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Introduction

This foolish belief that the Cold War can be won by courting the weak.

—MANLIO BROSIO, 1960

ON 25 JUNE 1975, Samora Moises Machel, the first president of Mozambique, celebrated independence at Machava Stadium in the capital, Lourenço Marques, soon to be renamed Maputo. A jubilant crowd filled the arena. Hundreds of guests from the various countries and organizations that had supported FRELIMO, the Mozambique Liberation Front (Frente de Libertação de Moçambique), during the armed struggle for independence joined the celebrations. Machel had traveled from the Rovuma River in the north down to the Maputo River in the south: a triumphal march that lasted over a month. He hoped to convince his people to help construct the new state by spreading the news of independence and its significance. Machel promised the People's Republic of Mozambique that he would eradicate the remnants of colonialism and forever banish exploitation. He would build a new society, based on agriculture and propelled by industrial development, relying on its own forces with the support of its natural allies: the socialist countries and its African neighbors Tanzania and Zambia. Education, youth, and health were important parts of the plan; the emancipation of women was fundamental, along with social development within a community framework, the valuing of tradition, and the exchange of knowledge.[1]

Mozambique's bloody war of liberation from Portuguese colonialism lasted ten years (1964–74), during which FRELIMO received support from the Soviet Union and its Eastern European allies. They sent weapons, emergency supplies, advisers, and technicians and pledged to help construct the new state. Mozambique was ideally situated to become a new front of the Cold War, which in 1970s Africa often ran hot. Liberation, whether in Mozambique or elsewhere in Southern Africa, did not imply the end of conflicts,

and internal struggles continued, fueled by competing ideologies. President Samora Machel was the unchallenged leader of a paternalistic political elite anchored to an ethic of socialist development of the country. In 1977 during FRELIMO's Third Congress, the first after independence, the broad-based liberation movement became a vanguard Marxist party, built hierarchically and using central planning as its main development strategy. During the congress, the plans sketched at the moment of independence acquired a more precise shape, with Soviet-style modernization as its paradigm. One infrastructure project towered over the rest: the Cahora Bassa Dam, the huge work on the Zambezi River originally conceived in the 1930s by Portuguese authorities as a symbol of their power.

After complex and extended negotiations, in September 1969 a consortium of firms from Portugal, West Germany, the United Kingdom, and South Africa—ZAMCO—had signed a $515 million agreement to build the dam. Work was finally completed in 1974. Intended to supply energy to South Africa, the hydroelectric power plant symbolized the idealized union of white settler communities in Southern Africa. Owned and operated by a Portuguese corporation, Hidroeléctrica de Cahora Bassa (HCB), and inserted within the colonial development plan by Portuguese authorities, the megadam was associated with colonial oppression and had long been in the crossfire of both FRELIMO propaganda and warfare.[2] After independence, the dam became a challenge for the new ruling class: could the new government "tame the white elephant" and turn the colonial project into a tool for social revolution and the empowerment of the black population, by using the energy produced by Cahora Bassa's turbines in Mozambique? Machel's words and plans in this direction echoed those of earlier icons of national independence: Gamal Abdel Nasser in Egypt, Jawaharlal Nehru in India, Kwame Nkrumah in Ghana. Here, though, the rhetoric of liberation was clearly Marxist Leninist, promising a complete overhaul of the old socioeconomic order and a new model of a more equitable society. Ultimately, the dam did not serve the cause of socialist empowerment. Mozambique's postindependence political elite struggled to convert it into a symbol of emancipation within a plan for accelerated national modernization of economic and social structures where the state bore the burden of economic progress and social development. The imposition of collective forms of production and forced settlement into rural communities, often reminiscent of colonial methods, alienated big sectors of the population and nourished the raging civil war fomented by RENAMO (Resistência Nacional Moçambicana, supported by Rhodesia and apartheid South Africa) that transformed large areas into battlefields.[3] Cahora Bassa is a useful case study of development's entanglement with the colonial legacy and Cold War dynamics in Southern Africa. It is one of many examples of how economic decolonization mixed

with Cold War interests, with local elites inviting superpowers in to help them achieve modernity and economic growth, often with mixed results.

This book is about the history of development as a Cold War global project from the late 1940s until the late 1980s, a period when the world's imagination was seduced by a concept that encompassed progress, modernity, economic growth, and welfare.[4] Development was crucial to colonial administrations, as the case of Cahora Bassa suggests. Used to appease both the European settlers and the local population, it strengthened empire. With decolonization, it ceased to be domestic policy for empires and became a form of international politics for their successors. How and on what terms would newly independent countries be integrated into the international system? Development became diplomacy's favored way to keep the emerging countries that Alfred Sauvy named the Third World, which could model themselves on either the West or the East, from following the wrong trajectory. In both the East and West, rich countries sought to help the decolonizing states catch up by offering both aid and an example of how a society could and should work. Development projects became a feature of international relations, part of the toolbox of both nation-states and international organizations. For the former colonial powers, development often meant resuming older commitments. It became development aid; once seen as investment at home, it was now a gift abroad, an act of generosity or enlightened interest. To the formerly colonized, however, foreign aid was a form of reparation, a duty for former colonizers who were expected to remedy the wrongs of imperial rule by helping correct global economic inequality. Using it effectively for the postcolonial state was a move of self-determination that national elites exploited to legitimize their rule. So crucial was aid in Asia, Africa, and Latin America that it is impossible to accurately discuss history in the late twentieth century without considering development projects, many of which were complex state-building operations that touched entire societies.

Narrating the political, intellectual, and economic history of the twentieth century through the lens of development means dealing with ideas as much as with material transformation, recounting the ways ideas and projects affected local realities, transnational interactions, and, eventually, notions of development. In describing this trajectory, *Global Development* makes three main points. First, it argues that the Cold War was fundamental in shaping the global aspirations and ideologies of development and modeling the institutional structures that still rule foreign aid today. Second, it contends that the role of the state was crucial, and that though development projects were articulated in global terms, as narratives to frame problems and provide solutions, they actually served national purposes. Third, it argues that development institutions tried to create a universal and homogeneous concept of development but ultimately failed.

German historian Reinhart Koselleck has remarked that a concept is both a product of its context and a factor shaping it.[5] Development was molded by the Cold War and, in turn, actively designed some of its structures. It predated the end of empires and the Second World War but acquired a special role with the globalization of American and Soviet ideological competition and the building of the institutions and ideology of an economic Cold War. At the very inception of the Cold War, with the Marshall Plan, development and foreign aid met, and development became a transnational project with potential global reach. It quickly became the preferred way to conquer the hearts and minds of poor people in Europe and—with Point Four in 1949—outside it. Postwar reconstruction valued cooperation highly, seeing it as the blueprint for dealing with backwardness. Even before the Cold War, it was the fear of communism that provided incentives for development. Economic aid was devised in the interwar years to counter the specter of revolutions fueled by social discontent and rising expectations. After the Second World War, anticommunism was clearly behind Truman's Point Four, but it was not until 1956 that aid became institutionalized as a tool for Cold War politics. It was then that Nikita Khrushchev took up the challenge by arguing that the socialist mode of production, with its system of cooperation on an equal base grounded in fraternal solidarity and stressing industrial development, possessed decisive advantages over the capitalist one. The combined effect of the collapse of European empires and the Cold War opened new space in international politics. To receive aid, newly independent countries were forced to choose a social and economic development model. This gave their leaders leverage, and as they showcased their needs and stressed the moral obligation of redressing colonial exploitation, they systematically threatened to align with the other side in order to receive aid for their favorite plans. In the late 1950s, development projects were competing against one another in terms of effectiveness and symbolic strength, which meant that Cold War politics determined the stakes, timing, and distribution of aid.

Development was also a tool of bloc consolidation and solidarity, with two rival groups, East and West, engaging in a worldwide tug-of-war for influence and clients. In the West, cooperation occurred through the Development Assistance Committee (DAC) in the Organization for Economic Cooperation and Development (OECD); in the East, through the Permanent Commission for Technical Assistance in the Council for Mutual Economic Assistance (CMEA or Comecon). These cooperative projects functioned both as a promotion of cultural values—Western democracy versus socialism—and as security ventures. In the West, the security dimension meant achieving social peace by granting extensive welfare. In the socialist countries, it meant strengthening international solidarity around the promise of an alternative

system: an industrialized society with high levels of welfare and equality. But over time, donors on both sides were increasingly baffled by the security paradox: instead of enhancing security, aid nourished inefficient and autocratic governments that committed blatant violations of human rights and caused regional destabilization. The connection between foreign aid and security, a pillar of the system, did not hold. Disappointment with both the quantity and quality of aid was such that instead of bringing consensus, aid increased North-South tensions. In the 1970s, these tensions exploded within the United Nations, where the North-South divide inherited from decolonization and initially articulated through trade controversies became more prominent than the East-West divide. There were always new reasons for rupture on global issues such as resources, population, and the environment. And even when East-West détente lowered Cold War tensions, they continued at the local level, especially in Sub-Saharan Africa, where decolonization struggles persisted.

Global Development claims that notwithstanding their universal aspiration, development projects served mainly the national purposes of both donor and recipient countries. Donors wanted to promote their national self-interest, whether politically or economically, for instance by expanding markets for their products or securing strategic resources at favorable prices. Meanwhile, recipients were able to manipulate the interests of the donors to their own ends, sometimes national, sometimes for a specific group or even particular individuals. They systematically used the threat of moving to the other side of the Cold War, often exhibiting indifference to the source of aid in order to stress their independence and readiness to defect. In the hands of national elites in the "age of development" (1940–1973), economic growth became one with the national project, and planning and state investments were key—the conditions that created the developmental state.[6] All you need to fight poverty is a plan, Gunnar Myrdal bragged in 1956, but the plan was not just about economics—it was about constructing a new society. Joseph Schumpeter, upon meeting his former student Hans Singer, who was working on development for the UN Department of Economic and Social Affairs, remarked sarcastically, "I thought you were an economist."[7] Development, he claimed, was a matter for anthropologists, sociologists, or geographers. In the 1950s and 1960s, development concepts, however different their details, shared a faith in the state as an actor and in planning as a method, making it tempting to describe the history of development as a history of planning.

In the modernization era, the state was a powerful engine for development. The development field agreed that improving the living standards of the common people was a primary duty of governments. This belief, Myrdal enthusiastically noted in 1957, was brand-new in history.[8] In donor and recipient countries alike, policy makers extolled the virtues of development plans

and technology's ability to promote growth. Big infrastructure projects such as dams and power plants were the ultimate symbols of modernity. And all of this was compatible across the spectrum of societal organization—it could be the product of capitalist ventures or be associated with hardcore planning the Socialist Bloc's way. Either way, it rested on an optimistic view of society and its future, on the feasibility of making the world a better place. The faith in the state, discourses of self-betterment, and the fundamental role of science and rational thought in replacing traditions ended in the late 1960s. And when the myth of invincible scientific-technological progress crumbled, development entered a long era in which there was a crisis of vision. Poor results also shook the optimistic view of economic growth automatically translating to generalized well-being. Poverty persisted despite economic growth: fresh tools thus had to be devised. New anxieties appeared, particularly resource scarcity, population, and concern for the environment. Trust in progress as linear development toward modernity collapsed. Historian Alexander Gerschenkron argued that linear development did not accurately describe European history, let alone global dynamics.[9] Linguist Noam Chomsky demolished the double myth of social sciences: political benevolence and scientific omniscience.[10] Together these destroyed the idea that the poor would eventually converge toward the rich. The main divide was not East-West anymore, but North-South, and trust in state planning was replaced by faith in the market. The costs of global modernization exploded, leaving national elites in recipient countries with huge debts that they were unable or unwilling to pay. They turned to more radical requests that challenged Cold War schemes and premises.

This global history of development shows how institutions promoted an unrealistic idea of development as a homogeneous system. The differences in interests and perspectives between North and South, East and West, and Europe and the rest were simply too great, and while there were temporary alignments, a stable consensus was elusive. The development galaxy was better described as a patchwork of regional plans with global ambitions than as a coherent system. Although cooperation—among allies and international organizations, between North and South, and among countries of what is now called the Global South—was fundamental to how aid was understood, this harmonious vision did not reflect reality. As this book reveals, coordination among allies was never simple, and it was not what made the system work. European countries had their own national interests and disparate visions on aid, regardless of whether they were allied with the Americans or the Soviets. These countries used the recipes proposed by the superpowers' experts or international organizations instrumentally, adapting them to their own needs. This happened in both the West and the East. Sometimes what seemed like just a slight difference in approach hid a substantial disagreement, as with Italy

and its different ideas on the state's role in industrialization, or East Germany's preference for smaller projects in the processing industry rather than the big projects favored by the USSR. At other times, the opposition was more explicit, as with West Germany criticizing US program aid or Romania identifying with the Third World instead of with the Soviet Bloc. Development scholars often describe development as a global design with Western—usually American—ideas at its center. Indeed, many see it as a regime governed by Western concepts of morality and steered by the United States in cooperation with like-minded international experts.[11] Depending on the scholar's ideological view, the United States looms as either a generous patron or a malevolent, hegemony-seeking, neocolonial imperial power. However, although US-backed modernization theory and the policies it shaped were influential, they did not go unchallenged by national interests and alternative visions.[12] This book avoids the hegemony narrative by looking at the tensions and competing interests roiling beneath the even surface created when development is described as a single idea.

Typically, the economic Cold War has been explored in the classic bipolar framework by discussing the ways that Western and socialist views met and diverged.[13] However, Cold War development was much more than a competition between superpowers, and this book delves into national and regional archives, both public and private, to broaden this picture. This allows the appreciation of similarities and differences between and within the "First" and "Second" worlds during the Cold War. It brings in a wide range of actors, including state actors such as China, international organizations and their agencies, and Third World voices around the project for the New International Economic Order. One regional actor that rarely shows up in economic histories of the Cold War is the European Economic Community (EEC), which offered what it called a third way in development. The EEC discussions about how to structure a common aid program show the fundamental tension within development strategies over whether to take a regional or global approach. Regionalism, in this case, was a legacy of empire—the French especially cherished the geopolitical dream of Eurafrica—and this book tells the story of how it transformed itself into an alternative to the superpowers, something resembling Third World demands for a New International Economic Order.

The history of development shows that this concept underwent multiple transformations, yet there were also recurring ideas and models and long-term continuities in national strategies. Development was never linear. And while debates about aid have shifted from asking outdated questions such as "does aid work?" to strengthening aid mechanisms in specific situations, there are consistent through lines across decades. There is still a focus on food security and rural development, albeit with a stress on democracy in the case of US

aid, on project aid with allegedly maximum control in the case of Germany, or the centrality of student exchanges in the socialist tradition, which remains part of Chinese aid.

On 9 March 2018, newspaper articles reported the "cold war" staged the day before at the Sheraton Hotel in Addis Ababa. Then US secretary of state Rex Tillerson and Russian foreign minister Sergey Lavrov crossed paths on Ethiopian soil, but though they stayed at the same hotel, they did not meet. Lavrov had visited Zimbabwe, Angola, Mozambique, and Namibia: traditional Soviet trade partners in Southern Africa. Tillerson, who then traveled on to Djibouti and Kenya, signed a $100 million loan agreement with the Ethiopian government and commented on China's presence on the continent. American aid to Africa focuses on training for military and police forces in peacekeeping operations and lessons in good governance and democratic traditions—the priority is security, just as during the Cold War. Russia focuses on weapons and mining industries, as it used to do in the 1970s, stressing the importance of noninterference in domestic affairs and supporting China against US accusations of predatory business methods. China, an important alternative socialist modernity described in this book, typically focuses on infrastructure. In Addis, for example, the Chinese have financed the new headquarters for the African Union and built the metro running from the airport to the city center, as well as the railway line connecting Addis Ababa with the port in Djibouti on the Gulf of Aden. Tillerson's and Lavrov's simultaneous trips to Africa—which continued geographical priorities established during the Cold War, and their interest in the classic intervention sectors—is just one example of how development mind-sets and aid dynamics still follow the paths laid out during the Cold War. In the history of development in the pages that follow, overriding trends and patterns are clearly recognizable, but regional and national specificities consistently complicate the picture, while the Cold War determines much—but not everything, and not always in the way that might be expected.

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