

THE FASHION OF BEING UNFASHIONABLE

by Paul Streeten*

It is the fashion to be unfashionable. Mr. Enoch Powell considers it a sufficient ground for condemning overseas aid to say that it is "intellectually fashionable". In the fashionably unfashionable current anti-aid crusade, Right and Left meet on common ground. The Left argues that the purpose of aid is to prop up conservative, feudal and fascist governments, which will not carry out the institutional and political reforms necessary for development. On this view aid perpetuates the system which makes aid necessary. The Right argues that aid, by encouraging central planning and public prestige projects, stifles the growth of private savings and private initiative, frightens away foreign enterprise, discourages economy in the use of capital and generally destroys the basis of decentralised decision-making, which is a prerequisite of development. Aid thus again is thought to undermine self-reliance and to perpetuate the system which makes aid necessary. On both views "aid to developing countries does more harm than good" as Mr. Powell had discovered years ago.

Neither side admits the possibility that aid policy can be used to engage in a dialogue with developing countries and to encourage and support reforms through cooperation with the progressive groups within these countries. While Myrdal, in his attempt to free himself from left and right bias, identifies clearly the cultural, social and political obstacles to development, his conclusion is not, as readers of Mr. Powell's review of his book Asian Drama might think, to get rid of aid, but to use it as one prong in a multipronged attack on vested interests, monopoly, privilege, corruption, inequality and feudal land tenure. Just as unemployment relief can be wasted unless it is accompanied by restraining and location policies,

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so aid (Myrdal argues), to be effective, must form an element in a development strategy. Such a strategy, freed from cold war motivation, includes policies for trade, private investment and monetary reform. It aims at more multilateral aid, on soft terms, untied, forward planned and committed, fitted into realistic plans and policies, and, above all, in more adequate quantity. This strategy will not be to everyone's taste; it would be astonishing if it is this which Mr. Powell could have told Myrdal in ten minutes years ago, before he embarked on his study. But then he who knows all the answers already has no need for painstaking research.