

Instead of the pyramidal sketch of the international system, made up of different ranks, we could as well confine ourselves to a more global characterisation in the spirit of the 'Centre-periphery' or the 'metropolis-satellite' thesis. It was by reference to this thesis, that the former Secretary General of UNCTAD, Raul Prebisch regarded the industrialised countries in both the East and the West as the 'Centre' and the developing countries as the 'periphery' of the World economy. There is a view that the centre-periphery thesis presents a more truthful picture than, for instance, the one claiming that 'poor and rich cooperate as equal partners'. The often heard theory of dependency10 in effect implies that the poverty of the under-developed countries is the result of the present international economic system which

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10. Developed by some Latin American and Arab economists such as Andre Gunder Frank, Dvaldo Sunkel, Anwar Abdel Malik and Samir Amin and appealingly summarized by John Galtun.
by its automatic operation has 'under-developed' the poorer nations of the world, keeping them as poor as if they were still colonies. This system, say these theorists, is by its very structure the equivalent of the old system of colonial empires. Though it operates apparently through other means, but its result ultimately is imperialism.

Here the Centre gets comprised by a few highly industrialised countries, which form the social and economic centre of the world. Since such a 'Centre' country is not dependent on the sale or supply of any one commodity, nor on trade with a single country, it comes out better in international bargains as it cannot easily be compelled to accept unfavourable terms of trade. 'Centre' countries are rich, produce a wide variety of goods and services, command a diversified technology and trade with several partner countries round the globe. Each centre country, in trading with much less highly industrialised countries will mainly develop its capital-intensive and skill-intensive industries, a large supply of capital and managerial talent, a diversified and sophisticated technology, a resourceful and highly skilled workforce, and a large pool of engineers, scientists, technicians etc. in short, all the conditions for further industrial and economic growth.

By the same token, many less industrialised countries of the world, are in the opposite state of affairs. They
are in effect at the periphery of the international political and economic system. Poor in capital, credit, technology skilled industrial labour, technical and scientific personnel, and competent managers, they are constrained to exporting only one or a few kinds of agricultural or mining products, and to trading mainly with a single 'partner' country, on which they depend for sales, credit, shipping, banking and insurance, as well as for industrial products, equipments and spare parts, along with scientific and technological information and know-how and higher-level technical and managerial personnel. As the simple economic activities of these peripheral countries will produce but little capital, skills, and other resources for the development of other industries, these countries will tend to stay poor, while the Centre countries will tend to get richer.

Economic Integration and Interdependence Rhetoric:

During the last three decades, more formal and explicit experiments have been intensified with regional economic integration among groups of geographically related countries. In instances where these integration experiments have made substantial progress, as in the case of European Economic Community (EEC), the elimination of barriers to free movement of commodities, capital and labour among partner countries...
has begun to make individual economies lose some of the characteristics of the sovereign nations envisaged in the classical theory of international trade. At the same time, efforts on the part of the EEC to progress from the policy interactions of increasing interdependence to explicit coordination of national economic policies have encountered unanticipated difficulties and set backs. One result, inter alia, thus has been a growing tension between the acknowledged benefits of international integration in the economic sphere and the continuing demand for national autonomy in the political sphere. Richard Cooper, perceptively enough, observes as early as in 1968 in his, now famous book, The Economics of Interdependence -

"The Central problem of international economic cooperation and of this book - is how to keep the manifold benefits of extensive international economic intercourse free of crippling restrictions while at the same time preserving a maximum degree for each nation to pursue its legitimate economic objectives.

It is noticed that following World War II, the international economy enjoyed nearly three decades of unprecedented economic growth and prosperity.

Most analysts attribute this long expansion in large part to the deliberate freeing of the world economy from the shackles imposed by the self-destructive nationalistic policies of the


12. Richard Blackhurst, Niclosas Marian and Jan Tumlir, Trade Liberalisation, Protectionism and Interdependence, (Geneva: GATT Study No. 5, Nov. 1977)
1930s - to the liberalisation, internal and external, of national economies, within a global system of rules designed to promote international trade and investment. It was only in the latter part of the 1960s that the growth of international economic interdependence, simultaneously the cause and the result of the general economic expansion, began to be seen by some as perhaps a source of more problems than benefits. There is a growing awareness of a fundamental development: Cooper over a decade ago, called attention to the point that a high level of prosperity based on specialisation and exchange imposes a discipline which reduces each society's autonomy to pursue its own particular goals and policies - it 'both enlarges and confines the freedom of countries to act according to their own lights'.

These new anxieties, it has been observed, challenge the economist as well as the policy-maker. There is a view that 'interdependence' is only a new - and, to many, less felicitous - expression for what Adam Smith called the 'International division of labour', growing with the extent of the market. The way he presented the concept, stressing the international jointness of prosperity and its internationally cumulative aspect, was unambiguous. For him there were no


drawbacks to the international division of labour. The question arises that if this is what economic interdependence means - in effect an international game offering gains to every participant, then why should it at the same time be a source of international friction and conflict? In this context it is necessary to note the existence of a kindred expression used more frequently a few years ago, than now: 'integration'. One also notices a psychological shift underlying this recent change in verbal fashion. When the world economy was expanding rapidly one used the expression 'integration', with its positive connotations of strength and stability to describe the process and the result of that outgrowth. The horizon of international transactions was a hopeful one, promising each national economy a continuation of its growth. Currently, the expression 'interdependence', is found to be in vogue, more or less to describe the same results of economic growth. This word, however, tends to suggest a state of economic relations that is somewhat bewildering. The once promising horizon of international transactions now appears more like a clouded front along which nations are exposed and vulnerable.

It is pertinent to realise that all the three expressions - division of labour (specialisation), integration and interdependence - are closely related to the concept of economic growth itself. Economic growth may be viewed as a process of innovation.

15. The word has been commented and reflected upon by several social scientists e.g. Ernst H. Hasse, Beyond the Nation State: Functionalism and International Organisation (Stanford, 1964).
leading to new, usually, more narrow, forms of specialisations of productive functions, (Kuznets, 1964). A necessary aspect of this process is the parallel development of rules and disciplines which act as impersonal and impartial coordinators of the increasingly diversified individual productive activities, integrating them through exchange into a complex social process of production. The resulting order minimises the risk and uncertainty inherent in any move by an individual or family away from complete self-sufficiency. The parallel increases in specialisation and coordination occur both at the domestic and international levels, and the increase in interdependence, national and international, is simply an aspect of the process of economic growth itself. In other words, under liberal trade arrangements, the growth of an economy benefits almost as much from innovations made abroad as from those developed at home. An obvious corollary would be that a conscious effort to slow down or reverse the trend towards greater interdependence would have a negative effect on the rate of economic growth.

Interestingly enough, in a very recent

study, the question of rate of economic growth has been perceived thus... "to economists, journalists, historians, politicians and the general public, the rate of economic growth is a summary measure of all favourable developments in the economy. We are pleased when economic growth occurs and displeased when it does not. The presence or absence of growth is looked upon as an indicator of the success or failure of economic policy. Periods in history with high rates of economic growth are in some sense (good) periods, and periods with low rates of growth are (bad) ones."

17. Dan Usher, *The Measurement of Economic Growth* (New York, Columbia Univ. Press, 1980), p. 1. The author at the outset says "What is economic growth? As a statistic, it is the rate of growth of real income per head where real income is a number compiled from a great mass of primary data in accordance with more or less well-specified rules. But the rate of economic growth is not just a statistic. It is a statistic interpreted in a certain way. The analysis is based in this work on the major premise that the existing statistics of economic growth can be interpreted and proposals for improvement may be judged by means of an analogy between a country and a person; economic growth to a country is like a rise in salary to an individual. The author, moreover, shows that the measurement of economic growth is not simply concerned with measures of GNP, but must take into account such factors as differences in relative prices over time, advances in technology, new products and changes in the natural environment and the size of the public sector, and the availability of goods and services - education, housing, health and food."
Interdependence, thus would really seem to be a part of modern life, utterances about rhetoric, cliches or platitudes notwithstanding. As early as (1933) for e.g. the famous author Ramsay Muir aptly questions: 18

"It has become a platitude to say that the whole world is now interdependent... Yet what a tremendous platitude it is! If this platitude is unalterably true, its implications must profoundly affect the conditions of human life for the future; it must transform all our thinking about social organisations; it must modify all our programmes and policies. Clearly we ought to be thinking seriously about it, and making ourselves what it involves."

If one were to utter that we live in an era of interdependence, it might sound somewhat vague, but hidden behind is the expression of the feeling that the very nature of world political economy is changing. Even an apparent conservative (Like Henry Kissinger) is on record thus: 19 "the traditional agenda of international affairs - the balance among major powers, the security of nations - no longer defines our perils or our possibilities... Now we are entering a new era. Old international patterns are crumbling; old slogans are un-instructive; old solutions are unavailing. The world has become interdependent in economics, in communication, in human

aspirations".

Interdependence rhetoric and national security - understanding 'NATIONAL INTEREST'

During the cold war, 'national security' was a slogan, it would be recalled that the American political leaders used to secure support for their policies. The rhetoric of national security justified strategies designed, (economic and military for the 'free world' !) for American involvement in world affairs. US President invoked national security to control certain sectoral economic interests in Congress, particularly those favouring protectionist trade policies. But later, as the cold war sense of security threat slackened, foreign economic competition and domestic distributional conflict increased. The intellectual ambiguity of 'national security' became more pronounced as varied and often contradictory forms of involvement took shelter under a single rhetorical umbrella.20

Political leaders often use this new rhetoric of interdependence to exemplify interdependence as a natural necessity, as a fact to which policy (and domestic interest groups) must adjust, rather than as a situation partially

created by policy itself. They often argue that conflicts
of interest are reduced by interdependence, and that
coopetation alone holds the answer to world problems. For
these who wish to see the US to retain world leadership,
interdependence has become part of the new rhetoric, to
be used against both economic nationalism at home and
assertive challenges abroad. Henry Kissinger's address at
the Sixth Special Session of the UN General Assembly
(15 April 1974) include the familiar lines: 21 "We are all
engaged in a common enterprise. No nation or group of
nations can gain by pushing beyond the limits that sustain
world economic growth. No one benefits from basing progress
on tests of strength".

But interdependence rhetoric and national security
formulation co-exist only uneasily. In its extreme formu-
lation, the former suggests that the conflicts of interest
are passe, whereas the latter argues that they are, and will
remain, fundamental, and potentially violent.

It is observed that in the politics of interdependence
domestic and transnational interests are involved. Domestic
and foreign policy become closely linked. The notion of
national interest - (the thrust of the traditionalists)
becomes mere and more difficult to use effectively. Traditional
maxims of international politics - that states will act in

21. Henry A. Kissinger's address reprinted in International
Organisation, 28 no. 3 (Summer, 1974), pp. 573-83.
their national interests or that they will attempt to maximize their power—become ambiguous. As Keohane and Nye\textsuperscript{22} have analysed, the suggestion is not that international conflict disappears, when interdependence prevails. On the contrary, conflict will take new forms, and may even increase. But the traditional approaches to understanding conflict in world politics will not explain interdependence conflict particularly well. Applying the wrong image and wrong rhetoric to problems will lead to erroneous analysis and bad policy!

In ordinary usage, dependence means a state of being determined or significantly affected by external forces. Interdependence, most simply defined, means mutual dependence. Interdependence in world politics refers to situations characterised by reciprocal effects among countries or among actors in different countries. These effects often result from international transactions—flows of money, goods, people, and messages across international boundaries. While on definitions, the concept of power also needs to be grasped in the relationship of power and interdependence.

Power can be thought of as the ability of an actor to get others to do something they otherwise would not do (and at an acceptable cost to the actor). Power can also be conceived in terms of central over outcomes. In either case,

measurement is not simple. Thus Power has always been an elusive concept for statesmen and analysts of international political economy. The traditional view was that military power dominated other forms, and that States with the most military power controlled world affairs. But the resources that produce power capabilities have now become more complex. An astute observer remarks: "the post-war era has witnessed radical transformations in the elements, the uses, and the achievement of power".

A legitimate issue that crops up (to set the stage on theorising on 'Interdependence' in order), at this point, concerns understanding the term 'National Interest'. The words 'national interest' (like the so-called rhetoric of 'Interdependence'), are out of those which are quite often heard in the speeches of politicians. Prof. Reynolds


25. Keohane and Nye (ibid) have observed that 'Interdependence is also a rhetorical devise employed by publicists and statesmen. For the statesmen, eager to increase the number of people marching beneath his banner, vague words with broad appeal are useful. For the analyst, such vagueness is the path to a swamp of confusion. Before we can construct usable concepts, much less increase our understanding of interdependence and regime change, we must clear away, through the rhetorical jungle. Our task is to analyse the politics of interdependence, not to celebrate it'. - p.6.

observes that many of the politicians if pressed might be hard put to say with precision what the words mean, still less to define the criteria by which the interest is to be determined. The term commands such obeisance that to claim an act to be in the national interest immediately, if sometimes spuriously, increases the act’s acceptability; and consequently groups in all politics endeavour to identify with the national interest the interests which the groups exist to serve. Such groups may be economic, military, political, social, ethical, religious, or for the forwarding of any other purpose to which humans attach themselves. French farmers for instance, maintained with substantial success, that it was in France’s national interest for cereal prices in the European Economic Community to be fixed sufficiently high to promote the rejuvenation and expansion of French agriculture. When British bicycles made large inroads into the United States market in the 1950s, the US bicycle manufacturers persuaded the Eisenhower administration that it was not in the national interest for an important industry to be driven to the wall and tariffs on imported bicycles were accordingly raised.

It is observed thus that national interest is not to be simply seen in the goals of such sub-national groups, however, persistently the groups might claim that advancement of their interests means advancing the national interest. At the same time, it does not necessarily follow that because the interest of a substantial group may not be the same as the national interest, it can never be so at any time.
The national interest, therefore, cannot be conceived of as having no connection with sub-national interests, but the point is that it cannot be identified by a simple process of trying to put them together. Just as the national interest may not be found in the sum of subnational interests, so it may likewise not be found in the sum of national objectives. These 27 comprise the range of particular ends, usually of a relatively short term nature, which policymakers at a given moment in time are trying to achieve.

National interest is not to be found thus, in either a particular or a comprehensive inventory of national objectives.

Without going into the voluminous literature on 'Nation-State' and the concept of 'National Interest' - its philosophical and logical dimensions 28, a point of significant theoretical and practical importance needs recalling. Micro-international relations, which tend to concentrate on the behaviour of States, encourages the implicit assumption that the survival of the State is primary. 29 Several theorists of foreign policy as the pursuit of the national interest state this explicitly; in the words of Hans J. Morgenthau 30:

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27. Reynolds (ibid) observes (p.38) that these objectives, frequently confusingly called 'national interests' in the plural, should be sharply distinguished from the national interest in the singular.


survival of political unit...in its identity is the irreducible minimum, the necessary element of its interest vis-a-vis other units...its content, encompasses the integrity of the nation's territory, of its political institutions, and of its culture'. In practical terms, the ways decision makers usually act; Statesmen normally assume that the survival of the State over which they preside is the supreme national interest. But it is really not so and need not be so. The theoretical aspect has got to be recognised too viz. the 'national interest' which is at stake is that of the people, not of the State, which is an abstraction. Observes Reynolds "service of the ends and values of people may require the submergence of the State. The State is not a person. It has no inmate moral attributes. It has no honour. It has no inherent right to survive".

Talking of public interest and individual interests one finds a meaningful observation by Virginia Held: 31

"A political system cannot ask whether its existence, is itself in the public interest, since the possibility of answering pre-supposes the political systems' own existence. Nor can an individual ask whether his existence is in his own interest, for the same reason. Both, if they exist, can ask if a continuation of their existence is in their own interest".

The concept of national interest, in fact, possessee a domestic aspect (referred as the public interest) and an external one. The notion of the public interest is out of

of favour in current political discourse, observes Tumlir, not being easy to reconcile with the notion of pluralism which now serves as an expression of highest political approbation. The term 'national Interest' is used to denote the considerations guiding a nation's foreign policy - the interest it pursues in the global community of nations. In the pre-1939 world, this interest was defined by a strategic doctrine. In the present world in which power has become a burden, it cannot be defined otherwise than by an identification with international order, the central purpose of which is in turn identical with that of the domestic order: to maintain overall stability in the face of incessant and manifold change. In terms of national goals, the latter are normally seen as including state survival, wealth maximisation and preservation and promotion of values. The national interest is intended to be a concept summing up goals, but State survival and preservation and promotion of values may occasionally be incompatible, and the wealth maximisation could be incompatible with the other two. Essentially, it should relate to the real interest of the people, and this interest is seen not necessarily being contained in the State context. The notion of a 'real interest' could be difficult to conceive but there may be value in a concept which draws attention away from immediately pressing urgent problems and causes them to be viewed in the light of

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32. J. Tumlir - ibid, n.28.
the long-term and general.

**Whither Interdependence?**

Several thinkers and analysts\(^{33}\) have debated the question regarding the world's states and peoples moving toward becoming one, or are they drifting apart? While some theoreticians have tried to establish that 'interdependence' is increasing, the others have maintained a declining trend. Richard Rosencare and Arthur Stein\(^{34}\) have marked out three separate phases in evolution of this debate, viz.

(1) The belief, in the post-world war II years, that technological developments, along with military and economic factors, would produce an international relationship among the states, which would bring even the old enemies closer.

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33. "The world is found and whole as a heart
   And when it is riven in two halves apart
   It must die"

- These lines by Czech poet George Wolker written after first world war express the feelings of many people till today. Others expressed otherwise. Nation-States and national power would remain the paramount reality in world politics for generations as they had been for generations in the past. The renowned Hans Morgenthan suggested, the 20th century would continue to resemble the 19th century and the statecraft of Alexander Hamilton, Camils Count Cavour, and Prince Otto Von Bismarck would still offer realistic lessons to leaders near the end of the present century and perhaps longer. Henry Kissinger, however, noted a paradox "The world has shrunk but nations of the world have not come closer together", at the United Nations Assembly in 1976. He remarks further "Paradoxically, nationalism has been the rise at the precise time when the most serious issues we all face can only be resolved through the recognition of our interdependence."


(ii) With the onset of 'Behavioural approach' in social sciences and the development and quantitative techniques, Karl W. Deutsch\(^\text{35}\) and others tried to establish, with the help of quantitative indicators such as international commerce and labour migration, that international transactions had declined in the 20th century and that this trend was unlikely to be reversed in the near future. Waltz\(^\text{36}\) and Schmid came to same theme later.

(iii) The arguments of Deutsch et al have been criticised, in recent years and support has been advanced to increasing interdependence among the developed countries on the one hand and between the developed and the developing countries on the other. The so-called 'School of Transnational Relations'\(^\text{37}\) (Keohane, Nye etc.) has further supported this.

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argument.

According to Karl W. Deutsch, two countries are interdependent if a change in country A, say a rise in the general price level, is followed by some predictable change in country B, such as perhaps also a rise in the level of prices there. If a change in country B has as big an effect in country A as the change in A had on B, then it could be said that their interdependence is symmetrical.

38. Karl W. Deutsch, The Analysis of International Relations, (Prentice Hall, N.J. 1978), p. Out of his twelve fundamental questions posed in this analysis the one on Transnational Processes and International Interdependence enquiries as to what extent can the governments and peoples of any nation-state decide their own future, and to what extent does the outcome of their actions depend on conditions and events outside their national boundaries? Are the world's countries and nations becoming more 'sovereign' and independent from each other, or are they becoming more interdependent in their actions and their fate? Or are they becoming both more independent and more interdependent, but in different sectors of activity? What will the world look like in say, 2010 AD, in regard to these matters. In short, the single problem remains: How so many different nations, while coming into existence and passing from the scene, can live together in a mixture of limited independence and interdependence in a world about which we cannot quite agree but none of them singly can control, and upon which all of them depend for their peace, their freedom, their happiness, and their survival.
If a change occurs in country A that is experienced as rewarding there, and if it is followed by a rewarding change in B, and if changes that are bad for A, are followed by changes that are bad for B, and vice versa, then we speak of a positive covariance of rewards. But if interdependent changes that are good for A are bad for B, and vice-versa, thus one may speak of a negative covariance of rewards, and negative interdependence. Strong positive interdependence tends to support solidarity; strong negative interdependence tends to promote conflict; and weak interdependence tends to make but little difference either way.

It has been noticed, conspicuously enough, that the domain and the resources of interdependence have increased. Regarding domain, there is hardly any inhabited territory left on Earth whose inhabitants are not involved in some transactions and most often some structural links with persons and organisations in other territories. Such resources of interdependence include transport by air, sea and land; trade and finance; mail, telegraph, telephone, news, films, radio and television; business, recreation, travel, and the transnational movement of students, teachers, and scientists; and fashions in clothes, music, and life styles. All these are processes flowing across national boundaries and in most cases these flows are supported by structural links, e.g. airlines, shipping lines, trains and highways, multinational corporations, governmental and non-governmental international organisations, etc.
**Defining Interdependence**

The absence of an agreed definition of the term 'Interdependence' has been found to be a major reason for a wide-ranging disagreement among thinkers, writers and analysts. Richard Rosencare and Stein have distinguished three distinct approaches in the definition of interdependence, viz:

(a) which looks at Interdependence as a relationship between interests such that a change in the constitution of one country is reflected in the position of the others;

(b) which treats national economies as becoming more and more sensitive and vulnerable to each other, and

(c) which assumes the kind of relationship that is costly to break.

According to the first approach, interdependence means such a relationship between interests that a change in the position of one country is reflected in the position of others. According to the second approach, interdependence is present when there is an increased national "sensitivity"

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to external economic developments. The third approach is ascribed to Kenneth Waltz - this stringent approach presumes a positive relationship between the interdependent units, such that each has to pay 'cost', in terms of suffering, if the relationship is harmed.

In short therefore, the term 'interdependence' has been used in so many analytical meanings that it is no longer fully clear what investigators intend to signify when they use the term. In a very loose and general sense, we can say that interdependence is a state of affairs where what one nation does impinges directly upon other nations.

In this general use, higher foreign trade, the ability to threaten atomic war, the development of world wide inflation or recession all mean higher interdependence among states. The more one nation has to take into account what states might do in charting its own international and domestic policy,

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Richard M. Cooper no. 14(ibid).


42. K.N.Waltz (for further elaboration please see) Theory of International Politics(California, 1979)

43. E.L. Morse - ibid. n. 57.
the higher the interdependence. This use of term, however, is rather unsatisfactory for analytical purposes. On this definition, knowing that there is high interdependence tells one very little about the actual state of relations between nations. The highest interdependence, one surmises, would actually be attained by opponents in war. Then any improvement in one state's position would directly and adversely affect the other. Their fates would be completely joined. Fully conflictual, as well as fully cooperative relations among states would be characterised by high interdependence.

Most analysts, of course, have wished to use interdependence, as mentioned in previous paras, in a positive sense, to see higher interdependence as a fundamental force for better relations among nations. However, the concept needs to be more precisely and narrowly defined. Interdependence thus can mean the direct and positive linkage of the interests of states such that when the position of the state changes, the position of others is affected, and in the same direction. Interdependence, then suggests a system in which states tend to go up or down the ladder of international position (economic strength, power, welfare, access to information and technology) together. Of course, some relationships which would be deemed 'interdependent' on previous notions, would no longer be "interdependent" on this revised definition. But this more

specific formulation is more useful in understanding world political-economy for it means that wherever interdependence is high, there should be high cooperation.

Commensurate with different concepts/reflections on interdependence, corresponding sets of measures of interdependence have been evolved. Basically, the size of the transactions between the two societies is regarded as horizontal interdependence. It charts the flow of money, men, goods and so on. Vertical interdependence, in contrast, shows the economic response of one economy to another, in terms of changes in factor prices. It is possible to imagine conditions where there might be high horizontal interdependence (a large international sector, growing amounts of trade either absolutely or in relation to GDP) and yet low vertical interdependence. Nations might respond differently to the commercial intercourse between them; factor prices might proceed in different directions; government policy might be inflationary in one case and reflationary in another. In the net there is an amalgam of influences: high horizontal flows tending to produce an equalisation of prices; different governmental policies producing divergent prices. Thus high horizontal interdependence could be consistent with either high or low vertical interdependence.

Approaches to Interdependence

There could be, by and large, at least four orientations towards contemporary economic interdependence. One, initiated
by Deutsch and Eckstein, sees interdependence secularly declining with industrialisation. From this stand-point interdependence may have been at a peak in 1913, but has certainly since decreased. A second view, which relates interdependence to the absolute size of the foreign sector, sees interdependence among developed societies increasing more or less continuously since 1945. This view has also been associated with the idea that political modernisation forces national governments to recognise and take due account of international economic forces as they impinging upon the domestic electorate. Even if the size of the foreign sector was not continually increasing, there would still be high interdependence because the political significance of world economic trends would be high or growing. Thirdly, there is the view that interdependence is fundamentally a product of an existing political-military regime in world politics. Economic interdependence tends to be high under the aegis of a Pax Britanica or Pax Americana but to decline when these regimes are challenged or overthrown. Thus, in this view, interdependence was high until shortly before World War I, and was briefly high again after 1945. After some point in the 1960s however, it has declined with the erosion of the American dominance.

46. E.L. Morse and R.N. Cooper (ibid) and n.14 (both are inclined to this view).
in world politics. However, a further point would be that in the present epoch, when the number of political units has increased manifold, their security needs make it imperative for them to depend upon the developed societies supplying with the defence wherewithal.

A potential fourth approach to such relationships would be interdependence increasing with the size of the foreign sector, until a point is reached where governments act to reduce its actual or potential impact upon domestic politics. Each of these four approaches has much to commend in its historical and theoretical terms. Nonetheless, since the contentions are partly contradictory, they cannot all be true. According to the first, one would expect to find, high vertical and horizontal interdependence before 1913, but a major decline thereafter. The second approach would see a marked increase of interdependence since 1945, proceeding more or less linearly to the present. The third world would see high interdependence in 1890s when the British had hegemony in world politics and high interdependence again between 1945-60 when America was dominant. The other periods, however, should be characterised by lower declining interdependence. The fourth approach, largely focussed on the contemporary era, would see increase from 1945 to 1960 and perhaps a stabilisation or decline since then.

With the above backdrop of the concept of 'Interdependence', one can fruitfully turn the attention to analyzing the particularized syndrome of 'Development Cooperation' per se in the context of the evolving policies of the European Economic Community (EEC) and the EEC-India interface, in the following chapter.