

The Scrutable East

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ASIAN DRAMA. An Inquiry Into the Poverty of Nations. By Gunnar Myrdal, assisted by William J. Barber, Altti Majava, Alva Myrdal, Paul P. Streeten, David Wightman and George W. Wilson. Foreword by August Heckscher. Charts and tables 2,284 pp. New York: The Twentieth Century Fund, cloth, boxed, \$ 25. Pantheon Books, paper, boxed, \$ 8.50.

Two massive peaks of interpretative political economy tower over the arid, flat plain inhabited by the conventional modern economists who, lured on by the mirage of mathematical determinacy, undue generalization, illicit aggregation and inadequately documented secular vistas, aspire to the status of scientists. The one is John Kenneth Galbraith's "The New Industrial Society," about the industrialized opulent, yet increasingly self-frustrated societies of the West. The other is "Asian Drama. An Inquiry Into the Poverty of Nations," a gigantic encyclopedia of 2,284 pages analyzing the political economy of South and Southeast Asia, prepared by the Swedish economist Gunnar Myrdal.

The incredibly detailed knowledge assembled in the three volumes of "Asian Drama" by Mr. Myrdal and his international team of assistants will make the work a basic source not only for the study of that area, but for the whole field of economic development. In the appendices, even more than in the main body of the text, if that is possible, we are given political economy at its best: the investigation, in their contemporary historical setting, of the economic and social factors which underlie the appalling situation in Asia resulting from the violent increase in population and poverty.

The architectonic sweep of the work takes us systematically from country to country: India to Pakistan, Ceylon, Indonesia and the half-dozen countries of Southeast Asia. Practically the whole of Volume I is devoted to establishing the historical setting as a determinant of stunted economic growth.

The exposition of the political-sociological framework is followed by an analysis of the economic realities as they have been shaped by the past. Population, the structure of the economies, the levels of living, the distribution of income, the relation

of the area to the economy of the rest of the world are treated in turn. Thus future prospects are explored through the vicissitudes of the past and present.

The rest of the work is designed to explore the main obstacles to progress. Volume II is concerned with the political driving force of the area: the ideology of planning. Myrdal describes its history, and gives a sociological analysis of its limitations and frustrations. This is epitomized in pursuit of the ideology of planning by a tiny elite, enjoying immense privileges in an ambiance of poverty, and at the same time having to face a mass democracy and the uncertainties of electoral favor. Myrdal leads us through the contradictions, tergiversations, hypocrisies and doubletalk of declared aims of democratic planning for equality and prosperity.

Yet there is no hint of superior knowledge or hindsight in his treatment of these breakdowns and frustrations. It is all discussed with deep compassion and understanding. To judge countries of teeming and exploding populations in the tropics by the aseptic standards of the Northern Atlantic climate is foolish. Though Myrdal at times allows a glimmer of satisfaction and pride at being a Viking to snow through his austere framework, it never distorts his vision.

Myrdal then takes up the theme of labor utilization, and his somber reflections are continued in a discussion of the population problem. He finally turns to what is, of necessity, the basis for better and fuller labor utilization, namely the improvement in the quality of manpower through education and health. The easy and foolish optimism of the middle forties and early fifties which hoped to solve labor utilization by increased investment is swept away in a meticulous analysis.

One might perhaps have wished that Myrdal had given greater emphasis to the population explosion as the most menacing single factor in underdeveloped countries. Its fatal impact is due to the sudden superimposition of the Western biochemical revolution on a completely unprepared social texture. It did not derive its in Western Europe, from a steady improvement of nutrition, urban development and public health following organically on the development of productive forces. Consequently it has exacerbated the insufficiency of traditional agriculture, caused a catastrophic deterioration of social relationships in rural areas, and now threatens to undermine living standards and the whole basis of political stability and social justice.

Prejudice and religious fervor in the rest of the world have prevented timely recognition of the fatality of this process and inhibited the organization of a general educational effort from outside. Yet even stronger prejudices and religious fervor express themselves in a drive for large families among traditional societies and in a fatalistic or even hostile attitude to birth control. It is only with the arrival of the intra-uterine devices that a feasible method of family planning was found for use under primitive conditions. If one reflects, however, on the existence of one half to three-quarters of a million or so villages in India, or on the vast populations of Indonesia and Pakistan, the administrative difficulties in the way of effective action appear overwhelming.

Myrdal's pessimistic approach to the problem of deficient utilization of labor is surprising only so long as we fail to realize that his denial of the existence of disguised unemployment is a semantic rather than real objection to the conventional "modern" approach to the problem. He regards the vast numbers of underemployed in rural and even urban areas as incapable of being employed more intensively; and he

argues that there is no labor which does not contribute something to total output, even if the average remuneration is higher than its contribution. The fact remains that the vast majority could represent a formidable work potential. I feel that, provided no facile conclusions are drawn, the approach which regards the tradition-bound rural masses as capable of being mobilized is politically right, even though the cost of mobilization may be heavy.

Land tenure problems and poverty itself between them create the vicious circle of self-perpetuating misery. In areas where the larger peasant holdings could develop, as in the Punjab, great advances have been made in increasing the marketable surplus, intensifying cultivation and developing the use of modern agricultural techniques. Unfortunately, the organic interrelationships within economic development programs do not permit the piecemeal introduction of such changes. We must plan for balanced growth, rather than rely on the operation of unbalanced spurts of development, which were responsible for the prosperity of the United States and Western Europe. A total attack is needed, together with the simultaneous introduction of the basis of modern agriculture: large-scale irrigation. Despite great efforts to construct large-scale irrigation works, the record is not altogether encouraging. The older, smaller systems of water regulation started in colonial days by plantation owners and landlords are running down in many parts of Asia because of inadequate communal support.

Yet intensive agriculture would give greater employment and income opportunities than manufacturing industry, at any rate for the very long period during which agriculture will continue to generate an overwhelming part of national employment.

The "applied" part of Myrdal's monumental investigation is supported by (14)

no less than 16 theoretical appendices, comprising some 400 pages, which almost fill the third volume by themselves. Outstanding among them is the second, on the mechanics of underdevelopment, on which Paul P. Streeten (professor of economics at the University of Sussex) collaborated, and the third, on the relevance of the modern model-building-quasi-mathematical approach for planning in South Asia, which is entirely Streeten's. Both are major contributions in the methodology of economics, and they pitilessly expose the weaknesses of the mechanistic approach, which turns what is really an art and a historical system of analysis into inapplicable generalizations.

For someone as skeptical as myself about the pretensions of "modern" pseudo-science in establishing precise economic criteria for "investment in humans", Myrdal's analysis of the educational and health problems is a refreshing reminder of the saner and less pretentious approach adopted by earlier writers. To regard education, and especially literacy, as necessarily a boon is folly which can only lead to the misallocation of scarce resources. Learning by doing, collective education by working together, the conscious undermining of social differentiation and degradation - these are the needs. The enormous number of Indians now manning international agencies and the universities of advanced countries are a grim reminder that education may even positively hinder economic development. Just as in technical research a new approach is needed if the poor countries are to be aided effectively, so we need a new and saner approach in these fields.

Attitudes to development both on the plane of economic thought and the plane of political action, have undergone startling and not altogether justifiable changes. Interest in poverty-stricken areas among the universities of the prosperous area and the willingness by the more fortunate parts of the world to aid with technical knowledge and resources are among the

few positive (and probably the best) features of our time. With this interest came a great wave of optimism. The economists felt that, provided aid was given and used to increase investment, a decisive advance could be achieved. This optimistic spirit was reflected in a strengthened faith on the part of the newly independent countries in the effectiveness of social democratic planning for development.

On both planes there has been a sharp reaction of late.

On the one hand, voices are heard counseling against further aid, using the persuasive argument that absorptive capacity would thus be increased and the price mechanism allowed to work its wonders. This was accentuated by a breakdown of democracy in large parts of the developing areas, often replaced by military dictatorship without any apparent improvement of performance.

These violent reactions have been strengthened in the last part of the so-called International Development

Decade (1960-1970) by the distinct slowing down in the absolute rate of economic expansion of the poorer areas to a level well below that achieved a decade ago, and below that of the rich areas. There has also been a frightening acceleration in the rate of population growth, which has yet to be brought under control.

Gunnar Myrdal's work re-establishes a balance between these extremes. He does not slur over the difficulties, such as political and social defects of Asian countries, nor, on the other hand, does he countenance easy rationalization of the obvious temptation for the rich to wash their hands. For this alone, and for the ruthless honesty of his analysis, Gunnar Myrdal has earned the gratitude of both his colleagues and of the political leaders of the world.

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