

BALOGH AND POWELL ON MYRDALby Harry G. Johnson*

It tells us something about both the presumptive political and intellectual stature of Mr. Enoch Powell, and the lack of self-confidence of academic development specialists in this country, to be informed by the editor of this Bulletin in his letter of invitation to contribute to the symposium that "Mr. Powell's review has provoked alarm among the academic developmentalists". It tells us something, also, about prevailing concepts of academic ethics that a supposedly independent academic research institute, created by a new Ministry established by the Labour Government, should choose a review by a Conservative politician containing criticisms of the establishment of that Ministry as a launching-pad for an exploration and presumably at least partial validation of its own raison d'être. It tells us nothing we did not know before, though, to search in vain through Lord Balogh's review (Ed. in the first issue of this Bulletin pages 12-15) for any indication that Myrdal is in large part criticizing his own earlier opinions, a fact that Mr. Powell rightly stresses and one that drastically alters the implications of the contrast drawn by Balogh between "the arid, flat plain inhabited by the conventional modern economists" and the towering "peaks of interpretative political economy" represented by the most recent works of Galbraith and Myrdal.

Castles built on sand will necessarily look much nobler than the local camel-drivers' tents, while they last; and it is at least candid of a castle builder to admit that his building has collapsed, and to explain wherein he miscalculated. But should we accept his assurance that no building can be built until the nature of sand changes; and honour him doubly for his capacity to learn and teach us from his own experience? Or should we consult a less ambitious architect, experienced in building humbler but more durable constructions for desert habitation?

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To drop the metaphor, there is a strong temptation for a social idealist like Myrdal to conclude from close investigation and deep understanding of the web of social circumstances that improvement is impossible without a sweeping revolution in the way men think. In this respect Asian Drama runs parallel to An American Dilemma. But the process of sociological analysis itself tends to freeze what it touches into a static equilibration of forces which apparently can only be altered by violent and pervasive change. The problem is created by the method, which abstracts from the inherently slow processes of evolutionary change and learning by experience, rather than the method revealing the problem. Moreover, the results of the method can easily be inverted, as Mr. Powell's review demonstrated, into a refutation of the idealism that motivated its application: for if only revolution will do, and revolution will suffice, it is only sensible to wait for the revolution, and save the resources that would otherwise be wasted in attempting to gratify idealistic but irrelevant sentiments.

What seems to be missing from the implicit debate is a sense of historical perspective on both sides. I cannot write with any authority on Myrdal since I have not read Asian Drama in full and neither of the two reviews under discussion conveys a very clear idea of its philosophy and marshalling evidence; but I strongly suspect that the situation depicted by Myrdal represents an inflection point and not a plateau in Asian development experience. One potent factor of change is the recent revolution both in Asian agriculture and in Asian agricultural policy. Another is a marked tendency towards greater pragmatism in economic policy-making and a growing questioning of the usefulness of pervasive state intervention in the economic process. As regards Mr. Powell, I am inclined to think that he was more right "years ago" than he is now, that is, I agree that aid without a change of motivation on the part of the recipient is likely to be wasted, but I believe on the basis of what evidence is available to me that experience of the problems and frustrations of promoting growth on traditional lines has been operating to change motivations and methods. It is not really a question of arrogant insistence on substituting western for indigenous value systems, but rather one of patience in allowing time for the developing countries to learn that certain kinds of values are not western, specifically, but essential to modern efficient production, while other kinds of values are not specifically Asian, but archaic

and counter-productive. Western observers are too inclined to assume that non-Europeans are incapable of learning by experience - and also too inclined to ignore the evidence in their own economies and economic policies of the obstinate pertinacity of social resistance to change and improvement.

This brings me to the main issue for this symposium, the question of the utility or otherwise of development aid. Let me point out first that the question of development aid ought to be, though it is usually not, distinguished sharply from the question of whether academic specialization in the social sciences of development is useful. To understand social processes may be useful, even though it provides no direct, usable, and transferable techniques for promoting development; one could argue, in fact, that the assumption that research in this field ought to produce directly transferable techniques with immediate big payoffs has had a powerful effect in diverting attention from the production of scientific knowledge to the invention of gimmickry. Academic research and theorizing about development ought not to stand or fall by whether it can prove that international aid transfers are a good thing, or whether those specialized in this field make useful advisers to the governments of developing countries.

This point apart, the question of the usefulness or otherwise of foreign aid can be subdivided into two questions: the usefulness of foreign resources provided as aid transfers to the development process, and the usefulness of foreign technical advisers in the promotion of development by public policy.

On the first question, the usefulness of foreign assistance obviously depends on what is done with the money. This depends on the policies of the donor and recipient governments. In the past, with competition among aid donors to buy political support and with recipient governments more concerned with the demonstration of national identity and independence than with effective economic development, aid money was frequently wasted, at least according to the standards of the observing economist. But now, with aid money scarce and recipients obliged to compete for it, and with governments more than before under an obligation to demonstrate results rather than to demonstrate independence, it is increasingly likely that aid money will be well used. Indeed, with the recent downward trend in aid flows and associated need for rationing there is emerging a strong probability that an excessive quantity of

resources will be spent on evaluating development projects, as compared with the residual resources available to finance them.

On the second question - the usefulness of foreign advisers - the answer depends on what the advisers think their role in the assistance process is, and on what knowledge they have to bring to bear on it. In this respect, one has to concede to Mr. Powell's point of view that much of past advice has been based on the false assumptions that the role of the advisers should be to recommend for less developed countries "radical" policies unacceptable in the developed countries from which the advisers have been drawn, and that the readiness to recommend such policies is an adequate substitute for competence in the appropriate knowledge of social science techniques and findings. Both the U.K. and the U.S. have done a grave disservice to the developing countries, by casting them as areas for experimentation by alleged social scientists who were unable to demonstrate by accepted scientific procedures in their own countries the superiority of their favoured policies over what could be obtained by a trained social scientist from observation and the application of common sense.

This is not to say that foreign advisers are useless, but only to draw a distinction between what the foreign adviser is competent to contribute and what he is not, and to suggest useful procedures in the selection of such advisers. What the potential adviser has to contribute is a range of techniques for the marshalling of data and the recognition of potential problem areas, derived on the one hand from training in statistical and other techniques and on the other hand from his knowledge of how social systems work. Where he is useless is when he attempts to transplant preconceptions about what society is about from his home to a foreign environment. Unfortunately social scientists in this country are often taught to believe that to be a "radical" according to the conventional wisdom is both a substitute for social science understanding and a special qualification for advising governments in less developed countries. So long as that remains true, what the adviser is transferring is not appropriate techniques but inappropriate attitudes, and the question whether there are transferable techniques of development is quite beside the point, because if they existed the advisers would have no incentive to learn what they were. (In fairness, one should add that American advisers have frequently been ineffective for quite different reasons: either because they tend to assume that United

States practice is the ultimate standard of modernity, or because they treat work in developing countries simply as an opportunity to apply computer technologies of data-processing developed for the United States.)

In answer to the general question of the usefulness of development aid, in the twin senses of resources and expert advice, therefore, I would maintain that the usefulness of aid depends on the circumstances on both the donor and recipient sides, and that these have been evolving with experience and the accumulation of knowledge. Political conditions in the recipient countries may ensure that aid is both wasted and re-sented: one has to be aware of the political dynamics of de-colonization and the establishment of national independence.¹ Political motivations for giving aid in the donor countries - a mixture of charity, commercial interest in holding markets, and political interest in holding allies - may ensure the same result, in some cases deliberately.

This does not imply that prevailing concepts of development and development assistance must be abandoned; but it does imply that academic specialists on development problems need to be both more sophisticated in their appreciation of the political aspects, and particularly the political dynamics, of the aid process, and more philosophical in their approach to what development assistance can do. In particular, development specialists need to cultivate a long view of the development process, as a difficult exercise in social and economic transformation to which outside assistance can at best contribute marginal acceleration, and may at worst help to keep incompetent drivers in the driver's seat of a stalled engine.

¹ See Harry G. Johnson (ed.). *Economic Nationalism in Old and New States* (London: George Allen and Unwin, 1968).
