was trying to dodge all aid commitments by claiming that the "socialist" states were not the proper addressees for aid demands: the GDR portrayed it as a "success in the struggle against imperialism". 29

But a look at the Charter shows that it recognises only two groups: the developing countries as recipients and the "developed countries" as donors. It does not — as the GDR press would have it — differentiate in the "developed countries" group between the B group (of western states) and the D group (of eastern states). The "Economic Charter" puts in words what the GDR is trying to repudiate, namely, that it is itself one of those to whom the developing countries address their demands, even if the involvement of the GDR is distinguishable from that of the western industrial states.

No Alternative

To return to the question whether the GDR has an institutional alternative to the World Bank Group in view: The alternative position of the GDR has been circumscribed in the following terms: "Socialist states and progressive forces in the UN do not agree to the role and activities of the World Bank in view of its imperialistic character. They demand instead that full use be made of the democratic organs and programmes for assistance to the developing countries and fostering international cooperation on the basis of the principles and objectives of the UN Charter." 30

ECOSOC 31, UNDP and UNCTAD are regarded as "democratic organs and programmes for assistance to the developing countries". The potentialities of UNCTAD for action in the interests of the developing countries do not however warrant the partiality for UNCTAD rather than the World Bank as an institution for development strategy. It may be that the GDR prefers UNCTAD because participation in it does not involve the GDR in any expenses. Cooperation with it would seem to have publicity value. UNCTAD — and UNIDO likewise — cannot serve as an "alternative" because it cannot provide credits, if for no other reason. In the UN set-up there is no alternative for the World Bank Group whatever censures western journals and Third World spokesmen may wreak on the World Bank. It may be that the developing countries would be ready to go along with the socialist states in completely disregarding the World Bank, but only if the "Community of Socialist States" had a similarly efficient organisation to hand in the sphere of development finance.

30 Völkerrecht, ibid., pp. 108 f.
31 In the view of the GDR the Economic and Social Council (ECOSOC) should, together with UNCTAD, play the central role in UN development strategy.

Technology Transfer

Problems of a Code of Conduct

by Dr Karl Wolfgang Menck, Hamburg *

UNCTAD's Main Committee for Technology is to meet in November 1975 to discuss once again the subject of a Code of Conduct to be observed in transferring technical knowledge. What chances are there for such a Code to be adopted?

The transfer of technology is for many developing countries the only means whereby the technological gap between rich and poor countries may be closed. 1 Besides, the transfer of technological know-how may help developing countries to overcome their technological backwardness and their dependence on others by enabling them to set up national institutions of their own for technological development. 2 This has become the objective of many countries after they had been forced to realize that technical aid measures as such did not equip them with sufficient knowledge in that a great deal of it was know-how protected by patents and licenses, and it is precisely this kind of knowledge of which poor countries stand in most need in their efforts to build up modern production plants and become internationally competitive. In addition, granting licenses and assign-

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2 Cf. int. al. G. S. Jones, The Role auf Science and Technology in Developing Countries, London 1971, passim.

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Technology transfers are so important to the economic growth of developing countries that UNCTAD has for some time concerned itself with this problem; it has been prompted to do so also by growing complaints on the part of licensee countries about excessive charges and restrictive practices imposed upon them by industrial countries. 3

Already at the First World Trade Conference voices were heard drawing attention to the importance of the transfer of technological know-how for the economic advancement of developing countries and demanding that measures be taken to hasten this process. 4 The Second World Trade Conference, mindful of the resolutions and recommendations of its predecessor, recommended that the World Trade Council be asked to consider the possibility of instituting an inter-state committee to deal with this complex of questions. As a result of this recommendation, the representatives of 42 countries, meeting in Geneva from June 14 to June 21, 1971, concerned themselves with "ways and mechanisms of transferring technology". At the Lima Conference the 77 developing countries formulated their demands more precisely. They recommended among other things that

3 Cf. Report of the Intergovernmental Group on the Transfer of Technology, UNCTAD/TD/B/424, p. 7; Major Issues Arising from the Transfer of Technology, UNCTAD/TD/AC. 11/22; Major Issues Arising from the Transfer of Technology to Developing Countries, UNCTAD/TD/B/AC. 11/10/Rev. 1; The Role of the Patent System in the Transfer of Technology to Developing Countries, UNCTAD/TD/B/AC. 11/19; Major Issues Arising from the Transfer of Technology, A Case Study/Chile, UNCTAD/TD/B/AC. 11/20; Major Issues Arising from the Transfer of Technology to Developing Countries, UNCTAD/TD/B/AC. 11/10; Major Issues in Transfer of Technology to Developing Countries, UNCTAD/TD/AC. 11/10/Add. 1; The Possibility and Feasibility of an International Code of Conduct on Transfer of Technology, UNCTAD/TD/B/AC. 11/22.

4 A. Naini, Grundfragen der Dritten Welthandelskonferenz (Basic Problems of the Third World Trade Conference), Hamburg 1972, p. 134 et seq.


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