

Sir Hans Singer: Advocating a Fair Distribution of the Fruits of Progress*

Kunibert Raffer*

Writing a chapter on Sir Hans Singer is both a pleasure and a problem. The pleasure is obvious, the problem succinctly expressed by D. John Shaw (2002: xix): “To cover all his work adequately would have required much more than one volume.” Shaw’s well-researched biography of some 350 pages, however, is considerably longer than this chapter. Starting with an article in the *Review of Economic Studies* (1935), Singer’s list of publications is impressive. Shaw counted 450 publications, disregarding UN internal reports and book reviews. Five *Festschriften* have been published in his honour (Shaw ed. 2001: 2). Another is forthcoming.

By necessity, this chapter is an eclectic summary, bearing the risk of not doing full justice to Singer¹. It starts with Singer’s *weltanschauung*, the foundations of his views on economic theory and policy, to facilitate better understanding of his work. The main strands of Singer’s thinking follow, starting with the Prebisch-Singer thesis (PST), which may be seen as their basis. Its finding — that real trade does not provide Southern countries (SCs) with sufficient resources to finance developmental needs — led to advocating industrialisation, diversification and soft financing, and explains Singer’s contributions to the issue of food aid.

A *Weltanschauung* Where People Matter

If one wanted to summarize Singer’s thinking in one catchphrase, “redistribution of the fruits of growth” (Shaw 2002: 165), “assuring equitable participation in economic improvements”, or more simply, “economics as though people mattered” would be good choices. His first influences were his father Heinrich, who often treated the poor without charge, and the local rabbi, Dr. Norden. At Bonn, Schumpeter and Spiethoff influenced his economic formation. “The PST was greatly influenced by Schumpeter in his emphasis on technical innovation as a stimulus to new investment” (Singer 1998a: 20; cf. 1997: 129ff). The Prebisch-Singer thesis extended the concept of “creative destruction”. New technologies influence the terms of trade by replacing or economising on primary commodities. Globally, this creates divergence.

His work at the Pilgrim Trust, his support for Beveridge’s welfare state idea (Singer 1943), and his Keynesianism shaped his later work. Singer (1984: 276) connects his work in the UK and at the UN: “Obviously, a partisan of the social welfare state would be attracted by the thought and possibilities of a global welfare state represented by the United Nations in these hopeful first days of naive utopianism.” While mainstream economists concentrated on allocative efficiency, Singer’s interest was “from the beginning” more “in the direction of distributive justice, or rather distributive efficiency” (Singer 1984: 280). There is a direct connection from the work on unemployment and the welfare state to his concern with a fair distribution of benefits from trade and investment, basic needs and the problems of children.

Working for the ILO’s World Employment Programme, Singer often thought of his work on unemployment in Britain, particularly during the Kenya Employment Mission (1971-2). This Programme was “one of the formative influences on development thinking and policy in the 1970s” (Jolly 1998: 173). The report of the ILO-mission to Kenya was the first international report recognising the positive aspects of the informal sector, recommending how its contributions could be made more effective. It was the “forerunner” of the Basic Needs Approach (Jolly 1998: 174).

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Jolly (1998) recounts how the mission's head, Singer, sketched the idea that the incomes of the poorest must increase more rapidly than they would by growth and trickle down alone. Redistributing from growth would mean adding to the incomes and assets of the poor without having to take away from anyone else, an idea that ran counter to the dominant perception of the Kuznets curve. Thus, reducing inequality by redistributing from growth, as formulated in the Kenya Report, gave rise to the strategy of Redistribution with Growth, based on the joint IBRD/IDS study of the same name that even spoke of trickle-up effects from greater incomes of the poor. Arguing in favour of investing in the poor became acceptable.

Keynes influenced Singer's (1997) thinking profoundly. Singer appreciated and supported Keynes's efforts to ensure that the conditions of the 1930s bringing about mass misery, mass unemployment, Hitlerism and war would "never again" occur. To ensure this, Keynes drafted a proposal from which the Bretton Woods system emerged, extending his ideas to the global economy. Implementing Keynes's proposals — including the International Trade Organisation, the international tax on balance of payments' surpluses, the control of speculative capital flows (still a membership right in the IMF's Articles of Agreement, although the IMF keeps members from exercising it), and a world currency based on 30 primary commodities — would have avoided many problems. Keynesianism thus remains relevant (Singer 1998b: 108). Unfortunately, Keynes did not prevail and the truncated Bretton Woods system could not prevent further deterioration. The foreign exchange gap of the South, which prevented application of Keynesian expansionist policies internationally, would not have developed if Keynes's ideas had not been distorted by US interests, and would have been facilitated by stable commodity prices, adjustment pressure on surplus countries and adequate provision of international liquidity (Singer 1997: 145ff, cf. Shaw 2002: 253).

Singer became an outspoken critic of neo-liberalism, feeling great concern about the resurgence of the policies of the 1930s, which had brought about rising inequality, leading in turn to the rise of rightist parties and, especially in developing countries, outright misery. While advocating such policies at the IDS, John Williamson (1996: 15) "was challenged by Hans Singer to identify the policy changes that I regarded as so welcome." Williamson made a list summarising ten policy prescriptions, which "we" find recommendable. Answering Singer's question "who is we?", Williamson answered this would be "we in Washington"; thus, the Washington Consensus. When East Asia's financial debacle of 1997-98 damaged the reputation of neo-liberalism, Singer (1998b) hoped that the pendulum might soon swing back towards Keynesianism. In his latest (co-authored) book, Singer advocates reforms for a more equal world order, i.e. economic proposals as though people matter (Raffer & Singer 2001: 236ff).

The Prebisch-Singer Thesis

Productivity growth was universally assumed to be higher in industrialised countries (ICs, or the Centre) than in Southern countries (SCs, or the Periphery). Standard microeconomic concepts, economies of scale, learning by doing in manufacturing, and increasing marginal costs of expanding raw material production supported this view. Historically, British terms of trade during the first half of the 19th century did, in fact, deteriorate (Singer 1989b: 323), reflecting the falling prices of manufactures and increasing primary commodity prices, as textbooks predict. The net barter terms of trade (NBToT) of SCs were assumed to have improved with the increasing marginal costs of primary commodity production distributing productivity gains globally. This is necessary for actual trade to be as beneficial as the textbook model predicts, i.e. prices have to equal marginal costs in the long run perfect market equilibrium. It was taken for granted that the world market functioned like the textbook model.

The Prebisch-Singer thesis (for its genesis, see Toye & Toye, 2003) rocked the boat of professional complacency, exposing an apparent contradiction between theoretical expectations and

practical outcomes. The US even attempted to close the Economic Commission for Latin America (ECLA), where Prebisch worked (Toye & Toye, 2003: 463). For diplomatic reasons, ECLA tried to distance itself publicly from Prebisch, whom it privately supported wholeheartedly, by breaking with the UN practice of not signing UN documents. Thus, Prebisch's contribution was published under his own name, while Singer's was not.

The secularly deteriorating net barter terms of trade of SCs, observed by Singer (1950) and Prebisch (1950), destroyed the established orthodox logic of mutually beneficial world markets. If international markets and trade behaved according to academic models, Southern net barter terms of trade would have to improve. Empirical analysis showed the opposite to be true. Real trade was not as beneficial as claimed by theory. This conclusion also holds, with constant net barter terms of trade if the Centre's rate of technical progress is higher than the Periphery's. Prices would not be aligned to marginal costs, and Southern Double Factoral Terms of Trade would deteriorate. Prebisch talked of "syphoning off productivity gains", while Singer's (1950) title emphasised the distribution of gains. Singer's interest derived from the problem of growth that increases inequality and disparities, and the question of whether world markets would perpetuate the division of labour militarily enforced by colonialism (Toye & Toye 2003: 448).

Before 1950, some ICs had also been quantitatively important primary commodity exporters. Well before the rise of industrial production in some SCs, however, the Periphery virtually only exported raw materials. With few exceptions, SCs have remained relatively dependent on them. Singer (1989b) presents quantitative evidence that the prices of primary commodities exported by ICs fell by 0.73 per cent annually during 1954-72 (in constant export unit values), while those of SC raw material exports fell by 1.82 per cent (both coefficients significant at 1 per cent). Thirlwall & Bergevin's (1985) evidence supports this conclusion. The prices of primary commodities (excluding oil) exported by SCs experienced a pronounced and significant negative trend, while those exported by ICs showed no significant trend.

Singer and Prebisch presented the following reasons for this inequality-exacerbating drive of real world markets, sometimes wrongly called different versions:

- *Market power*: workers (trade unions) and entrepreneurs in ICs have sufficient market power to keep IC prices from falling with technical progress. The gains from technical progress are unevenly distributed due to higher factor incomes at the Centre. Conversely, the lack of such market power forces SC-export prices down. This "para-market" assumption has been strongly criticised (cf. Spraos, 1983: 23f) by orthodox economists, who had blamed the Great Depression of the 1930s on union power and wage stickiness. While the Washington Consensus and neo-liberalism put the blame for most, if not all evils on the "stickiness of factor markets", this argument is conveniently ignored when it suggests that differential market power exacerbates inequality through trade.
- *Trade cycles* in the Centre are cushioned and therefore less threatening to incomes. Raw material prices are more volatile, falling steeply during recessions, which add momentum to the declining relative prices trend.
- *Trade cycles* in the Centre are cushioned because people are better able to preserve their incomes. Raw material prices are more volatile, falling steeply during recessions which adds momentum to the declining terms of trade trend.
- *Low income elasticities of primary commodity exports* limit the growth prospects of SC-exports. Manufactures were virtually not exported around 1950. Initially attacked, this view is now generally accepted, as reflected in the phrase "de-coupling growth from raw material consumption".
- *Low demand elasticities*: lower prices of primary commodities do not strongly increase demand. Strong expansion of raw material exports thus creates excess supply.

- *The necessity of importing products* which cannot be produced locally, such as machinery. The control of sophisticated technology embodied in these exports remains concentrated in the Centre (Singer 1989b: 326). The low income elasticities of imports by the Centre and the high income elasticities of SCs needing imports to develop both produce disequilibria. The Periphery is incapable of earning the resources needed for imports and of producing the investment goods it needs. Current account deficits, and foreign exchange gaps result with indebtedness usually following. Protectionism by the Centre increases these disequilibria by restricting Peripheral export revenues further, while protectionism by the Periphery reduces them. Diversification is needed to close the gap between earning capacity and developmental import needs.
- *Oversupply of labour* in the SCs keeps wages down. Arthur Lewis's labour market dualism thus complements the Prebisch-Singer thesis.

Cultural dependence — resulting in the wastage of scarce resources for luxury consumption or of imports of little or no developmental importance and increasing the gap between revenues and developmental import needs — and debt pressure, forcing countries to sell, were added later.

Retaining productivity gains is the central problem. In a closed economy, real income can increase, either by nominal incomes increasing at constant prices, or by prices falling with productivity improvements at constant nominal incomes. Internationally, however, only prices transmit productivity gains. Competitive markets would make export prices fall in line with marginal costs. Export prices of countries experiencing stronger productivity gains would fall more, thus improving net barter terms of trade for countries with slower productivity growth. The Prebisch-Singer thesis's factor market argument simply means the Centre's productivity gains are largely absorbed by higher incomes, while the Periphery's tend to be transmitted via lower prices.

Debating Statistical Significance

The debate, however, soon focussed on technical and statistical questions: the quality of historical data, whether prices appropriately reflected product quality improvements of manufactures, or changes in transport costs affecting prices, whether the case rested unduly on British net barter terms of trade, and eventually, on the interesting technical question as to whether a negative trend can be proven statistically. Both Singer (1950) and Prebisch (1950) drew attention to quality problems in Singer's historical data. Many problems, presented as though they had just been discovered, "were already acknowledged at some length in the United Nations paper [written by Singer] ... which Prebisch had indicated as the source of British data" (Spraos 1983: 45). After listing several counter-arguments that "appear to be damaging", Streeten (1981: 217) concluded:

"the core of the doctrine may well survive the onslaughts. This core is that in the world economy there are forces at work that make for an uneven distribution of the gains from trade and economic progress generally, so that the lion's share goes to the lions".

Over decades, many new econometric methods have been used to test the Prebisch-Singer thesis. Sapsford & Chen (1998: 28f) compiled an overview from 1950 to 1998, concluding that with "Ten out of the top twelve studies listed" supporting it, the Prebisch-Singer thesis stood the test of time extremely well, although estimated annual rates of deterioration differed. Oil is usually omitted as a special case after 1973. Most importantly, none of the econometric studies found increasing Southern net barter terms of trade, nor was this ever claimed. Grilli & Young's (1988) alternative data set, widely used after 1988, also showed a negative trend. Criticising shortcomings of time series analysis, Chen & Stocker (1998) use a partial equilibrium model for related goods and principal component analysis to re-examine the Prebisch-Singer thesis, with their results (for 1900-86) clearly supporting it.

Obviously, econometric results may be influenced by the time periods chosen, which leads to the question of structural breaks. With reservations regarding their quality, Spraos (1983: 68) concluded that for data up to the publication of the Prebisch-Singer thesis, “evidence points to a deteriorating trend”, albeit at a smaller rate. Extending the series into the 1970s, however, he concluded that no significant trend can be found, a conclusion he qualified later after plummeting raw material prices in the 1980s. Sapsford (1985) extended Spraos’s analysis into the early eighties. Analysing the time series from 1900, and accounting for the wartime break of the Second World War, he found the Prebisch-Singer thesis strongly borne out for both pre-war and post-war periods, and for the whole time series since 1900. There is a clear downward trend before the War, and then, a strong upward shift brought about by it. The net barter terms of trade start from a much higher level after this discontinuity, but immediately deteriorate again perceptibly.

The only serious challenge to the Prebisch-Singer thesis, by Cuddington & Urzúa (1989), criticised the method of trend estimation, rejecting the Second World War break in favour of one structural break after 1920, presumably reflecting the end of the prolonged expansion after the First World War. Thus, there was a one-time structural shift, and no evidence of an “ongoing, continual downtrend” (Cuddington & Urzúa 1989: 441). Sapsford, Sarkar & Singer (1992) challenged this conclusion on technical grounds, and showed that the extreme drop in 1920-21 of the more recently constructed Grilli-Yang series, on which it rests, is absent in earlier material. They find an annual trend decline of 0.6 per cent for 1900-85. A statistical debate over whether prices fall continuously or one of several trend-less series follows another after structural price drops is theoretically interesting, but of little practical relevance. In both cases, revenues decline over time, and diversification is indicated.

It is sometimes argued that income terms of trade are much more important than net barter terms of trade. If additional exports (over)compensate the effect of falling net barter terms of trade (which is not necessarily so due to demand elasticities), the same or more resources can be earned. This is quantitatively true, but may hide another problem. If falling net barter terms of trade are not caused by increased productivity, but simply reflect falling export prices, double factorial terms of trade deteriorate. More must be produced and exported to earn the same revenues (or: to keep income terms of trade constant), similar to people having to work longer hours after wage cuts. Even with constant income, they might not be totally indifferent to lower hourly wages.

In 1994, several IMF publications have corroborated the trend of declining terms of trade. Reinhart & Wickham (1994: 175) concluded “the recent weakness in commodity prices is mostly secular, stressing the need ... to concentrate on export diversification and other structural policies”, even seeing scope for stabilisation funds. Borensztein, *et al* (1994: 7) found “some evidence that the downward trend has steepened in the recent past”. The large decline of real commodity prices during the previous decade should be regarded as largely permanent. Also, price volatility had increased steadily and considerably since the 1960s. The growth of supply is seen as one price-depressing factor, an effect of the IMF’s structural adjustment policies, forced on debtor nations and repeatedly criticised by Singer. These findings by IMF staff, an institution highly critical of the Prebisch-Singer thesis over several decades, seem to have contributed to closing the debate. Nearly half a century after its original publication, the Prebisch-Singer thesis stands vindicated.

Trade Policies for Development

Singer saw his seminal paper as a policy guide urging diversification away from primary commodity production (cf. Shaw 2002: 57). The gap between necessary imports and limited capacities to earn foreign exchange had to be closed. Early proponents of the Prebisch-Singer thesis, including Singer and Prebisch, were often accused of advocating import-substituting industrialisation (ISI) in opposition to production for export. This erroneous understanding produced protracted and fierce debates. Singer clarified: “But the whole debate which the critics of

Prebisch now conduct in terms of outward versus inward orientation, or of export promotion versus import substitution is an absurd and silly discussion. Obviously we want both, as Raúl Prebisch pointed out so clearly... we want a combination of import substitution and export promotion. ... In other words what is needed is an interplay between inward-oriented or import substitution efforts (where regional co-operation also has a great role to play) and export promotion.” (Singer 1986: 4f). Prebisch (e.g. 1984) repeatedly advocated export subsidies to overcome the disadvantages of infant exporters, thinking, however, that they might meet stronger opposition from ICs than infant industry protection. ISI would thus be a second best solution, as the emphasis has always been on industrialisation. Protection should make up for cost disadvantages, to be eventually phased out in line with productivity improvements of domestic SC-industries. Balassa’s (1984: 308) assertion that “One finds no prescription for export expansion ... in any of the contributions to the Prebisch-Singer thesis” is, politely put, highly misleading. Singer (1986: 6) stresses that Prebisch’s ideas were realised in South Korea, which implemented Prebisch’s preferred option of supporting exporters and that many Korean economists were well aware of this. Pointing out that import substitution had become very popular and “part of the established wisdom” in “the name of rural development and promotion of domestic food production”, Singer (1984: 288) felt that objections were “perhaps more to industrialization than to import substitution.”

Prebisch (1976: 66) clearly stated that there is no inherent or irreversible intrinsic quality condemning raw materials to deteriorating net barter terms of trade. Deterioration occurs when increases in production outstrip demand growth, or the Periphery wants to sell more than the Centre wants to buy, which can equally well happen with manufactures (cf. Prebisch 1959: 258f), though Prebisch never fully included manufactures into his analysis. By contrast, Singer extended empirical research to manufactures (Sarkar & Singer 1991). As it turned out, shifting away from commodities to manufactures did not necessarily solve the problem. In comparison with manufactured exports of ICs, the type of manufactures exported by SCs “shared some of the disadvantages pointed out by Prebisch-Singer for primary commodities in relation to manufactures” (Singer 1989b: 327). The terms of trade of manufactures improved less for SCs than for ICs. Singer therefore concluded that both commodity and country effects exist, reinforcing each other. He attributed the deterioration of terms of trade during 1954-72 to three distinct factors: falling terms of trade of primary products *vis-à-vis* manufactures, a fall in the prices of manufactures exported by SCs relative to manufactures exported by ICs, and the higher proportion of primary commodities in Periphery exports.

While the net barter terms of trade cannot fall below the Ricardian limbo’s floor in the textbook -- this would mean that exporters sell at a lower price than they could get at home -- this may happen if the unrealistic assumption of constant returns is changed *ceteris paribus*. Graham (1923) did so, assuming decreasing productivity for the agrarian product (wheat) and economies of scale for watches. Under this assumption, the limbo widens. The net barter terms of trade can deteriorate beyond the limbo’s initial floor. Graham’s raw material exporter loses by specialising according to comparative advantage, experiencing the development of underdevelopment. Graham’s Paradox gives further theoretical weight to the policy conclusions of the Prebisch-Singer thesis. Together with Raffer’s theory of Unequal Exchange, the nucleus of a more realistic trade theory emerges (Raffer 1994).

Soft Financing and the UN

The collapse of the ITO after its successful negotiation in 1948 caused Singer, who at one point was also drawn into the preparatory work for the Bretton Woods conference (Shaw 2002: 35), to be pessimistic about future prospects for convergence in the world economy even though the position of raw material exporting SCs was favourable at that time: “the dice were loaded against one of the trade partners”. Singer thought that Keynes would have objected to establishing the Bretton Woods

institutions without the trade pillar (Singer 1984: 279; Shaw ed. 2001: 102). He opposed the official “Trade not Aid” policy of the ICs. If trade did not supply the necessary resources for development, financial transfers were needed. Seeing both FDI and commercial bank lending as potentially self-defeating alternatives, Singer advocated aid and soft financing as the only alternative, an idea “born and developed at the same time as the work on terms of trade with a clear intellectual link between the two”; it was the “natural avenue to which the interest of the United Nations, and my own with it, turned ... because of trade pessimism” (Singer 1984: 296). One must recall that ODA was tougher before 1970 than nowadays. “ODA-loans” were frequently made, with a spread over the interest rate at which the “donors” themselves could borrow. Pure business investments were often recorded as “aid” (Raffer and Singer 2001: 69ff). Important “donors” objected to better ODA terms. Advocating soft aid was thus “subversive” (Singer 1984: 296) -- as Singer personally learnt during the McCarthy days.

Singer (1984: 297) became one of the “irresponsible wild men” at the UN attempting to create a major soft financing mechanism. With the end of the ITO, this became even more urgent. Singer (1993) identified the ITO, the missing third pillar of trade, as the reason why the Bretton Woods system — with its relatively interventionist rules in the financial sector — eventually collapsed, and the failure to establish a system of democratic global economic management by the UN General Assembly and ECOSOC as another cause. It is interesting that Bretton Woods had developed from Keynes’s proposals drafted as the Allies’ countermove against the proclamation of a “New Order” by the German Minister of Economics and President of the Reichsbank, Walter Funk when Hitler was triumphant (Raffer & Singer 2001: 1; cf. Laughland 1997). Funk’s centrepiece was a European Economic Community (Europäische Wirtschaftsgemeinschaft, EWG), whose structures were strikingly similar to what exists presently in Brussels. Cynics might be tempted to say that in the end, Keynes lost out to Funk.

Attempts to establish soft financing started in 1949 with UNEDA (UN Economic Development Administration), proposed by V.K.R.V. Rao, a fellow student and friend of Singer’s at Cambridge, in the Sub-Commission on Economic Development, which Singer served as a UN staff member. UNEDA was immediately blocked by the US and the IBRD. Then, the idea of a UN Fund for Economic Development was propagated. When it was realised (apparently by Singer) that the acronym UNFED might not be a good omen, it was changed to SUNFED by adding the word Special. Inspired by the Marshall Plan, SUNFED should have administered large-scale soft aid. The “long opposition of the World Bank not only to involving the UN in financial aid but even to the principle of soft aid, also served to prevent this idea materializing” (Singer 1989a).

The idea of multilateral aid gained US support during the Kennedy era for political reasons (including Castro’s coming to power), though in a very different form. There was no question of a UN controlled (S)UNFED. Like the Bretton Woods twins, the new institution was to be established under firm Northern control, in marked contrast to the Inter-American Development Bank (IDB) established with a voting majority of borrowing countries in 1959. The OECD (1985: 141) officially confirmed Singer’s feeling about the importance of control: “The developed countries preferred this to the alternative proposal, a special fund ensconced in the United Nations, because the structure of the World Bank ensured weighted voting in their favour.” It is after all the North’s Bank, not the World Bank. Finally, in 1961, President Kennedy proposed that the 1960s be designated the UN’s Decade for Development. Singer drafted the proposals for action for the Secretary General’s report (Shaw 2002: 104)

The IBRD immediately dropped its reservations about soft aid, once it became clear that the IBRD, and not the UN, would administer it. Thus, the International Development Association (IDA) was established as the Bank’s soft loan window. Mason and Asher (1973) credited the UN’s wild men with preparing the ground for IDA. Reid (1973: 134) suggested that the pressure for SUNFED was used by several poor countries to get some form of soft financing. Singer (1984: 299) was “quite satisfied with this distribution of roles as ‘fall guys’ for Eugene Black and IDA”. Soft

financing was now established as “sound practice”, though not at the UN. The UN got a “valuable consolation prize” in the form of the Special Fund. Singer was in charge of its preparation until the arrival of its first managing director, Paul Hoffman, the former administrator of the Marshall Plan. In 1965, the UN Special Fund and the UN Expanded Programme for Technical Assistance (EPTA) were amalgamated to form the UN Development Programme (UNDP).

The idea of a Marshall Plan for the South was taken up again in 1958 by Bruno Kreisky, who advocated the idea quite vocally as Austria’s Federal Chancellor after 1970 (Raffer & Singer 1996: 62). Like the earlier idea to emulate the Marshall Plan to finance development on concessional terms, it did not gain enough support. The World Development Fund proposed by the Brandt Commission suffered a similar fate. As in the case of SUNFED, the IBRD objected strongly.

Singer was aware that insufficient soft financing, combined with insufficient export revenues, would produce a debt problem. His scepticism regarding hard financing by commercial lenders, expressed immediately after WWII when the situation of SC-exporters was still quite good was unfortunately proved right by the debt crisis. The Pearson (*et al.* 1969) Report — prepared at the request of the IBRD’s president — drew attention to Southern over-indebtedness caused by structural disequilibria, and proposed debt cancellations. Singer’s concerns about structural disequilibria were already vindicated in the 1960s. However, the Euromarket lending spree, taking off at the very time when the Pearson Report was published, covered up the problem (for details, cf. Raffer 2004).

Singer made quite a few contributions on the debt problem, criticising the neo-liberal turn to “structural adjustment”. Pointing out the fallacy of composition (individual efforts to gain market shares by lowering one’s price do not work successfully if all exporters do so) was, of course, to be expected. But Singer also joined those demanding “some degree or method of debt reduction” during the 1980s (reprinted in Shaw ed. 2001: 123), seeing the inevitability of some form of debt workout arrangement for countries, well before the HIPC Initiative or the IMF’s SDRM proposal. He identified three factors — equivalent to a “multiple taxation of export earnings” (Singer 1989c) — that made the situation untenable at the time of his analysis: debt service represented a 30 per cent tax on Latin America’s export earnings, terms of trade deteriorated by at least 20 per cent over the previous decade, and exports declined by another 20 per cent due to slowed-down IC growth — “a total cut of ... over half of export earnings”. Debt pressure contributed to terms of trade losses. To the extent that higher export volumes were bought at the expense of deteriorating terms of trade — the usual “Structural Adjustment” procedure — this represents a case of immiserising growth.

Singer drew lucid parallels to the German transfer problem analysed by Keynes: “Today, the Latin American countries in paying *their* reparations (debt service) demonstrate the validity of Keynes’s views” (Shaw ed. 2001: 128, emphasis in orig.). Germany’s hyperinflation, which Singer personally experienced when young, can also be seen in debtor countries. Singer concluded that the complete Bretton Woods system imagined by Keynes would have prevented this problem. If Keynes’s world currency based on the average price of 30 commodities including gold and oil had become reality, the “oil shock” of 1973 — which “did little more than restore the real price of oil” (Shaw ed. 2001: 102) — might not have happened. Bretton Woods might have survived. Singer also emphasised that while important, oil price increases, were definitely not the only reason for the debt crisis (Raffer & Singer 2001: 133). He supported the proposal of a fair transparent arbitration procedure based on US Chapter 9 insolvency (Raffer and Singer 1996: 203ff; 2001: 243ff), and seconded Paul Streeten’s (1994) idea of copying one interesting feature of the Marshall Plan: regional co-operation and self-monitoring by recipients.

Singer, who had already written a study on children in development for UNICEF in 1972, was invited by Richard Jolly to join a team of experts analysing the effects of the crisis on children in 1984. Jolly’s team produced a seminal report documenting how children suffered under the recession during the early 1980s (UNICEF 1984). It called for changes in adjustment policies and

conditionalities to protect the living standards of the most vulnerable. “In many ways the study set the scene for another seminal study by UNICEF on Adjustment with a Human Face (Cornia, *et al.*, 1987)” (Shaw 2002: 187). Singer has repeatedly advocated reform of the UN (see Shaw 2002: 221ff, or e.g. Raffer and Singer 2001: 254ff). With particular urgency he has advocated making the IBRD and IMF “special agencies of the UN”, as had been initially planned in 1944.

Food Aid

Food aid, in particular, has always been of very strong interest to Singer. This followed logically from his research on the effects of international trade on SCs. Singer (1950: 481) *had* already identified commercial food imports as one important development barrier:

“The major proportion of the imports of the underdeveloped countries is in fact made up of manufactured food (especially in overpopulated underdeveloped countries), textile manufactures, and manufactured consumer goods. The prices of the type of food imported by the underdeveloped countries, and particularly the prices of textile manufactures, have risen so heavily in the immediate postwar period that any advantage which the underdeveloped countries might have enjoyed in the postwar period from favourable prices realized on primary commodities and low prices for capital goods has been wiped out.”

When soft financing via the UN was blocked, food aid remained a realistic option to get more resources. Singer has repeatedly emphasised its element of additionality: “if you talk about financial aid, you are the taxpayer’s enemy, if you talk about food aid, you are the farmer’s friend” (Singer 1994: 51), an important distinction in ICs with strong agrarian lobbies. Substantial parts of Marshall aid to Europe were in the form of food aid, which contributed to making it attractive. US food aid under PL 480 encouraged Singer (1984: 301) to see the possibilities of an international aid programme more optimistically. Singer was involved in the creation of a multilateral food aid facility and the establishment of the UN World Food Programme.

Singer (1991: 111) pointed out that, economically, the bulk of food aid was, in fact, financial aid, as over half was sold in recipient countries to provide balance of trade support as such food aid is directly equivalent to foreign exchange resources released because recipients can save the costs of commercial food imports. Financed from the same budget as ODA in Britain, it was seen as inferior to other aid. In most other countries, however, it is at least seen as largely additional, a form of disposing of agricultural surplus financed from agrarian budgets, thus not affecting ODA budgets. Unlike in the case of ODA, an internationally binding agreement, the Food Aid Convention, was achieved. Much of it is grant aid, and much goes to the particularly poor.

Singer’s focus on food aid may be traced to his continued interest in distributive justice as it provides a nutritional safety net to the poor by, paraphrasing Amartya Sen, “entitling” them to food. Connecting secularly falling terms of trade with the need of the poor to get food, Singer overcame what Sen (1983: 754) called “perhaps the most important thematic deficiency of traditional development economics” well ahead of many others. Sen saw this deficiency reflected in the neglect of people, their needs, and their right to live decently, which should be the ultimate concern of development.

Although an outspoken advocate of food aid, Singer has never been uncritical, always drawing attention to problems and shortcomings, mainly implementation problems (cf., e.g. Raffer and Singer 1996: 73ff; Shaw ed. 2001: 199ff). Food aid may discourage local farmers if administered wrongly. It can, but need not cause disincentives. Singer especially recommended triangular transactions: donors buy food in other SCs to be shipped as aid to recipient SCs. This may also have the advantage of not encouraging shifts away from local consumption patterns in the way Northern imports would. Singer saw the creation of the WTO as a major opportunity to increase the quantity of food available under the Food Aid Convention (Singer 1994, Singer &

Shaw 1995). This should cushion the WTO's adverse effects on net-food importers. Singer & Shaw (1995: 329) proposed "a sub-committee on food aid" within the Committee on Agriculture. Although Article 16 of the Agreement on Agriculture demands measures in favour of net-importing SCs, such proposals were not welcome.

In Lieu of a Conclusion

This chapter attempts to summarise Singer's main contributions, aware of the problems of condensing his theoretical work and policy advice into the space available. Rather than trying to further condense this chapter in a short conclusion, one might end by quoting a distinguished economist, Sir Alec Cairncross (1998: 13f), Singer's fellow student at Cambridge:

"There are few of the developing countries that he has not visited and still fewer that he has not advised. He must have addressed a wider variety of academics in a wider variety of places about a wider range of subjects than any other economist, living or dead. He has moved from continent to continent, expounding, advocating, and devising strategies of economic development. His influence has been felt as much by word of mouth in the succession of countries where he has lectured as through the pile of working documents and published papers that survive like a spoor of his travels."

Appendix: Biographical Note

Hans Wolfgang Singer was born on 29 November 1910 at Elberfeld, now part of Wuppertal, Germany. The choice of his first names reflects the family's favourite poet, Goethe. His father, Heinrich, was a doctor. Serving as an officer during the First World War, he earned the Iron Cross. Being Jewish, he was murdered after the Nazis took over. In 1929, Singer started studying medicine at Bonn, but soon changed to economics. His aborted medical studies produced an invaluable reward: he met his later wife, Ilse Lina Plaut, at the medical faculty.

Singer became a member of a discussion group of students Joseph Alois Schumpeter gathered around himself. He started his PhD thesis on the theory of economic development with Schumpeter. After Schumpeter left for Harvard, Arthur Spiethoff became his supervisor and Singer his research assistant. The thesis's focus changed to urban economics.

Singer, Wolfgang Stolper, and August Lösch, the founder of modern location theory and regional economics, dominated the faculty Association (*Fachschaft*) of students, giving it a clear anti-Nazi position. One incident characterises Singer's courage. When vicious anti-Semitic insults against him were smeared on the Faculty's bulletin board, Singer added a remark asking the anonymous person to sign because otherwise this person would not only be "a swine, but also a coward" (Stolper 1998: 522). This eventually brought about a farce: the student who had written the smears was kicked out of the Student-SS -- not for writing them, but for denying it.

When the Nazis seized power, Singer had to flee via Switzerland to Turkey. A letter from Richard (later Lord) Kahn invited him to Cambridge. Schumpeter had recommended him to Keynes, proposing Singer for a scholarship. After an interview by a small committee, whose members included Keynes and Pigou, and whose secretary was Austin Robinson, he got one of two grants for refugees.

This grant allowed him to return to Germany to marry Ilse Plaut. The couple left quickly again for England. As a refugee, Ilse Singer could not pursue her medical studies. Nevertheless, she became a well-known figure in her own right. During the War, she worked for the resettlement of German refugees in Manchester. In New York, she was actively involved in protests against the discrimination of women through a branch of the Women's International League for Peace and

Freedom, and worked voluntarily for an organisation for better housing and against discrimination of black people (Shaw 2002: 90). Just before moving back to England, the Singers suddenly became unpopular with their neighbours because they had sold their house to a charming young couple -- who were black. Ilse Singer's voluntary activities selling UNICEF cards made her an institution at the annual Conferences of the Development Studies Association. Many members bought their annual supplies from her. She raised funds for 50 years. As a feminist, she joined the Greenham Commons Protest. She died on 3 March 2001, after 67 years of marriage (Jolly 2001).

Enrolled at King's College, Singer became a member of Keynes's Monday night discussion club. His dissertation on urban ground rent earned him one of the first PhDs in economics at Cambridge. His first employment was with the Pilgrim Trust. On Keynes's recommendation, Singer (1997: 138) was recruited as one of three young men to investigate the causes and effects of unemployment. The team lived with unemployed families, an early case of participatory research, from which two books resulted (Oakeshott, Owen & Singer 1938, Singer 1940). Singer (1997: 139) sees an obvious connection between studying depressed areas in Britain and in developing countries, e.g. Northeast Brazil, northern Thailand, or Kenya. After working at the University of Manchester (1938-44), and a brief internment as an enemy alien (1940), Keynes recommended him for a post at the Ministry of Town and Country Planning (1945-46). A series of twelve articles on the German war economy appeared in consecutive issues of *The Economic Journal* during 1940-44 at the invitation of Keynes. Appointed lecturer at the University of Glasgow, Singer was released on a provisional two-year assignment to the UN in 1947.

Numerous activities, visiting missions, official reports, consultancies to various governments and international organisations followed. He played an important role in the establishment of the UN Special Fund, the World Food Programme (WFP) and the African Development Bank, where he served as chief economist during the initial stages (Shaw 2002: 119, 275). His work in favour of a more equal world at the UN, especially his efforts to establish (S)UNFED, triggered sharp attacks by Senator McCarthy and his followers, a "deliberate and orchestrated character assassination" using false and misleading information (Shaw 2002: 90). His support of Beveridge (and the welfare state), his prior work in the UK and for the British Labour government were "cited" as proof of his left-wing "aims" to disrupt the US. Singer considered leaving the UN, but fortunately, this period blew over. At that time, neither of the Singers were members of a political party.

Retiring from the UN in 1969, Singer joined the newly founded Institute of Development Studies (IDS) as a Fellow, and was appointed Professor at the University of Sussex. He influenced and shaped the IDS over decades. He became an Emeritus Professor at Sussex University in 1975, but continued working at the IDS where he continues to be a Fellow. He has received half a dozen honorary degrees and countless distinctions and honours. In 1994, Hans Singer was knighted in recognition of his achievements as an academic and as a practitioner of economic policy. The WFP honoured him with its Food for Life Award in 2001. Economists from the South "have put his name forward on several occasions to receive the Nobel prize for economics" (Shaw 2002: 261). Like Joan Robinson, he might never receive it.

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