

CONCLUSION: Development in One Country

*Having looked at development myths in general, we may conclude by focussing on one country. We asked an Indian economist, Pramit Chaudhuri¹⁾, to select myths which had particularly influenced the development process in his country and to consider their effects:

Economists in general, and development economists in particular, lack a sense of history. They are forever discovering old wine in old bottles and declaring a new vintage. It needs to be stressed, therefore, that recourse to myths to explain the development, or lack of development of the Indian economy can be traced to the mid-19th century. Saddled with economic doctrines that provided nonsense answers to the very real problems of a poor, rural economy and needled by the obduracy of the problems themselves, the British at that time turned increasingly to "inter-disciplinary" solutions - to ethnocentric explanations in terms of religious attitudes and the caste-structure.

Development economists and planners are today better served by their discipline. A more sophisticated discipline ensures self-sufficiency in myths. The purpose served by these myths remains the same. It is to provide a simple, technical solution to a complex problem, a general "theory" that appears to make it unnecessary to study the dull, detailed facts of the economic and social life of a vast and complex society.

I may limit myself to two sets of myths, one dealing with an ideology and the other with the role of "resources" in the development process. The latter can be sub-divided into two sub-categories, one dealing with a kind of "resource", viz., foreign aid and assistance, the other with a particular end-use of resources, viz., resources devoted to agriculture. Each myth has its own hieroglyph, and uses either the "language" of planning or of programming and/or cost-benefit analysis.

The first myth used to be retailed in a very crude form before, and is now put forth more temperately and constructively. It is that too much emphasis on macro planning has led to the failure of the Indian economy to develop at a satisfactory rate

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Two points should be made. The first is that, by any historical standard, the growth rates in the Indian economy in the Plan era have not been unsatisfactory. In terms of the growth performance of the economy before the planning phase, the record has been, if anything, highly satisfactory. The second point is that it is idle to pretend that the allocation of resources in the India economy can be regulated by the government for development purposes by means of a set of micro-level decisions without simultaneous, comprehensive macro-planning.

Coming to the second myth, it is not a contradiction to say that though the Indian economy has done well in the planning period, it has hardly done as well as the planners predicted, or rather hoped for. Here, the planners turn myth-makers. The belief which gained ground, particularly from the time of the Second Plan, was that the growth rate of the Indian economy could be accelerated if only more external resources were made available through foreign aid. If one believes that economic growth is solely a matter of mobilizing resources (in the economist's sense), such a view seems unexceptionable. It can be argued, however, that access to foreign aid enables the Government to shy away from certain decisions, basically political in nature, which are essential for the successful transformation of an under-developed country. These decisions concern not only institutional reform but also the question of who should bear the burden of the development effort and, even more important, what parts of society should benefit from the limited, short-term gains of development. The basic point is not that foreign aid is useless or unnecessary but that in so far as it enables the Government to dodge certain key problems, its ability to transform an economy is more limited than planners might believe.

This brings us on to the agricultural myths. The agricultural sector has obviously been a dominant constraint on the growth of the Indian economy, pace social engineers and their triangular matrices. For some time, the evidence contained in the mid-19th century Blue Books did not stop observers putting the blame for low agricultural performance on the under-motivated, caste-ridden, archetypal lazy peasant. At present, more stress is put on the lack of resources allocated to the agricultural sector: in itself this is a great improvement. At least the sector that acts as a bottleneck can in the first instance claim a large share of resources. There remain, nevertheless, doubts concerning "how much is enough" and concerning the degree of "roundaboutness" called for in resource-inputs

The only danger in this prescription is the one outlined above. Namely, by putting stress on "resources", it draws attention away from the problem that additional inputs within the existing social and institutional structure may not ensure continued growth of the agricultural sector. Even more pertinently, it might create as many problems as it solves, by exacerbating inequalities between regions or between rural classes. Also, a perfectly legitimate stress on a "correct" price policy ignores the basic issue - whether the questions, who should have how much food and shelter and at what price, can be settled via the market in terms of effective demand. Here again, the very attractiveness of the technical solution increases the danger that less attention may be paid to the basic political choices that have to be made in order to modernize and dynamize Indian agriculture.

No doubt capsule judgements do the myth-makers less than justice. However, the basic thesis outlined above stands. It is that experts on both sides have tried to explain the performance of the Indian economy in terms of alternative myths both of which present the problem of growth as a technical problem. But a complex human society cannot be made to grow like wheat. It is necessary to settle the question of who should bear the burden of the development effort and who should share the limited immediate gains of development. These are, at the root, political choices that a society faces. Whether the myth-makers intend it or not, by treating the Indian problem in a narrow technical context, they enable the ruling elite to dodge these embarrassing political choices.

*Mr. Chaudhuri brings us up against the central development myth, that of "developmentalism". "Developmentalism" is the belief that the possession of technical skill, somehow, by itself, obliterates problems of social conflict and political choice, or enables them to be by-passed. In Sorel's terms, it is an intellectual delusion, a myth, perhaps, but that of a bureaucracy. It has the remoteness and the aspirations of myth without the imagination and passion which give it power. Moving restlessly from airport to Planning Office to seminar, it is the ghost of colonialism in the mantle of revolution. It haunts the poor but does not walk beside them. Of all the myths we have examined, it is perhaps that which we could most easily do without.