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ACCUMULATION, DISTRIBUTION, EFFICIENCY.
EQUITY AND BASIC HUMAN NEEDS
Some Political Economic Implications
and Conditions

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ACCLMULATION, DISTRIBUTION, EFFICIENCY, EQUITY AND SASIC HUMAN NEEDS STRATEGIES: Some Political Economic Implications and Conditions

By Reginald Herbold Green

Accumulate, accumulate, that's Moses and the prophets ...

- Karl Marx on bourgeois economics

The state will not collapse simply because a planned quantity target has not been fulfilled.

- Mao Tse Tung

The purpose of society is man ... to serve man there must be a social organisation of economic activities which is conducive to the greater production of things useful for the material and spiritual welfare of man. It may well be a function of society to organise and sustain efficient economic organisations and production techniques, even when ... unpleasant or restrictive. Production is important ... to the extent it serves man and his interests as he currently sees them. But production is not the purpose of society ... When the demands of "efficiency" and "production" override man's need for a full and good life, then society is no longer serving man, it is using him.

- Julius K. Nyerere

INTRODUCTION

This is not a general essay on the overall state, trajectory or relevance of distribution theory. Rather it is a preliminary examination of the political economic implications of what has come to be termed basic human needs approaches to development strategy as they relate to income, consumption and accumulation distribution/allocations. However, for that purpose a quick review of the present state of distribution theory and its discontents may be useful.

Neither the marginal productivity nor the simple Marxian theory labour/exploitation theory is notably satisfactory as an operational or planning tool today. Both - at least in their standard forms - implicitly incorporate contexts which, whatever their possible pedagogic or historic relevance, diverge sharply from those of capitalist industrial, peripheral capitalist, socialist industrial or peripheral socialist economies/polities.

Marginal productivity theory can give results at micro level if the institutional and contextual parameters are specified. However, the more parameters are specified, the less it is clear that the theory is actually necessary to achieve the answers. At macro level the "capital controversy" has demonstrated that one cannot define a value or a "price" for capital endogenously to the system — at least in principle — without specifying a wage rate (or more realistically a structure of labour payments). Per contra, though this has been less emphasized, a wage rate (labour payment structure) cannot be derived endogenously without specifying an interest/profit rate (capital payments structure).

The simple version of the labour theory of value does specify a wage rate exogenously (albeit not in a way entirely helpful for articulating a labour payment structure. However, for capitalist economies its "normal" level is subsistence. Unless we wish to argue that the theory is

either wrong or hopelessly incomplete in the 20th Century this must be interpreted as social subsistence which, in effect, leaves the detailed causal mechanism and even the basic wage indeterminate.³

For socialist economies a similar problem arises: surplus value is needed for communal consumption/"unproductive" services and for accumulation until the eschatological state of communism is achieved. The labour theory of value as such is not useful in specifying appropriate as opposed to maximum technico economically sustainable or minimum constant reproduction maintaining — levels of surplus extraction and allocation.

Micro level analysis is at least equally limited in specific cutting edges. In elaborate structures of labour payments turning on the basic (social subsistence) wage as a pivot and the minimum rate or return acceptable to different sub-classes of capitalists as constraints two difficulties arise. First one tends to create a petit bourgeoisie class of "labour aristocrat"or "bureaucrats" or "professionals" which is radically different in nature from Marx's petit bourgeoisie. This problem arises in non-Marxian analysis too, but it is less central and poses less serious problems for basic concept articulation. 5 Its only evident property is embodied knowledge and its economic leverage vis a vis haute bourgeoisie (or state capitalism or socialist productive enterprise) turns on the difficulty of routinizing its productive relations without destroying productivity and the significant cost of replacing even individuals let alone clusters (a nonreserve army situation). At the extreme one ends with the Galbraithian dominant technocratic class or the Marxian writings positing bourgois majorities in the USA or Federal Germany or Uruguay - both appearing to be rather misleading types of analysis betraying a significantly high level of false consciousness or a significantly low level of infrastructural relationships. Second, similar problems arise in respect of capital/capitalists. The

creation of a hierarchy of partly or fully subordinated capitalists reaching down from the TNC through the medium sized tertiary sector enterprises to the "peasant producer" (with the subordinated "subsistence farmer" wage earner a related category but also the inverse side of the spectrum pivoting on the basic wage, the submerged counterpart to the "independent professional") can doubtless explain unequal returns to capital even in (pseudo?) equilibrium. Again there is a parallel problem in the marginal productivity model. Oligopoly, quasi rent and related analysis leads to general indeterminacy and to micro results very specific to nontheoretical elements. The special cases dominate the rule. However, in Marxian - or marginal productivity - analyses it appears to do so at the expense of any general principles for moving from macro to micro level. Third, as in the marginal productivity case, given adequately detailed structural and contextual specifications increasingly accurate representations (and to a degree projections) of micro results can be constructed but with increasing suspicion that the parameters and constraints not the underlying conceptual model, dominate the results.

The deficiencies noted become even more severe when one seeks to operate at intermediate levels - either sectorally, on a sub-class (sub factor) basis or over the medium term (vs the very short or the long term equilibrium). Neither the general guidelines of the basic theoretical premises nor the parameter determined particular results of the firm, the specific labour force units nor the short term economic conjunctive give much guidance. Simple aggregation from the micro results and projection of the recent past subject to any very glaring parameter changes seem to be the least disastrous operational techniques.

From different starting points both the marginal productivity and the Marxian socialist economy distribution theories appear to require the provision of structural parameters as to basic wages and minimum rates of surplus generation (profit). These presumably are decided in the state viewed

as an arena of struggle between capital and labour or between decision taker concerns in respect to consumption and accumulation. If one accepts the existence of such an arena of struggle and broad parameter setting it, that constitutes a framework within which more specific differential expansion, erasion and control conflicts (as to particular wages, salaries, surpluses and profits are waged.

Such an interpretation does not deny that there are overall productivity constraints - the level of productive forces is a constraint on total wages and profits (or private and public consumption and investment). Nor does it necessarily reject interpretation in terms of class conflict - that the main stream of Western industrial capitalist workers receive considerably more than physical subsistence and many well above any plausible definition of social subsistence may create conflicts of consciousness and does indicate that the late 20th Century capitalist state is subject to more constraints than pertained when Marx or Ricardo wrote; but it does not imply an end to ideology or to class - and sub-class - conflict. Equally the socialist (or transition to socialist) economy/polity faces sub-class conflicts (managers, bureaucrats, technocrats, skilled workers, collective members, independent artisans, peasants, etc.) and real allocational issues (including private vs communal consumption as well as consumption vs investment) which, at least in a centralised system, create tensions which replicate in part those of the capitalist mode of production relations.9

If one acknowledges such an exogenous setting of key distribution parameters in the state arena, then considerably wider area for policy choices is open than one might imagine from marginal productivity or simple marxian theory. In particular, primary redistribution of "earned" income — whether by "rigging" (or unrigging depending on one's view of the status quo ex ante) markets or by more direct action — becomes much more practicable and the necessity for making consumption transfer payments central less evident. Further

the real impact of fiscal policy (after incidence shifting)
- particularly on the expenditure side - appears to depend
more on class power balances and priorities and less on
"immutable" economic technical relations.

Income size distribution theory has tended to be somewhat meparate from its factor share distribution relatives. It has been bedevilled by lack of any very consistent view as to what was being measured - pre tax gross income, pre tax net income, post direct tax income, income adjusted for all taxes, physical purchasing power (or actual consumption) in uniform price terms? Equally it has suffered from a lack of consistent, accurate data over time and space. The lack of "perfect" indicators of inequality is a lesser problem - there are in general no "perfect" index numbers, but when there is agreement on what to measure and why workable approximations can usually be devised and the meaning of anomaly cases explained lucidly.

The real problem perhaps, is that in a basic sense there is no independent theory of size distribution as such. Marginal productivity theory can give an individual income size distribution only once specifications are introduced as to dispersion of special skills, of natural abilities (presumptively of employers as well as workers, since if some relatively less efficient employers do exist this will affect the marginal productivity of workers in those cases), of quasi rent positions (e.g. education, experience, hard and soft technology and access thereto), of general and specific asset holding, etc. Similarly, the Marxian approach, while clearly indicating that the main body of capitalists (albeit not necessarily the majority, especially if large formations of subordinated petty capitalists -"petty commodity producers" - remain) would have much larger incomes than workers, is equally unable to give detailed individual or sub-class distribution estimates without a host of structural relationship data.

On the normative side - whether taken as a self sustained body of analysis or as a superstructural development (supportive or critical) of present and past production structures - there is an equally confused and confusing debate. 11 Part is ideological - "equality of opportunity" has become a code word for justification of massive inequality of results. 12 Part, however, seems to represent confusion - at least in operational political economic terms. End patterned systems - e.g. maximum degrees of inequality plus minimum levels of personal income and access to communal consumption - are not (as often contended by advocates of both sides) in necessary conflict with entitlement ("fair acquisition") 13 or historic (socially determined subsistence variations between countries and sub-classes). There are clear tensions and some parametric limits but mixed systems are possible - indeed to the extent normative distribution theory has any impact it is usually in the direction of mixed end pattern - historic entitlement systems.

Inequality has, however, been seen as critical both within capitalist and most Marxian applied production theory. The classic capitalist case justifies it on two grounds: incentives for efficient work, especially by those with above average capabilities and for deterrence of work avoiding (reduction of "x inefficiency" to use the Chicago school*sjargon) on the one hand and generation of surpluses for investment on the other. The Marxian analysis of capitalist economies is often broadly similar. ¹⁴ In the case of socialist economies the Marxian analysis drops inequality for surplus mobilization since that becomes internal to the public sector, but retains it for incentive reasons.

These justifications of inequality - or at least of anything like existing levels - are open to serious challenge.

There is no convincing evidence of clear relationships between inequality of income distribution and domestic savings or rate of growth of productive forces. Nor is it evident either that material incentives are a sufficient

condition for generalized efficient effort nor that, to the extent they are a contributory factor, that very large absolute ones are needed. On the empirical evidence and on detailed examination of particular cases while the need for surplus mobilization and allocation and for incentives to efficient effort are clear enough, their direct translation into a broad guage theoretical justification for wide inequality of income distribution looks to be either a piece of crude reductionism, a case of special pleading (few of the analysts or those to and for whom they speak are anywhere but in the upper toil of the actual income distribution) or both.

Related questions - does greater inequality raise the rates of imports to domestic production? Generate a production package with lower total employment? Create both beneficiary and output use patterns biased to high capital/labour and capital/output ratios? - remain in a land of conflicting empirical evidence. On the face of it each is a more likely relationship than inequality/incentives for production now, savings for production tomorrow are! However, each appears to hold only under certain conditions which are not common to all economies (socialist or capitalist, central or peripheral) and under certain time horizon assumptions and to require more detailed and economy specific study before very much in the way either of theoretical generalizations or applied political economic policy guidelines emerges.

Accumulation has been the central goal of both applied capitalist and applied industrial socialist analysis. Under-consumptionism has always lived in an underworld among policy makers as well as theoreticians 17 - unlike the interventionist trade policy which from cameralism and high mercantilism through Hamilton and Liszt to Prebisch, or Preobrazhensky has dominated actual policy making with the intellectually dominant descendants of Ricardo (including the Marxian strand) operationally effective only in the special cases in which "free trade" was also the particular solution suitable under mercantilism either for domestic decision takers or external forces able to force

concessions from them. True accumulation is usually stated as a means to growth of GDP or level of production forces and growth as a means to more consumption. However, the consumption goal seems - in much of the theoretical writing - to be of the "pie in the sky by and by" variety and of little concern to the economic doctrine and the growth of less interest than the accumulation. If indeed a major Soviet decision taker in the 1930s did say steel and tanks were final products whereas bread and health were intermediate goods he was merely saying openly what is implicit in many economic growth and accumulation models.

Accumulation models tend to be variants of the Harodd-F'eldman-Domar-Mahalanobis family. This is in a sense ironic - Harodd and Domar were seeking to illustrate the conditions for sustained full employment in a capitalist industrial economy; F'eldman to provide an allocation framework for maximum productive forces (and endogenous defense capacity) growth in a closed socialist industrial economy; Mahalanobis to refute the case for consumption transfer payment or employment maximization in the development of an open, pre-industrial, peripheral capitalist economy. None of these is a general case and the common characteristics extracted from the models may not in fact be what is critical in most actual applied cases.

First, this approach tends - in practice - to downgrade variable capital, (knowledge, training) embodied in human beings, supporting capital in the form of "non-productive" public services, 1 production relations, production structures (e.g. the Chinese central/county and 1945-65 Socialist European modern/residual sector divisions in which external and internal trade control allowed use of resources which in a more externally or internally open economic structure - capitalist or socialist - would have been unusable). The actual method derived from the models is a rather brute force assault on the growth rate by massive fixed investment with a bias toward plant and equipment.

Second, the correllation between accumulation (especially if defined as recorded fixed investment) rates and growth, while positive, looks rather low. There appear to be considerable degrees of freedom and/or other factors which may have a higher incremental priority for resources if maximum growth of productive forces is the goal.

Third, maximum growth of undifferentiated productive forces ("Real" GDP) is an "economic scientist's" goal not a decision taker or class goal. Actual decisions do indeed turn on growth but much more narrowly specified. Economists may rationalize this, e.g. maximum heavy industrial growth creates productive forces readily useable for accumulation and therefore maximizes growth of GDP (productive forces). Often these rationalisations obscure - maximum growth of heavy industry when a carefully considered decision taker goal has much more often been a means to maximizing independent national military capacity and/or the surplus accruing to specific capitalists (including state capitalists).

Fourth, maximizing growth by maximising accumulation may mean minimizing the consumption - especially of particularly weak or excluded, exploited or ignored, disadvantaged or oppressed groups - for decades not days. Keynes' comment that "In the long run we are all dead" in this context converts to the more cutting - the poor are dead in the very short run. This may raise no issues for the economic "scientist" or technician and only minor ones for capitalist entrepreneurs or socialist managers. It may be seen as an acceptable cost for many decision takers of quite varying class backgrounds (e.g. USSR 1930s, Kenya 1960 to date, Kampuchea post 1975, Uruguay post 1972).

It does, however, rasie real ethical issues (again not directly limited by ideological stance, e.g. Smith and Mao rejected and Mahalanobis and Leibenstein accepted), real political economic survival issues ("if they do not eat, we will not sleep" according to the leading Afrikaaner capitalist, Anton Rupert) and real productive efficiency issues (especially if one accepts even a mutated

labour theory of value).

The turnpike model school - used loosely for the more technically sophisticated modern growth models - is open to somewhat related criticisms:

- 1. the growth path before one leaves the turnpike is determined by getting to the ultimate level of productive forces not any intermediate production targets (whether tanks or grain, brandy or basic drugs) and thus at best abstracts from a wide range of the concerns of decision takers (and a fortiori typical workers, peasants, professionals or capitalists);
- 2. getting on the turnpike has costs not specified in the model (e.g. massive repression of labour in the Southern Core Latin American variants, the external and internal revolutionary wars in Vietnam, the breaking of the Kulaks and middle peasants in the USSR) which are always real and may be critical in productive, political economic, sustainability or ethical terms;
- 3. the trajectory of the turnpike builds up momentum (habits of thought), a sense of direction (institutions, guidelines), a moving location pattern (specific outputs, capital stocks, industrial experience, production relations) which acquire their own raison dietre, vested interests, power to resist change - all usually external to the model but not to the fuller world of political economy;
- 4. therefore, exiting to the turnpike on arrival (assuming the previous bias toward maintaining the status trajectoris has not caused a decision to turnpike a bit longer) has real technical transformation coats (how to switch the tourist sector to low cost housing or shift additional metal product investment from lathers to pots and pans) and even higher political and social transformation costs for overcoming the superstructure built up by the turnpike path. This, of course, is not a criticism unique to the worldview of turnpike modellers - it

probably applies a <u>fortiori</u> to "trickle down" models with the crumbs of today suddenly becoming a flow of milk and honey manana (a la the IMF on "stabilization"

This <u>rather caustic introductory survey</u> is not intended to suggest that distribution and accumulation theory and growth models are all rubbish. They do:

- 1. ask some of the right questions;
- show certain relevant relations (albeit not all and with less clear validity as to ordinal or cardinal weights);
- mark out some real constraints;
- 4. provide more or less orderly points of departure and/or check lists against which to test alternative theoretical or applied approaches.

It does seek to demonstrate that they do not:

- provide coherent, self contained (even in their own terms much less across temporal, institutional or sub-mode of production divergences) models of production distribution, accumulation and growth;
- take account of the actual pattern of political economic concerns, goals, constraints informing decisions and decision takers or of the full complexity of critical political economic contexts, causal relationships and structures;
 - 3. provide much indication as to what degrees of freedom are (or are not) open on distribution - by class, by size, of physical goods and services, of power and participation - either in general or in specific contexts.
 - 4. appear in a self critical and transparent enough form to make it easy to discover which results flow from

data, which from empirically determined relationships (and the context in which these relationships hold) and which from general assumptions, e.g. "get the prices right" models assume high shifts in relative factor costs for moderate price alterations whereas "monetarist" critiques of Latin American "structuralists" assume high inflation and negative output change from monetary demand enhancement because real wages cannot be repressed substantially in amount or overtime. Both are - ironically - usually neo-classical: both could be true in one or more contexts; neither really tests its key premise empirically much less indicates decrees of freedom or model sensitively to broadened (loosened) assumptions. 18

Both a number of quasi historical, quasi projection models 19 and, more relevant, national experiences suggest that the degrees of freedom are, in some contexts, fairly numerous. For this reason it seems worth looking at some theoretical underworld/political economic decision taker operational approaches to distribution/accumulation/growth issues recently emerging under the conceptual umbrella (or slogan) of "Basic Human Needs". The concern here is not primarily their ethical base nor the articulation of a detailed country programme but an examination of their feasibility (necessity) and probability (sufficiency) conditions in the light of standard distribution/accumulation/growth theory and experience.

II.

The Death Of A Paradigm

The development model for the Third World from 1945-70 - at least as seen by the central industrial capitalist and socialist economies - was the repeating of history a neither as tragedy nor as force but as triumph. Rostow's Stages was a polemic popularization with no particular claim to intellectual rigour (and some to self

caricaturization) but it does illustrate basic elements of the liberal capitalist view of the periphery's "ideal" (inevitable) development trajectory under the control of a rather more benign trio of gods of history than the Greek furies - accumulation, mass consumption, political pluralism. Standard Marxist works that of Bognor - diverge in that they reject political pluralism, lav more stress on accumulation and view the whole Western vision of the periphery's future as a sort of "new economic policy" (or perhaps creative neo-colonial capitalist variant of Marx's Herald Tribune articles on India) phase creating the productive forces, class consciousness preconditions for revolution. However, for the immediate future the models differed little for any peripheral polity/economy not actually classifiable as Marxist-Leninist i.e. the vast majority. Accumulate, accumulate, that's the law of development and if you obey it all else shall be added unto ye - that was the message. Indeed, the ultra orthodox Marxism of Bill Warren that, in effect, argued for the creativity of capitalism on the periphery and the prematurity of socialist revolutions there 19, while politically in contradiction, was in political economic intellectual and prescriptive terms enunciating socialist European development strategy for the periphery with greater lucidity than, as opposed to in basic conflict with, most of its own spokesmen.

1945-1970 was the period of emergence into independence of most of Africa and of Asia and of the emergence of a stranger peripheral tradition of intellectual criticism of moving toward alternative formulations to Western (and industrial socialist) social science models. To a degree the impact of those two forces were countered by the fact that it was also the "Golden Age" of liberal capitalist expansion with global ramifications deeper than 19th Century Colonialism and less overtly predatory than 15th-18th Century Primitive Accumulation.

1945-1970 was, thus, a period in which there was a single dominant operative intellectual paradigm²⁰ for development

in the centres, and at least until the 1960s, on most of the periphery (even China broke from it definitively only after 1960). There were variants - including the Prebisch or ECLA model which was a modern version of the Hamilton/Liszt national/regional mercantilist approach to the international economic integration/selective deintegration/selective deintegration aspects of development and the Mahalanobis variant of F'eldman - but almost all were much of a muchness on the issues of distribution - accumulation - growth and neo-turnpikemanship.

In retrospect it may - or may not - be hard to see why the paradigm proved so resiliant:

- 1. many peripheral economies did not grow rapidly, but on average the growth was far above 1945-50 expectations and above the 19th Century growth rates of the capitalist industrial economies;
- 2. the gaps centre/perphery, rich/poor, powerful/ excluded - rose, but the model really did not centrally address itself to them and could call on the growth rate evidence to assure that "it will all come right in the end";
- 3. the centre/periphery structural relations evolved in a way which - depending on ones viewpoint -"deepened dependence", "enhanced integration", " developed underdevelopment", "heightened contradictions but the proponents of the model's main variants predicted (and were satisfied with their reading of) this trend (including in one variant the gradual expansion of t'e socialist world, e.g. Cuba, Vietnam, Algeria) and the more nationalist ones saw ways of limiting it;
- 4. Whatever else was happening history was not, in fact, repeating itself—Taiwan was not coming to resemble Sweden of 1920 nor India, the UK of 1900, nor China the USSR of the NEP in distribution, production relations, international system roles, but the

paradigm could be altered to incorporate any number of special constraints and transitory phenomena.

Paradigms (or sub-paradigms) - pace Popper²¹ - do not in general collapse because criticism and empirical testing from within "invalidate" them. Five rather different mechanisms operate:

- a new potentially convincing alternative paradigm is constructed;
- 2. evidence of results of actual experience are related - with greater or less violence to what the authors of that experience thought they were about - to demonstrate the plausibility of the new paradigm;
- 3. the losers under the system justified by the old paradigm (plus the intellectual deviants who criticize it for less evidently self interested motives) are enlisted to create a counter coalition;
- 4. shocks possibly rather unrelated to the sub-paradigm or alternative paradigm directly at issue - weaken the old paradigm;
- 5. a confused intellectual battle for the paradigmatic mantle ensues determined in the short run by which decision takers act as if (perhaps because) they hear which "voices in the air" and which paradigm builders have had a closer grasp of contextual forces and explosive contradictions eroding the old operational status mobilis.

In the case of the old development orthodoxy all five factors are present. By 1970 - not 1974 - the growthmen were in disorder and, more critical, lacked real confidence in their own theology. The Pearson Report was an attempt to shore up an edifice perceived as collapsing not a synthesis within an advancing faith; its supporters were faute de micux pragmatists (of diverse viewpoints), the crusaders were in opposition (again from many directions).

1970-74 saw a series of events - Soviet grain deficit world grain prices/periphery famines. OPEC on oil, commodity cycle peak, OECD economy parallelism in boom and retreat, environmental/physical limits analysis, production relations contradictions ("incomes policies", alienation and all that). disintegration of the state as a coordinating committee (TNCs, monetary disorder and all that) - which marked the end of the 1945-70 "Golden Age". Not surprisingly that turned the palsy of its development of the periphery subparadigm into a terminal illness marked by febrile reassertion and near coma and opened the doors to a dispute over the inheritance. This may, incidentally, explain why growthmanship as an intellectual export model seems rather more robust in the socialist industrial economies than elsewhere - their 1970-1978 experience while hardly satisfactory has been quite different in kind and degree from that of the OECD member economies.

The Intellectual Influences On "Basic Human Needs"

One of the proto-contenders for paradigmatic status as a development organizing concept is "Basic Human Needs". It is by no means the only one, albeit the enthusiasm of "minimum material needs" and "absolute poverty eradication" proponents to rechristen their models "basic needs" and to argue for dropping the middle word suggests it is viewed - at least by its opponents - as a serious one.

This section looks at the intellectual influences not because they are disembodied and do not flow from, specific contexts but because in attempted paradigm construction experience is necessarily mediated and aggregated (or distorted and forced into a procrustean bed) by intellectual conceptualization (whether by peasants or academicians, workers or TNC polemicists). Its stress on the periphery dominance in the e-origins is deliberate - the attempted centre cooptation follows prior indifference or hostility and seems to be in the service of attempts to reduce a potential intellectual revolt of the periphery and political economy potentially aimed at mass liberalization into a

managerial kit box for central platonic guardians

(THC or IBRD, Social Democratic of international bureaucrat) to impose a pseudo social democratic constraint on peripheral development to reduce contradictions and safeguard longer term expanded reproduction. ²²

Historical Antecedents: Intellectual and Operational

Basic Human Needs as a concept was not invented in a vacuum by the technical paper preparers and consultants for the ILO's World Employment Conference, 23 even though that Conference was one of the first occasions at which the concept was discussed as such in a major forum. Like any other concept, it represents a reordering of existing elements in a new pattern as well as newer ones. Main strands influencing the emergence of BHN and BN strategic or strategic component conceptualisation in 1975 included: 24

- 1. The Indian (e.g. K.N. Raj, B. Minhas) basic and minimum needs work of the 1960s, including the studies of differences in their attainment not directly correlated to average productive forces and the attempts to design state action packages to enable communities to meet these needs as a central aspect in development strategy as embodied in the draft (albeit much less in the final) version of the 5th Plan, plus related South Asian studies (e.g. those of K. Griffin).
- 2. The attempt to articulate a socialist economic and pricing calculus more relevant to a socialist society's aims (associated with Kaletski and I. Sachs), or what Minhas has termed, in a slightly different context, the rejection of the Benthamite calculus which is basically marginalist economics turned into a general social model.
- 3. The "mass needs" debate, particularly in its Mahgrebin-Egyptian aspects centered on examining the limits of locio-economic reconstruction under Nasser and those imposed by the initial (de Bernis) heavy industry

centered Algerian strategy.

- 4. The Latin American thinking flowing from perceptions of the limitations and failures as well as insights of the basic ECLA "gapmanship" model (e.g. E. Cardoso) and the disaggregation of the dependence models to study detailed impact on exploited and excluded groups as a foundation for studying dynamics, (e.g. R. Stavenhagen, C. Furtado).
- 5. The interaction or contradiction of the New International Economic Order dialiogue and that on Self-Reliance. Especially relevant was the perceived inadequacy (despite their agreed necessity) of changes at international level without parallel (or prior) national strategic changes 25 since otherwise, while interterritorial gain divisions might be altered, the excluded, exploited and oppressed in the periphery would be unlikely to be the principal beneficiaries.
- 6. The reaction against arguments based on <u>Limits to Growth</u> that world resource constraints required continued inequality (or even the asceptic genocide advocated by the "triage" theorists) and in particular the work of the Bariloche Foundation in creating a Latin American model to demonstrate the feasibility of meeting basic material needs in a brief time period if that were to receive top priority.
- 7. The attempt by the United Nations Environmental Programme (and particularly by Maurice Strong) to develop an "inner limit" of minimum human needs as a co-constrain' with the ecological "outer limit" in the development of environmental policy. 26
- 8. The World Bank's (and particularly Robert McNamara's) growing concern from 1969 on that the old development model excluded at least 40% of the World's population from its benefits, a concern leading to the "absolute poverty eradication" and "redistribution with growth"

themes in IBRD and associated intellectual thinking, speeches, analysis and - more modestly - programming.

- 9. The International Labour Organization's World Employment Programme, and the conversion of those most involved in it from a wage employment to a national strategy - working poor - full productive employment focus.
- 10. A general revolt especially by periphery participants but not limited to them - against intellectual overcentralism. One branch was a "revolt of the periphery" against Eurocentric intellectual paradigms and another a questioning of top down analysis which related only to central decision takers and associated intellectuals' perceptions of reality.
- 11. The experience of several nations which did pursue strategies markedly unlike that of the paradigm. China, Tanzania, were central for the BHN advocates, Taiwan, South Korea for the more conservative BN modellers. Sri Lanka has been a source of fiscination but doubt for both, because its BN approach was basically non-participatory, curiously random intellectually, only peripherally linked to primary (as opposed to secondary fiscal and subsidy) redistribution and neither economicall nor socially self-sustaining.
 27 These experiences were felt partly as expressed to the leaders and intellectuals of the actual states in the leaders and partly as experienced or observed by the other analysts.

Of these influences, the last was, and is, probably the most import and intellectually, and certainly operationally. However, the UNEP-IBRD-ILC strands occasioned much of the particular analysis and writing leading to the present form of the BHN dialogue, and each of the elements was dominant for some of the early proponents.

Rejected Strands

Three influences, often asserted to have been critial,

- 2. -

almost certainly were not (whether for better or for worse); indeed, they were positively rejected by a majority of those involved in the early stages of the dialogue:

- a) the old European export model of "community development" movement of the 1950s-60s, an approach seen as offending both against freedom (paternalism and Eurocentrism) and necessity (inadequate attention to the basic need of poor people to produce more);
- b) the social statistics movement including "social cost/ benefit" analysis - seen as both usually economistic, always in danger of "black boxing" experts' values as truth and ignoring needs as perceived by workers and peasants and usually being a substitute for, or an excuse for, not acting in respect of perfectly visible needs; 28
- c) the more austere "alternative life style", "minimum throughput", "zero growth" forms of First World Environmentalism, because they were seen as relating to totally different objective consitions and as embodying some values (e.g. austerity for its own sake) the Third World and Third World oriented participants did not share.

In a sense, a tension or a rejection is an influence. In that sense, the foregoing trio were influences. Further, the "bottom up" element in the old CD ideology (albeit not the usual CD practice) may have been an indirect influence in some cases. Finally, a few early participants in the dialoguwere statistical poverty and need-mapping and/or austere environmentalism oriented (e.g. J. Galtung in both respects, I. Sachs and the Swedish contributors²⁹ in the second). ILO's conversion to poverty mapping is a later development.

III.

Basic Human Needs And Its Asserted Kinsmen

The Basic Human Needs conceptual model sketched here is the full blooded (radical social democratic or unorthodox socialist) one. This is not the only variant nor necessarily

the most widely publicized or criticized but it is the one which is most significantly divergent from the old paradigm. Three other "versions" can be noted in passing:

- 1. "Minimum material needs" ("absolute poverty eradication")
 which is either an approach to limiting potential
 explosive pressures from the excluded; a means to
 satisfying conscience by technically programmed, means
 tested global charity; or (and) a modern statement of
 the Ricardian Marxian conditions for maximum
 sustainable exploitation in the service of rapid and
 sustainable expanded reproduction assuming either that
 full utilization of labour is possible or that the
 reserve army should be kept at a level of full operational
 and reproductive subsistence. (One variant of this is
 Friedman's negative income tax for a guaranteed minimum
 income).
- 2. Technocratic "basic needs" models, assuming that the problems are largely management gaps by elite decision takers and lack of ability to grasp opportunities by "the poor", may go beyond "minimum material needs" in a production/distribution sense but only on an implied "welfare state" basis. Politically they are naiive: elite decision takers do not develop management for the purposes posited because they perceive them as opposed to their (personal or sub-class) interests rather more than because they are unable to understand what is proposed. Workers and peasants lack power to enforce such a strategy or decision takers for more than consciousness to perceive that its elements can in an altered context serve them.
- 3. Social democratic "basic needs" models (e.g. Redistribution With Growth in its more radical moments) do begin to grapple with asset and power distribution but in a rather hesitant, incremental and micro manner quite atypical of serious political economic paradióms or historic political economic structural transformations. This is true even of the more radical models

- e.g. Bariloche - if they are conceived of as protoplans and not destructive polemics against the present paradigm because the asset, institutional, income distribution, class power and state role elements are not merely not endogenous to the models but so implicit in the initial assumptions as to be virtually invisible and irretrieveable. The most rigorous reading might be that of a call for "global Fabianism" (i.e. the ultimate strategic victory over revolution to be won by a series of planned tactical defeats on specific reform measures) but - apart from its unworkability (vide Sri Lamka as a national case and the actual global transfer levels as a comment on the international "welfare systems" inadequacy) - that is probably unfair to the rather broader and deeper intent of many of the writers. 31

It should also be made clear that the author is not asserting that BHN as it stands is, or is particularly likely to become without major mutation, a paradigm or sub-paradigm:

- while it is typical of social science paradigms in lagging experience, it is atypical in being - or seeking to be - rooted, in scattered national experience (unlike e.g. Classical Economics which had a base of dominantly British praxis);
- while it has claims (pretensions) to generality, most of the authors (intellectual or practitioner) are more concerned with explicating, articulating and perfecting national strategies (or anti strategies) than with the generalization of concepts;
- 3. therefore, the application of the concepts to First World or Second World cases is strikingly superficial albeit the conceptual frame logically requires (or at least suggests) such an attempt. (Admittedly this is in part the result of the dominant Third World intellectual revolt of the "periphery element in BHN and the rather shadowy political economic analytical

capcity of some of its First World prote-proponents e.c those associated with the World Council of Churches, but the result is the same);

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- 4. the concern with practices, praxes and contexts inherent in the concept and in the specific operational concerns of most intellectuals and decision takers using it (in whole or in part; under BHN terminology or national titles) creates a blurring of BHN, transition and solidarity elements in national political economic ideological and technical arenas;
- 5. as a result, the systematic pursuit of the theoretical aspects of BHN - especially as they relate to standard distribution/accumulation/growth paradigms - has not been pursued very far.

This may seem a justification for avoiding serious examination of BIN's conceptual implications but two reasons against that can be advanced. First the old development paradigm is fairly clearly dead and succeeded by disorder. In that context it is useful to consider what the implications, contradictions and strengths of potential alternatives - however fragmentary - may be. Second, BHN has been a major corrosive of the paradigm and its evident appeal to would-be co-opters suggests it has some intuitive intellectual and empirical power.

Basic Ruman Needs: Concept and Strategy [32]

As an organising concept for a development strategy, basic human needs — as the name implies — centers on human (primary community and individual) needs and gives primacy of place to moving toward the satisfaction of those needs as perceived by workers and peasants. It rejects maximising the rate of growth of productive forces and, therefore, denies primacy to accumulation. The sacrifice of a minimum decent (socially determined) standard of life for workers and peasants, either to provide the "incentive" for capitalist accumulation or the means to socialist reconstruction for the putative benefit of rather vaguely identified future generations at unspecified future dates, is rejected.

BHN.as.a. strategy turns on five broad target clusters:

- (a) basic personal consumer goods food, clothing, housing, basic furnishings, other socially defined necessities, whether "material" or not (as, for example, a decent burial in the Chinese six guarantees);
- (b) universal access to basic services, e.g. primary and adult education, pure water, preventitive and curative health programmes, habitat (environmental sanitation, urban and rural community infrastructure), communications (in both senses);
- (c) the right to and reality of productive employment (including self-employment) yielding both high enough productivity and equitable enough remuneration for each household with an able-bodied adult member to meet its basic personal consumer goods needs out of its own income;

- (d) an infrastructure physical, human, technical institutional - capable both of producing the goods and services required (whether directly via home production or indirectly through foreign trade) and of generating surplus flows adequate to finance the basic communal services and to provide for investment to sustain increases in productive forces needed to advance toward BHN fulfilment;
- (e) mass participation in decision-taking and review and in strategy formulation and control of leaders, as well as in implementation of projects and carrying out of decisions.

As a strategy, BHN is production oriented - transfer payments in the sense of secondary redistribution of consumption power are very much secondary, not central. (33) Its emphasis is on primary redistribution - of income, assets, power - because it views separation of production and distribution as theoretically unsound and practically non-operational. The productive employment need is therefore both an end and a central means.

Indeed one somewhat inconvenient characteristic of the model as now constructed is that each of the end clusters is also a means. In the case of participation the end inscape is in overcoming alienation but the means instress is power - mobilization to enforce the strategy and mobilization to release resources not otherwise utilizeable because their central or centralized exploitation is impracticable on technical or production relations grounds.

Similarly the production of basic goods is a means because it interlocks with the full employment and participatory power goals/means. The evident way for rural communities/peasants to meet basic food needs (achieve an operational right to an adequate diet) is to produce it themselves.

On the one hand this would increase their power vis a vis employers and bureaucrats but on the other it would normally require power either to enforce a prior land reform or (and) to prevent large landholder/bureaucratic demobilization and diversion of the approach.

What degree of reduction of inequality - and of what types of inequality - is built in to the concept is not quite clear. For practical reasons (relating to resource limits) ceilings as well as floors are needed. How wide the acceptable floor/ceiling range would be appears likely to be country-culture-time-production relation specific; total equality and present degrees of inequality are limiting rather than likely target cases.

BHN uses "socially determined" needs - the attainment or near attainment of one set of specific targets would be the course for another not for a feeling of arrival. Comparative not absolute poverty - exclusion - inequality is the basic target. This is a major divide from the "minimum material needs" school albeit one obscured by the failure to date to specify even a hypothetical BHN trajectory for a middle or high level of productive forces polity/economy (e.g. Mexico, Singapore, Sweden).

Similarly BHN is not - in principle, in the conceptual formulations nor in the national praxes drawn upon - limited to material needs. A decent burial has little to do with production; universal adult education including consciousness raising is neither easily fed into a growth model nor self evidently politically stabilizing;

the employment goal at least to some proponents rests can a belief that creative activity includes work and is not limited to leisure (and especially not "enforced leisure"!) This has posed difficulties in general presentations - quantitative parameters for participation are yet to be devised in any serious sense, the particular non-material needs of any society/class are unlikely to be plausibly aggregated at a global level except in terms of platitudes or perhaps) input costs.

The global inequality implications of BHN have usually been glossed over or set aside - particularly in papers emanating from international organisations 34 - because they are so strikingly at variance with the status quo and any plausible trajectory as to appear either non-operational or counterproductive. Further the national experiences drawn upon have been operated rather separately from the international economic strategies of the states concerned which have concentrated on selective delinking (or more positively, national economic integration), exploitation of specific possibilities for marginal gains in the present international economic context and participation in NIEO type state coalitions along international distribution of surplus (not interpersonal or class distribution) lines.

BHN, Accumulation, Growth

The divergence of the BHN conceptual model from the standard development model on growth is fairly wide but, at least on the one level, in the direction of observed reality (or at least the observed reality of political economic decisions). BHN treats growth of productive forces as a means - except in economies with a high initial level of productive forces a critical means. However, its interest is in specific material embodiments of growth which directly or indirectly (e.g. by exports to pay for basic goods imports) contribute to providing basic goods and services to those requiring them.

This does mean that maximum growth of GDP is not seen as an end nor necessarily as a means. Equally it can create objections to technologies or modes of production which either produce the "wrong" specific goods (e.g. brandy as opposed to milk, "international" type soap as opposed to low cost washing compounds) or produce them in a way creating material and income distribution problems (e.g. grain on land held by commercial landowners as opposed to on peasant individual or communal holdings).

However, these are not divergences from the model unique to BHN but aspects of BHN's closer adherence to general patterns of historic experience and less implausible views of decision taker and class or community motivations. Decision takers do not in some abstract sense wish to maximize GDP (or 'ts growth rate) without reference to its composition. They have quite specific material priorities — tanks for their armies, butter for their tables, bread for their workers (or at least some of them), exportable commodities for their import needs. Nor are they indifferent as to

technologies and sub-modes of production. Latifundistas oppose improvements in minifundia productivity because they would raise the cost/reduce the availability of labour and bankrupt the latifundias. Decision takers interested in maximizing independent defense capacity are not much interested in technologies raising light industrial productive forces except as they may make wage goods, and thus the wage cost of heavy industrial vectors ending in armourments, cheaper. Corporate managers do not choose technologies or production sub-modes maximizing output and/or labour incomes if these either reduce their surpluses directly and radically or undermine their structural position by opening access to potential competitors.

Despite its micro emphasis on self interests - carried so far in recent Chicago School inspired work that one feels the inverse of Adam Smith's invisible hand has been created, an invisible foot putting the boot in so that all private gains have opposite and greater public costs! - the neoclassical development model is politically naive at macro level to the point of ignoring them or setting them out as irritating constraints on how an economically rational man (a disembodied Platanic Guardian who was a neo-classical economist and believed the distributive status quo was optimal) would act. The marxian variant is much less naive but its assumptions as to the nature of decision taking coalitions and the plausibility of assuming that growth maximization would serve their class interests are not well developed.

BHN admittedly does not posit the same specific content of growth or technology or sub-modes of production as most present decision takers choose. That, however, is a question as to its political feasibility conditions not as to the plausibility of viewing growth in disaggregated terms and as a means rather than an end.

The accumulation aspects of BHN represent a rather more basic break with decision taker, as well as paradigm, conventional wisdom. Its first aspect the denial of any necessary link between inequality of income distribution and growth rates is already empirically demonstrated base at least in the sense of showing that there are considerable degrees of freedom as to inequality for any target growth rate. Inequality as a precondition for growth would seem to be exploded even within the growthmen's paradigm for capitalist peripheral economy development.

The factor share distribution relationship to growth is equally not a very close one in the paradigm - or more critical here its marxian variant - unless one assumes that capitalists neither have variable levels of luxury consumption nor export varying proportions of saving, that there are no savings out of labour (including professional) incomes and that saving/investment by petty commodity producers is trivial. Even with these somewhat extreme assumptions, one would need to add relative homogeneity of technology and capital/output ratios on the investment side to complete a model in which there were not substantial degrees of freedom between factor shares and growth of productive forces.

More positively the BHN conceptual frame at least implicitly takes savings available for domestic investment to be subject to institutional control. Outside petty commodity production and petit bourgois family enterprises, discretionary personal cash savings are normally a small proportion of total savings. Private and public productive enterprise, state and scheduled (insurance, pension) private savings are much larger and are clearly subject to institutional manipulation and/or control both as to savings and as to the share reinvested locally as opposed to that flowing abroad. The petty

commodity and small enterprise savings are - or can be - influenced by a variety of policy measures including market rigging and market access controls (techniques applicable to their collective or communal as well as to their individual forms).

The determining factors potentially under state control include technology and sub-mode of production. For example if tree crop agriculture is dominantly peasant - not plantation - then a high direct labour investment (saving) embodied in land improvement and plant (trees) can be secured; whereas under plantations the investment would be out of cash surpluses and the potential for direct peasant saving likely to be wasted. Similarly selective limitations on access of urban (local or imported) wage goods to rural areas and small towns (e.g. by high transport rates) is likely to make useable pockets of labour and natural resources otherwise rendered unuseable by "free competition" whereas the urban resources (especially the incremental ones) can readily be shifted to other lines of production.

State and public enterprise saving - at least at the macro level - is basically fiscally determined. Public enterprise sectors which states are determined to have achieve a surplus do so (e.g. Hungary, main line Algarian enterprises, Tanzania) partly perhaps by more attention to cost control but also by price setting (market rigging) consistent with achieving the broad macro surplus target. Treasuries whose decision takers require a surplus of recurrent revenue over recurrent expenditure plus a variety of state savings schemes (e.g. National Provident Funds) to provide a steady financial flow to government fixed investment usually are technically capable of meeting the broad target set.37

Similar possibilities are seen to exist on the linkage between savings and growth i.e. the K/O ratio is seen as less central and less fixed than in the simplified growth models which have actually influenced planning technicians and decision takers. In the first place fixed capital is only a part of the contributing factors to growth. Albeit many of the remainder do require public expenditure and therefore surplus collection and allocation (e.g. agricultural extension, rural roads, water) they are not included in standard growth models and - per contra - are usually to a substantial degree within the control of fiscal policy (i.e. they can be financed). Further there is some reason to suppose that a concentration on basic goods and, where reasonably practical, on decentralized, small scale production using local products of labour and natural resources would lead to lower macro capital/output ratios even if there were not major changes in most micro cases. In some sectors - especially construction - micro changes toward labour and away from capital (especially imported capital goods) are feasible given market rigging or in some cases simply better forward planning. 38 The shift in specific capital inputs is not strictu sensu an alteration in the K/O ratio, but labour and local materials directly embodied in capital by communal or private petty commodity production units or communal public works schemes are never credited in any serious way to savings and their output to capital stock (even when as in some African countries the tree crops and associated improvements may well be up to a half of true physical capital stock) so that the effect of institutional measures to augment such specific types of capital input would be to lower observed incremental K/O ratios.

BHN presentations at conceptual level have, to date, not dealt with the accumulation linkages systematically. Even at national level - where articulated but perhaps less coordinated - attention has been paid to the types of S/Y and K/O issues treated above (including turning previously unused resources into accumulation directly) detailed operational or theoretical statements appear to be lacking.

In the final analysis BHN advocates (intellectual or decision taker) would normally accept some fall in the accumulation rate in return for a more rapid approach to initial BHN targets. However, for reasons related to the above institutional aspects of both the savings and embodiment sides of accumulation they would deny that there was any reason to link BHN with low accumulation, specific growth or even GDP growth rates. Indeed they may well go further both Tanzanian and Chinese leaders do on occasion - and assert that in certain contexts BHN will produce more general growth of productive forces or GDP, quite apart from more specifically targeted growth of particular outputs. There is not a large enough sample nor long enough experience to test the latter contention: the 4-6% growth trends in China and Tanzania are consistent with the first contention and somewhat above those achieved by the least unparallel polities (India, Ethiopia) pursuing sharply different strategies available for comparison.

Potential Feasibility - Technical

In principle, the impracticability of attainment of a social science paradigm or strategy should be a barrier to its acceptance. In practice this is not the case, but the realization usually comes after the collapse of the paradigm - as with growthmanship, gapmanship. 39 However, in considering a body of concepts for a potential place in a new paradigm it would appear prudent to consider the feasibility of their posited goals both in technical and political (or power or class struggle) terms.

A problem arises immediately in applying any such scrutiny - if Basic Human Needs are socially determined and relative and have a tendency to alter upward as initial targets are approached then their total fulfilment becomes an eschatological state. Further, there is no logical reason to assume that a society - even if power rested in the hands of peasants and workers could not have initial or interim targets which were indeed technically unattainable because the requisite productive force levels were inattainable therefore, any testing would need either to be empirical in a specific context or, if in general, related to substantial improvements over the status quo.

Basic personal and communal consumption levels which are adequate in general physical terms could be reached on the production side by 2000 with 6-8% annual growth rates assuming fairly marginal income redistribution judging by the Bariloche, ILO and Leontieff (UN) 40 models. If anything these may overestimate. The author's back of envelope calculations for Tanzania suggest that if all additional goods and services were those included in what Tanzanian workers and peasants perceive as basic personal and communal consumption needs (and if the right mix of these goods and services were produced) a 25% increase in per capita output — say 4.5-6% a year (1.75-3.5% per capita) for 8 to 15 years would be potentially adequate to meet the target. On anther calculation the rate of increase of productive forces is not in absolute terms qualitatively different from attained levels. Most basic goods (and a fortion) prvices) are fairly practicable candidates

for domestic production in most chonomies and to besautil - of

indirect production via exports is as open under BIN as any other strategy. Thus a mismatch of gross output and particular physical requirements seems unlikely to prove a barrier to feasibility.

<u>Full employment</u> with adequate productivity and remuneration to cover personal consumption needs, on the face of it, raises rather more serious technical feasibility problems. The fair enough renumeration issue is primarily a political one, but the productivity one poses real technical questions which levels of consciousness (or will) cannot resolve in the absence of productive forces changes of quite specific kinds.

These changes are attainable - European industrial socialist economies (other than Yugoslavia) and China fairly quickly achieved near full utilization of labour time. Some of the utilization especially in private petty commodity and services production may have had very low productivity and some larger scale enterprises may have been seriously overstaffed (even if general labour productivity was well above "social subsistence" and the enterprise attained net surplus) i.e. utilized labour time which was strictu. sensu not socially necessary. Indeed, in these economies the present problems are ones of increasing labour productivity (and mobility in the European socialist cases) because labour time has become a "scarce commodity".

Less rigorous transitions toward socialism do not appear to produce equally marked results: in Tanzania urban unemployment is of the order of 8-10% and national 3-4% but the per cent of rural labour time which peasants would be eager to devote to even moderately productive artisanal, capital works or agricultural effort if they had complementary knowledge and inputs and a rigged market structure ensuring they would reap the rewards may be as high as 30% rising to 50% in some areas of peculiarly baleful ecological constraints. This is a particularly striking case because land reform would do little to alter the situation - increased opportunities for altered agricultural (including capital works), communal service, and artisanal/manufacturing production are the only ways forward in the medium term (a viewpoint with which Tanzanian decision takers and techno-

crats would basically accept).

In most non-socialist peripheral economies the situation is substantially worse. Only Singapore (which is excessively atypical and operates a socially determined minimum material needs strategy of considerable sophistication and efficiency) seems close to meeting the employment test. Mexican land reform initially did create a situation which may have approximated relatively full employment at adequate productivity levels but subsequent differential productive forces evolution and market rigging, perverse from a BHN point of view but necessary as perceived by post 1940 Mexican decision takers and the dominant sub-classes, have eroded it beyond any probable chance or revitalization within the present Mexican political economic system.

These fairly superficial observations suggest that the technical feasibility or this need cluster cannot be considered except in relation to the political structure. It seems quite attainable in a rigorous transition to socialism context, less clearly so in a less rigorous one, and only fortuitously and transitorily possible within the parameters of peripheral capitalism.

Infrastructure - in the broad sense used in this paper - poses severe technical transitional problems for any strategy shift. Clearly an alteration in primary income distribution does alter the overall pattern of production required; alterations in relative incomes and (probably more critical) relative prices can cause problems in achieving desired micro levels and allocations of investible surplus; the institutional structures for a more rational, more equity oriented, more specific output directed economy are likely to need to be substantially altered from those of an open-export, import substitution or . labour intensive manufacturing export led economy.

However, the problems do not appear to be particularly insoluble at a technical level - even within the parameters of a mixed economy. Macro efficier in achieving and firecting surpluses (even if with substantial icro inefficiency in production and allocation costs) is not put that unusual in peripheral

are hardly new nor unique to would be socialist economies.

Private enterprise actions can be significantly altered by state market rigging even in the case of TNCs. Transitional problems - e.g. new demand for basic goods appearing before new production and generating foreign balance patterns (e.g. Tanzania 1971-73) - can be substantial but hardly of an order of magnitude beyond the "normal" shocks regularly facing peripheral economies from weather, industrial economy cyclical swings, the disintegration of the worl monetary order, key commodity price leaps and falls, the new protectionism.

Certainly inadequate efficiency in pursuit of a BHN strategy can destroy it - that is true of any political economic strategy. There is, however, a special technical problem - the bureaucrats and managers, professionals and entrepreneurs, professional politicians and technocrats (staff to use a single term) needed to operate the technical side of BIN are unlikely to be or to see themselves as being, its principal beneficiaries. Therefore, a narrow path exists between aborting the strategy to maintain broad staff support (as some would accuse Tanzania and, a fortiori, Algeria) of doing and alienating and destroying the credibility of the staff to a degree which undermines the technical practicability of the strategy (one of the main charges against the Gang of Four). There is a contradiction in utilizing elites (or privileged sub-classes) to construct a non-elitist economy (let alone polity or society) and that contradiction is always in danger of becoming violently antagonistic or of being rendered apparently non-antagonistic by de facto surrender to the elites.

Participation is perhaps not usefully considered primarily as a technical problem. It is ultimately political. A strategy based on equity and mass needs cannot succeed without growing mass control of and disciplinary power over the sub classes categorised as staff.

However, several technical issues are relevant. Totally centralised planning and administration is not consistent either with effective worker and peasant control over micro decisions or with mobilizing use of local pockets of labour and other resources to increase

concern with equity and coilings and the reality of white power to manipulate decentralized systems requires a structure rather far from either total communal or work unit autonome or "free market" pseudo decentralization. The mechanics of a coherent partially decentralized, integrated system with national guidelines, parameters and key targets (set by a participatory political structure superior to the administrative and productive unite ones even if these two are internally participatory) but a high degree of local (village, neighbourhood, productive unit, government office) decentralization of micro decisions and of mobilization to implement them is not very complex on paper. In practice it requires detailed knowledge of the full historic and present context of the society but probably no more so than the more widespread "penetration" strategy institutional models.

VI.

Potential Feasibility - Political

The most serious questions in respect to the full blown BHN strategy are as to its political feasibility (power) conditions. The course of emergence of the concept has hampered attention to this area:

- those rooted in a working national BHN (or proto-BHN)
 experience have tended to take the conditions of the polity
 they knew as readily generaliseable or <u>per contra</u> as so
 special they did not feel able to generalise for other
 polities;
- at the international level a desire to reach a wide audience of decision takers and to avoid breaking the canons of interstate organizations forbidding serious internal power analyses has greatly hampered clarity;
- 3. BHN advocates within contexts where present dominant decision takers clearly will not adopt it tend to specify revolution as a precondition without going on to specify what type of revolution with what particular developments after the seizure of power; 44
- 4. the absence of set, us articulation of national BHN

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strategies for middle or high productive forces level economies makes it harder to outline the costs of such strategies there and, more critical, who would bear them and be in what position to block change;

5. state theory is in an even more chaotic, non-operational state than distribution theory - indeed in the West appears to be trying to copy the New Welfare Economics methodology and trajectory as a promising road forward!

Despite this a few things can be said (partly admittedly to stimulate dialogue and more empirical research):

- 1. at least a significant fraction of the dominant decision taking coalition must be - or see themselves to be responsible to and dependent on the classes (sub-classes) who would benefit from a BHN strategy;
- 2. there must be a level of consciousness and of organization among the would be beneficiaries sufficient to sustain initial steps (keeping the decision takers in power) and to provide a base for initial operation of both productive and decision taking participation;
- 3. the higher the degree of consciousness, mobilization and organization of those who would lose under BHN the greater the level of consciousness, organization and mobilization of the would be gainers needed to allow the initiation or sustain the trajectory of a BHN strategy; 45
- 4. the initial redistribution of power and resource allocation needs to include changes in asset ownership and production relations but also to liberate new productive forces and to create bases for mobilization and consciousness raising in support of further measures;
- 5. while an initial revolution will assist in respect of the second and third points and - politically at least - the scope of the fourth, it is in itself inadequate; the greatest political difficulties are in the use, not the seizure, of

power and the construction of participation not the destruction of a particular structure of hierarchical exclusion - vide Algeria;

- 6. Whether a start toward a BHN strategy can make significant progress without a violent revolution is unclear—the dangers of immobilisme or inadequate momentum to sustain progress and the growing internal contradictions arising from limited initial worker and peasant mobilization are very real ones vide Tanzania;
- 7. similarly, whether a commitment to a partial BHN strategy within a capitalist (including for this purpose social domocratic) polity at middle or high productive forces levels would be structurally meaningful or would end in marginal reformism is also unclear in a sense the most likely test cases may be Venezuela and Norway or Sweden;
- 8. in any event a transition to a BHN strategy requires time
 both because of the tension between productive force
 and consciousness levels and between the historic context
 (even if past power structures are smashed) and the new
 goals the relatively step by step approach of Chinese
 and Vietnamese decision takers after the initial liberation
 struggle and of Tanzanian ones after 1967 seem less unlikely
 to achieve a more participatory frame than the rather apocalyptic approach of the Kampuchean (and perhaps the 1976-78
 Camerean) leadership;
- 9. external pressures can co-opt or destroy a BHN strategy e.g. cf. Chile of the Unidad Popular - or reduce a state whose leadership right well seek to follow such a strategy to chaotic efforts to survive - e.g. Angola.

The political feasibility conditions are not fully separable from the technical. The weaker the balance of political forces for the strategy and the smaller and less conscious its mobilised base, the greater the need to avoid major technical errors.

Absence of basic consumer loods (or the means to pay for them) which were common before a strategic change is the speediest

way to discredit the strategy and its proponents to workers and peasants leading to coups, strategy reversals or reversion to coercion.

Similarly, centralization/decentralization and order (top down)/mobilization (bottom up) pose technical as well as political tensions. The question is not either/or but the attainment of a succession of temporary, workable proto-syntheses.

The brevity of this section is not intended as an index of its importance. The basic political economic barriers to BHN strategy adoption are political not technical. Further they are political economic in the sense of sub-class interests and power not political ethical in the sense of will. Two barriers prevent a more detailed exposition.

The first, as noted, is the present state both of conceptualization and of empirical work. The second is that the political feasibility conditions are to be capable of statement only in very general or very country specific terms. Consciousness, mobilization, sub-class interests, nature of decision taking groups, sub-modes of production - even more than overall levels and specific makeup of productive forces - are integrally affected by historic, cultural, geopolitical and specific ideological contexts. To seek to derive the political feasibility preconditions for a BHN strategy in Malawi or Kenya simply by studying Tanzania and assuming the national contexts were basically similar would not be a sensible exercise and to seek to project from Tanzania (or China or Vietnam) to Venezuela or Norway would be even less likely to result in a set of propositions with any serious objective correllative.

VII.

Notes Toward A Perspective

On the positive side - at least as far as considering the possibilities and limits of a development strategy oriented to meeting mass needs with high priority to present generation needs and to equity - the past decade's critique of distribution

thereby allows drawing several tentative conclusions:

- Fairly wide degrees of freedom exist in setting of the central wage rate and labour remuneration structure, the central rate and structure of surplus generation, the range of permitted inequality and relative price structures. The freedom is subject to a constraint of internal consistency and another of consistency with total real resources (productive forces) mobilizeable.
- 2. There is no particular reason to concentrate on terthary (consumer transfer payment) redistribution. Most empirical evidence suggests secondary (public service) indistribution is more able to influence both production and effective equality of consumption positively at the same time. Primary (earned income) redistribution via asset redistribution or market rigging can be highly macro efficient (realizing intended surplus levels, particular production patterns or alterations of income distribution) if specifically related to goals and contexts and carried our consistently; not piecemeal.
- 3. Because the Paretian optimum (and indeed any market dominated system) Depends on income distribution demand pattern), its productive efficiency statements are special case ones and a quite different set could be constructed for any consistent set of income distribution targets subject to productive forces constraints;
- 4. The limits of potential productive forces utilizeable under different strategies are difficult to integrate into distribution theory but can radically alter regults in any actual case. They are not determinate in principle the Chinese rural and county industry strategy as applied extends the boundaries of productive forces but so do small private entrepreneurs in Japan and Kenya; the macro-strategy of 1930's Soviet material balances planning may well have reduced the overall level of productive forces, but increased those available for building up an autonomous economic infrastructure for national defence.

Basic Human Needs

A similar set of tentative observations on BHN as a development strategy with an internalized set of concepts as to distribution (albeit not a well articulated theory) can be made:

- The BHN approach was conceptualized after the disintegration of support for the 1945-70 maximum development by maximum accumulation for maximum growth paradigm.
- 2. Its intellectual and national operational origins/influences are both substantially older and dominantly Third World in that sense it represents an intellectual revolt of the periphery just as some of the national experiences influencing it e.g. China represent a political economic action revolt of the periphery;
- 3. The full BHN conceptual model is internally consistent although both the joint ends/means nature of its basic elements and the nature of its participation/power component render it considerably less easy to manipulate formally than standard models.
- 4. Equity defined in terms of increased equality (limits in inequality) as well as of absolute increases in access to basic goods and services is central to BHN. It is in that sense result (as opposed to opportunity) oriented but not committed to absolute equality or to total allocation of resources to artifactually defined categories of people.
- 5. Because of its intellectual and operational history, BHN is rather weakly articulated conceptually and highly context determined nationally. This may in part be desirable as well as inevitable but it increases the difficulty of evaluating its elaboration in any new, or the degrees of freedom in any existing, context.
- The conceptual flexibility is in some aspects especially
 political conditions gap covering; at national operational

level it appears to be related to serious efforts to relate the necessary to the possible and is not consistent with either a weak state or a high level of macro inefficiency in state and enterprise action.

- 7. Technically there are no evident general reasons to question the operationality of BHN. There are difficulties and constraints both in general and in relation to specific contexts, but not in any sense different from those confronting other strategies (indeed perhaps rather less if one considers financing massive transfer payments or operating massive repressive systems from the technical point of view).
- 8. Political feasibility conditions for EHN strategies have not been articulated at all clearly. The degrees of freedom here are unclear. With the exception of Tanzania and perhaps Somalia (and for the most conservative BHN formulations Taiwan) all the national cases appear to have come following armed revolution lasting for an extended period and greatly eroding the power base and mobilization capacity of opponents while a notable failed case Chile illustrates problems of a partial initial access to power with well articulated internal opposition and external intervention able to capitalize on political economic efficiency miscalculations. On the other hand, an armed revolution is quite clearly not a political or technical sufficient condition what happens after access to power is even more critical.
- 9. In principle BIN is applicable globally and for high and middle as well as low productive force level economies. There is no serious prospect of global application because the equity (or inequality limit) constraints could not be met and the international enthusiasm for support to "the poorest" is at best very ambivalent and marginal support for existing national BHN efforts. National strategies of a BHN (or modified BHN) nature do not yet exist outside low productive forces polities, albeit advocates and conceivably political feasibility conditions may exi. * in some.

- 10. Given the participation element in BHN (and the likelihood that sacrificing it temporarily to "turnplke" toward the other goals would prove irreversible) the step by step approach needed to raise consciousness and maintain broad formation support is likely to be both relatively slow (especially if the initial access to power is not by armed revolution) and subject to considerable dislocations and temporary alterings of course (whether from decentralized mobilization threatening coordination or misjudgement of timing of steps against remaining sectors of technical importance but also of opposition to the fuller development of the strategy).
 - 11. National application has probably correctly interested not simply most BHN practitioners, but also most analysts more than theory building. While correct in one sense, this limits the level of dialogue and the development either of existing or new national strategic formulations and applications. It also means that BHN in its present form is a considerable distance from meeting the intellectual preconditions of a paradigm.

Because BHN is a revolutionary strategy based on an egalitarian and a communitarian view of society, it is unlikely to be accepted without struggle. Partial abstractions and "reformulations" for use as palliatives or cheaper methods of suppression aside, it is not attractive to most dominant sub-classes and decision takers acting for them. Its success therefore is dependent on whether the present context (historic, political, economic, intellectual) is one in which mobilization in support of BHN is necessary and possible in a substantial number of polities. (Africa from Equator to the Cape may be a relevant sub-region for consideration in this context.) Certainly development strategy - not simply at the level of intellectual paradigms in any abstract sense but at the more basic one of results of decision flowing from such paradigms - is in a state of "great disorder under heaven", a state which in Chinese tradition heralds the fall of a dynasty, a period of disorder and the re-emergence of an ordered state of affairs. BHN's contribution to the fall of the old

paradigm is clear enough, its existence as one of the conflicting parties to the disordered struggle is real enough (if unclear as to importance), its potential role in any new order is as yet much more problematic.

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- 1. The Cambridge centered critique of neo-classical capital theory and in particular the works of P.Sraffa and J. Robinson. For a broader general introduction and references, see M. Dobb "A Decade of High Criticism" in Theories of Value and distribution since Adam Smith: Ideology and economic theory. Cambridge University Press, 1973.
- e.g. P. Saffra, <u>Production of Commodities by Means of Commodities</u>. Cambridge University Press, 1960; J. Robinson "The Production Function and the Theory of Capital" in <u>Collected Economic Paper</u>, Vol. 2, Oxford University Press, 1960.
- 3. Once one accepts a basic wage level significantly above physical subsistence as possible for an extended period and that it may rise in absolute terms, one requires contextual explanations of the nature of the sub-modes of production under capitalism which are consistent with such a result.
- 4. "Unproductive" in the technical sense of not generating surplus value for the immediate employer. For a socialist state this is even technically a rather dubious concept education or health in some broad sense does generate surplus increases in the directly productive sectors which do, in fact, flow largely to the state.
- 5. of the flood of North American literature on professions, professionalism and the ideology of professionalism over the past decade. For attempts to define the concepts in relation to First and Third World contexts, see clashing articles by P. Johnson and R. Green in Y. Ghai and R. Luckham (ed.) Legal Professions in the Third World:

 Comparative Perspectives. International Centre for Law in Development/Scandinavian Institute for African Studies, 1978 (forthcoming).
- 6. op cit, Green article.
- 7. True in a formal sense oligopoly/imperfect competition/ monopolistic competition theory has has a rigorous and abstract strand. However, that branch has moved toward purely formal structures in which indeterminacy is the standard result (somewhat analagous to the trajectory of the "New Welfare Economics"). Applied work may be informed by the broad thrust of the theory but even more by detailed contextual study.

- 8. First a socialist system must "exploit" in the technical sense. Second, it must accumulate (implying a time discount analogous for this purpose to a structure of rates of return on capital). Third, it must set labour payment structures which at least in the standard system are highly linked to productivity, incentives and ability to create disruptions.
- 9. This is not to claim that they are evidence that existing socialist systems constitute "state capitalism" that is a different question. It is to assert that given substantial inequalities of incomes and of access to services, substantial individual production linked incentives and a clear scarcity of achieved productive forces levels relative to perceived needs, the "distribution problem" under socialism is in some basic elements similar to that under capitalism.
- On the face of it real consumption power out of earned 10. income and total consumption power from earned income, net transfer payments and access to public services (communal consumption) are the most relevant measures if the human beings are being viewed as ends (not means) and not as intermediate input categories. They are the data least available - especially in respect to producer processed and consumed food, housing, handicraft which for this purpose needs to be valued at comparable urban market prices. This is partly because pre-tax income data is the easiest to obtain (especially within industrial economies) but partly because the production oriented ideology (or mysticism) of national accounting has often caused measurement to proceed without serious thought as to what really was to be measured and why.
- Por an introduction from a "liberal" point of view of D. Lai "Distribution and Development: A Review Article", World Development, Vol. 4, No. 9, 1976.
- 12. In fairness the origins of this concept as a political economic organizing principle e.g. in A. Smith were both progressive in the existing concept and integrally linked to a moral philosophy that was far less accumulation and production oriented than in say Ricardo, much less their present proponents. The present usage even when it does not blandly ignore massive built in systemic barriers to equality of opertunity (e.g. initial asset, income, education and mobility distribution) is either native or more related to a variant of the old production centered model than with any human based concerned distribution (or micro production makeup) emphasis. cf inter alia. M. al Huq.
- of Lal op cit: R. Noziek, Anarchy, State and Utopia. Blackwoll, 1974.
- 14. In that sense Marxian analysis is an articulation of Ricardian and predates the Chicago School's arriving at the same position. Evidently, the implicit ethical views of the resulting systemic operation are different despite a formal sw that these characteristics are unavoidable under capitalism (not under "human nature")

and that capitalism is at some periods and in some contexts progressive, the clear undertone of Marx and Marxians is normative and condemning. Chicago is basically amoral - it sees the causes as lying in human nature and while it does suggest contexts which would limit some aspects (e.g. bribery, low productivity) the fervour is for reducing loss of potential output not for any general ethical principles.

- cf e.g. Chenery et al (ed.) Redistribution with Growth. Oxford University Press, 1975; A. Foxley (ed.), Income Distribution in Latin America, Cambridge University Press, 1976.
- 16. cf Foxley, op cit: I.L. Borowitz (ed.), Equity. Income and Policy: Comparative Studies in Three Worlds of Development, Praeger, 1977.
- 17. In this context the term unproductive is baleful in effect. Plant and machinery at the expense of effective education and extension and - in many cases - roads or irrigation works at the expense of funds to keep existing works in effective use are its fruits.
- 18. cf L. Taylor and F. Lysy, "Vanishing Income Redistributions: Keynesian Clues about Model Surprises in the Short Run" in S. Cole, H. Lucas (ed.), Models, Planning and Basic Needs. Institute of Development Studies, 1978.
- 19. This is not or need not be an anti-Marxian position cf Marx on Louis Kapoleon's state or the difference between his treatment of colonialism in India and in Ireland. For more formal models or proto models cf Foxley op cit, (especially Portes and Ferguson, Bar-Yosef and Green chapters).
- 19a Perhaps best articulated in his posthumus essay in the forthcoming Rothko Chapel volume on development in retrospect and prospect edited by K.Q. Hill and published by Praeger.
- 20. Paradigm is used in the sense of a basic conceptual formulation which sets the limits within which concepts are formulated, models constructed, questions posited and empirical testing and conceptual/model/policy modification carried out.
- The Logic of Scientific Discovery. Hutinson, 1968. The opposite position in respect of paradigms is argued by T.S. Kuhn, The Structure of Scientific Revolution. University of Chicago, 1970.
- 22. A set of divergent perspectives can be found in <u>Down To Basics: Reflections on the Basic Needs Debate</u>, IDS Bulletin, Vol. IX, No. 4, June 1978.
- .23. The conference was the first broad forum to centre on discussion of the concept and its preparation especially the writing of Employment, Growth and Basic Needs, ILO, 1976 brought a number of strands together. However, those are different propositions from suggesting a slogan was invented by ILO with no prior conceptual base or a

model fabricated out of thin air.

- 24. Concept dating is always difficult when do precursors and early formulations begin? Here what how? (1975 Dag Hammarskjold Report) and Employment, Gross and Paris hards are treated as the first full to:mulation-but class, clubs be made for some works within the strands cited here as influences and antecedents.
- 25. It is not incidental that Third World basic human needs proponents intellectual and decision taker are proponents of NIEO (and the 1974 United Nations Charter of the Economic Pichts and Dities of States) and propose articulation and application well beyond what the decision takers of major capitalist and socialist industrial economies are willing to envisage, much less accept.
- 26. Indeed, What Now? grew out of an initial UNEP request to the DH Foundation to do a global minimum needs study. Grew out of since What Now? followed another development away from the minimum material needs starting point. See also W.H. Mathews (ed.) Citer Ligits and Human Needs, DH Foundation, 1977.
- 27. See Towards a Socialist Sri Lanka, Centre For Society and Felinor LyTT and are Lanka An Experience In a Need-trented Envelopment, Marga Four attory International rund for Development Alternatives, 1078. The perplexity of perception is snared by Sri Lankan participants not limited to outsiders.
- 28. In part this represents a Third World participant revolt against Western intellectual hegemony and a practitioner revolt against and academic formalism as perceived by rejectors. Right or wrong, it was a deliberate rejection not a lack of knowledge of the social statistics industry.
- 29. of the Swedish and Tanzanian case studies in <u>What Now?</u> which show this contrast quite sharply.
- 30. cf Cole and Lucas on cit, especially S. Cole "The Latin American World Model as a Tool of Analysis and Integrated Planning".
- 31. cf ibid. especially section 5.
- 32. This section is largely a synthesis of the conceptual frames of What Now?. Employment Growth and Basic Nords, Report of Egham Neeting of the World Council of Churches but Justice and Service 1977. The author as a participant and controversial protagonist in each is evidently not necessarily neutral and certainly not detached in his selections.
- 33. The counter view e.g. T.N. Srinivason "Development Policies and levels of living of the Poor: Some Issues", 1977 Bellagio Workshop, World Bank is a clear misreading. The 1976 World Employment Conference Declaration underscores raising productivity and production and stresses primary (earned income) not tertiary (consumption transfer payments) redistribution as do the sources cited at note 32. Indeed BIN formulations tend to be rather austerely work oriented with a clear bias again. Subsidizing any person capable of working

(and a clear bias toward making his right to productive employment and meaningful remuneration, meaningful and operational rather than figurative and moral). The same appears to hold of national practice, e.g. China and Tauzania are quite clear on using consumption transfers as a last resort for a limited number of persons unable to work and/or special transitional situations (grain imports at high prices dominating the latter category in both countries).

- 34. e.g. ILO's publications beginning with E. G. EN. What Now? and the WCC Report do take a somewhat but only somewhat less cautious look at global equity implications but neither seriously poses the potential ceilings for industrial economy real resource use (and presumptively consumption and accumulation) in any overall fashion that remotely approaches operationality.
- 35. See note 15.
- 36. Taxation, transfer price control, selective investment incentives/approvals/disincentives, manipulation via a state owned financial sector are all possible - and used - within peripheral capitalist as well as transition to socialist economies.
- 37. This is not to say that the enterprises or the tax collection are necessarily micro efficient in the sense of minimum scarce resource use or maximum closing of leakages. It is to assent that macro-efficiency in achieving substantial state sector operating surplus targets (e.g. 8% of GDP in Tanzania) and recurrent revenue contributions toward fixed investment (e.g. up to 20-25% of state and enterprise fixed investment in Tanzania including Provident Fund and Insurance Corporation "contractual saving") is possible in a wide range of states if it truly is a priority goal of decision takers.
- 38. Highly labour intensive construction usually takes longer to complete. In East Africa late planning and inadequate channels for labour mobilization and deployment (whether "self help" or public works department) have been tied with the biases built into foreign loans as the key causal factors in regularly picking capital intensive/foreign contractor packages for major works and attempting to bundle minor works and buildings into packages contracted out as if they were single large contracts. It is very doubtful that cost reduction has been a significant factor in most of these decisions.
- 39. In retrospect the gap closing models or even the periphery in 2000 will be the centre of 1950 (capitalist or socialist) projections now look rather unrealistic. They did not seem so to most analysts in the 1950s and 1960s and decision takers did operate on them.
- 40. cf discussion in Coles and Lucas, on cit. The models are very rough or in the Leontieff case not very closely linked to specific output breakdowns related to basic needs but do in general demonstrate the feasibility of meeting initial BHN targets rapidly without insuperable real resource or trade constraints given substantial (but not in many cases revolutionary) income redistribution.

- 41. 1977 ILO Mission guesstimates. The position has been basically static in this respect since 1967; it appears to be significantly better (lower unemployment) than in among other African urban areas.
- 42. The problems are ecological (one season agriculture with low rainfall does not provide useful occupation on a year round basis), technical (how to innovate outside the "traditional" framework is often inadequately known at levels rancing from crop selection to simple construction skills), mobilisational (dependence on and mild antagonism to "sturf" as an historic heritage have militated against mobilization by persants), mode of production (communal or at least coordinated production and village versus scattered homestead communities are needed to create opportunities for many productive direct labour investments which in turn raise the useful labour input into agricultural production itself).
- 43. In the Whit New? case the limitation was a desire to address all progressive (from liberals in the Scandinavian sense enand) intellectuals and decision takers; in the Englowment.

 Grant and Fisial Needs case it was quite overt editing by deletion of almost all the political feasibility discussion sections of the early drafts. Both processes are in some sense "proper" but neither has much virtue from a strictly analytical perspective.
- 44. To some extent this is inevitable one does not draft an operational plan in full detail as part of mobilizing toward a revolution. However, in another sense the time to work out broad, institutional, policy and strategic targets for the first few years after the revolution is before the seizure of power; after day to day decisions will tend to squeeze out longer term conceptualization and sequence development unless a foundation has been laid.
- 45. e.g in Tanzania the proto-bourgeois subclasses were atsolately tiny, possessed or limited economic power and highly fragmented. Even so the dismantling of the power base of the least impotent "rich farmers" and their staff superters in the state agricultural institutions was seen as requiring careful staging and cautious step by step actions which took over 10 years from the rirst critical commission on the old line cooperatives, through movement of rural credit from coop to Treasury control and of overall rural development from agriculture to Prime Minister to the 1975 Village Self Government Act (which workers staff positions vis a vis villages and rich farmer influence in them) and the 1976 abolition of the old line cooperatives (replaced by village coupcil based units).