From 4-6 November 1992 IDS hosted its 25th Anniversary Conference. To give you a flavour of the proceedings this special supplement contains extracts from seven papers presented by former IDS Fellows, preceded by John Toye’s introduction to the Conference.

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Editorial note: These are not the full papers (and do not include footnotes or references) sourced which are to be published together with other conference papers in a special IDS volume: The Silver Jubilee Papers (see back cover).
Introduction to the Conference

John Toye

I must tell you that I feel deeply honoured that it falls to my lot to inaugurate the IDS Silver Jubilee Conference. This Conference is being held to mark a quarter of a century of the Institute's activities. The historical record of what IDS has done is fully set out in successive Annual Reports. I will make no pretence of being able to summarise it here. But it is impossible not to marvel at the dedication, comprehensiveness and quality of the work done in those 25 years. As literally a Johnny-come-lately to IDS, I feel humble contemplating it.

One of this Conference's aims is simply to celebrate what has been achieved during that period. IDS growth, diversification and attainment of new perspectives on development. Such a celebration will inevitably be nostalgic. On that note, I am happy indeed to welcome today, on behalf of the present Fellowship, so many of those who, since 1966, have built the Institute - metaphorically speaking - by their outstanding contributions, both theoretical and practical, to development studies. In this connection, I take particular pleasure in the presence here of three distinguished ex-Directors of IDS - Paul Streeten, Richard Jolly and Mike Faber. Though denied the presence of the fourth, Dudley Seers, we may yet find ourselves. I suspect, invoking his spirit as our discussions proceed.

The Institute wishes it to be not merely a reunion of old comrades and comradesesses reminiscing about how right they were and how much good they did - although, in my view, they were right about many things and have made the world to some degree a better place. The programme deliberately shows a strong representation of outsiders. They have been encouraged to set their own agenda, to tell the Institute what they think we ought to hear. The only constraints have been the enormously elastic conference theme - 'the meaning of development and the future of development' - and the gentle suggestions to paper authors from Emanuel de Kadt, to whom may fall the task of editing the contributions into a publication.

It has been suggested by sociologists that, for social scientists, the continuous struggle to reach consensus in a relatively unpredictable and uncertain environment is likely to generate high levels of conflict. I hope this conference will have some good conflicts. I do not despair of such conflicts. I take comfort from them. The indiffERENCE to contrary opinion displayed by natural scientists is often a false serenity. Their theories are often much more remote from the truth about their subject-matter than are the theories of the social scientists. We, in the end, have to understand and respond to the moral imperatives of the human heart - and in development studies, particularly so.

Mike Faber, in his last Director's Message, reminded his readers of the classical adage 'quod homines, tot sentientia' - there are as many opinions as there are people to express them. Here is the source of the conflict. But it is not inconsistent with another Latin tag which, despite the threat of pantomime ridicule, I still want to quote: Magna est veritas, et praevalebit. Truth is powerful, and will in the end prevail. So although this conference is unlikely to end in agreement, I remain convinced that our collective endeavour in development studies is worth pursuing at least for another 25 years.

Reflections on the IDS from within the UN

Richard Jolly, IDS and UNICEF

A 25th Anniversary is a time to look back to early days, to draw lessons from the experience of the mid-years and to make suggestions for the future. This paper tries to do all three with respect to IDS involvements with the United Nations.

IDS's first few months, have had extensive careers in the UN.

ILO Employment Missions

Above all, however, it is the relationship with the ILO in the early 1970s that probably still stands as the high point of IDS's contribution to the United Nations and, certainly, of IDS gaining, in its formative years, opportunity, understanding, impact and reputation through its involvement with the United Nations.

The ILO employment missions gave IDS the opportunity to join with an international, inter-agency, interdisciplinary group, analysing the nature and causes of the employment and unemployment problems of a specific country and suggesting, in the light of this analysis, the policy changes...
required to deal with the problems identified. It was the intellectual courage, persistence and creativity of Dudley Seers, who led the first two missions to Colombia and Sri Lanka, which ensured that a good team was put together and was then given the challenge, the leadership and the freedom from petty bureaucratic interference to produce a good report.

As often recognised, the missions also played a formative role within the IDS, starting as they did during the fourth year of IDS’s first quinquennium. Three or four IDS Fellows were involved in each of the first three missions, thus helping to build up the team within the IDS as well as providing common development experience. The fact that the missions took such a broad view of employment problems and their causes made their analysis and recommendations in effect, an analysis and commentary on development strategy as a whole, and this in turn played no small part in defining something of an IDS view on development matters, especially perhaps the Dudleyesque structuralist version of the IDS view!

Impact cut short

The more interesting question today is why the message of the employment missions failed to achieve the sustained impact on international perceptions and policy making that seemed possible at the time of the World Employment Conference in 1976.

The first reason relates to ILO’s internal structure and operations. The employment missions were the creation and the preserve of WEP, not of the ILO as a whole. With the departure of Louis Emmerij, those outside of WEP cut it down to size, with neither a feeling of loss, nor serious opposition from the Director-General.

The second reason why the employment mission approach faded from the international agenda relates to the power-eager espousal of a limited version of basic needs by the industrial countries in the late 1970s, just when the developing countries were pressing hard for more attention to issues of international reform in the name of NIEO, the New International Economic Order.

The third reason relates to the broader context of the 1980s. Politically, there was the sharp shift to Thatcherism and Reaganism, with their accompanying glorification of monetarist philosophy, while globally there was the 1979-81 round of oil price increases, with its consequences for recession in the industrial countries, rising debt in Latin America and Africa, declining commodity prices and stagnant levels of aid and to the shifts in political power and thinking associated with these.

In the 1980s

I now move to the risky and somewhat embarrassing part of this paper – to draw on UNICEF experience in the United Nations over the last decade in order to identify some of the specific actions which I believe the United Nations can usefully undertake in support for poverty reduction and human development and meeting basic human needs in particular. The focus is specifically on international actions which have some reasonable chance of making a difference. Inevitably this section will be somewhat UNICEF-centred. Such is the price of drawing on experience for my point of view and my starting point.

Let me begin by admitting that the basis for some optimism is of hope rather than of certainty, a reasonable prospect rather than a confident prediction. Nevertheless one can identify three major reasons why those committed to work for poverty reduction and human development internationally should treat the early 1990s as a situation of special opportunity.

In the first place, the very neglect of human development and the setbacks in education and health in the 1980s have engendered a new awareness of these issues and often a new sense of priority for incorporating measures of advance in policy making in the 1990s.

The positive reception accorded to the Human Development Report of UNDP by many donors and also by many developing countries – with the notable exception of the Human Freedom Index – is a welcome sign.

Moreover, secondly, this shift of mood and interest in human development is backed up by a more substantial series of experiences, structures and preparatory actions than was available before. There exist the positive experiences of poverty reduction and human development in many countries – not only in the exceptionally successful countries of East Asia as mentioned earlier but also in smaller but impressive examples elsewhere, such as Botswana and Mauritius, Costa Rica and Chile, Barbados and Jamaica.

Third, the human goals incorporated in the Declaration and the Plan of Action of the World Summit for Children were the result of a two-year process of consultation and resolution – involving governments, NGOs and other groups in every region, as well as consultations and debate in other assemblies such as the World Health Assembly. In the case of the goals for basic education, they emerged from the World Conference on Education for All held in Jomtien with the participation of some 155 governments, usually at Ministerial level, and sometimes including the Minister of Finance, not just the Minister of Education.

All of this, of course, is far from proof that the world is now on a new track – and this is not my argument. My point is that with respect to a core of human goals, an international process has been launched which seems likely to be more effective and more sustained than the earlier effort of basic human needs growing out of the World Employment Programme in the 1970s.

The Broader Challenges of the 1990s

With ever growing levels of interdependence, one can already identify at least six major areas of action and concern where, over the medium to longer run, the United Nations will need to play a more active and vigorous role. These are:

- new approaches to security concerns, especially in the area of regional conflict and in support of concerted international action to diminish the causes of conflicts, economic and social;
- human development and poverty eradication as a continuing focus for development strategy, nationally and internationally;
- international mechanisms for overseeing, monitoring and where appropriate, influencing or controlling interactions in key areas of trade, technology, communications, finance, debt and other key sectors of interdependence, to ensure relationships of greater efficiency, stability and equity;
- a strengthened international response to the needs of sub-Saharan African countries and least developed countries in other regions, so as to prevent them being further marginalised and their populations left in ever more intractable poverty;
- long-term ecological security, encompassing environmental protection and sustainable development;
- disaster prevention and the build-up of international capacity to enable a rapid coherent response to disasters when they occur.

All of these areas are of importance for action and all six are areas where the ground needs to be prepared so that the international community is ready to take useful and specific action when the political opportunity opens up. It is this in part which also identifies new roles for the IDS and other research institutions.
The United Nations and Development in the 1990s

Carlos Fortin

Introduction

This paper attempts to present a case for the proposition that the United Nations must have a major role in the making and implementation of international economic development policy, and that this entails in turn a role in the management of global macroeconomic issues.

That this proposition should need arguing must appear extraordinary. After all, the United Nations has a clear broad mandate in this field. It is contained, among other international instruments, in the UN Charter, whose Article 55 gives the organisation the function of promoting higher standards of living, full employment and conditions of economic and social progress and development, as well as solutions of international economic problems, and in the 1964 General Assembly Resolution that created UNCTAD with the mission of promoting international trade especially with a view to accelerating economic development.

Indeed, it is particularly paradoxical that doubts in this connection should appear at this particular time. The success of the United Nations in re-establishing itself as a credible actor in the political, diplomatic and peace-keeping fields would in principle suggest as a natural next step the reassertion of its influence in the economic field. The general recognition of the increased globalisation of economic relations and of the growing interdependence of international economic issues, and of the world economy with other areas of the international system, would precisely call for a more structured approach to policy-making for the system as a whole; the United Nations, as a universal forum, would seem the obvious instrument to achieve this.

But doubts there are, the result of the steady erosion in the last decade of the United Nations' presence in international economic decision-making and negotiations because of the growing preponderance of the Bretton Woods institutions and GATT, as well as of ad hoc mechanisms such as the G7 and the Paris Club.

By the end of 1980s the erosion had gone so far as to make even committed supporters of the United Nations come to the conclusion that the situation was irretrievable. In consequence, many began to suggest more or less explicitly that the role of the organisation in global economic policy making should be given up.

I believe that accepting this viewpoint would be a fatal disservice to the cause of development and international cooperation. I shall present my argument using as a starting point some recent initiatives which have explored the issue of the restructuring of the United Nations in the economic and social fields and produced policy recommendations, notably the Nordic Project and two Roundtables convened by the North-South Roundtable of the Society for International Development.

[Two sections follow: on the background to the debates on the economic and social role of the UN until the late 1980s, and the 1980s and the new debates.]

The case for a reduced UN Involvement in global economic policy making

... From the preceding a picture emerges of the kind of division of labour that is being proposed in the international development field and the position of the United Nations in it. In this view the United Nations should concentrate on the carrying out of operational development activities through its operational programmes and funds, notably UNDP, UNICEF, UNFPA, WFP and IFAD, a reversal of the trend for these activities to migrate to the World Bank should take place. The specialised agencies - notably FAO, ILO, UNESCO, UNIDO and WHO - should reduce their involvement in executing operational activities and reinforce their normative function, that is, policy guidance in the areas of their competence.

The central organs of the United Nations in the economic and social field should concentrate, on the one hand, on providing overall coordination of operational activities and on the other on the social and human aspects of development. The specialised agencies would have a role in the management of interdependence in their respective fields. Global policymaking in the interdependent fields of money, finance and trade would be left to the Bretton Woods institutions and GATT.

This redistribution of responsibilities in the global system is justified with two basic arguments. One explicit, the other implicit. The explicit argument, as already indicated, is that of comparative advantage: let every organisation do what they can do best. The implicit argument is a political one. It does not seem likely that the developed countries would agree to submit the most important issues raised by the management of the global economy - debt, trade, resource flows - to an organisation dominated by the developing countries, particularly since negotiations on those issues are already underway in other fora, i.e. the multilateral financial institutions, GATT, the Paris Club, the G7.

These are no doubt serious arguments. However, I believe they do not prove the case for a withdrawal of the United Nations from the economic policymaking field.

It is not apparent why these features should exclude the United Nations from economic decision making, indeed, as will be argued below, the opposite conclusion appears more compelling. Furthermore, as Sidney Dell pointed out in response to the initial paper of the Uppsala Roundtable, the comparative advantage argument often boils down to letting every agency continue doing whatever they are already doing. Since the comparative advantage of an organisation (at least in static terms) is a function of the tasks hitherto assigned to it and the corresponding staff and resources they have built to carry them out, the application of the principle of comparative advantage is in effect a prescription for the maintenance of the status quo. It thus begs the question whether the existing setup involves an optimal carrying out of those tasks, and whether alternative divisions of labour could not be more efficient and equitable.
On the political argument, the issue is not so much how to reduce the universal and democratic character of the United Nations in order to get agreement on the inclusion of economic issues in its agenda, but rather how to include those issues in ways that can take advantage of the universal and democratic character of the United Nations to make global policy making more effective.

In the remainder of this paper I shall attempt to provide some suggestions in those two respects by focusing on three interrelated areas in which the United Nations could have an important role: the response to the challenges of global interdependence, the building of development consensus; and the negotiation of a comprehensive set of international norms and guidelines to govern the economic dimension of the emerging new world order.

The United Nations and Interdependence

I need not abound here on the extent to which the contemporary world economy is defined by the phenomenon of interdependence. The issue has been extensively discussed in both the academic and the policy literature. Two points, however, might be in order. Interdependence today includes not only the close interaction between national economies and among sectors of the international economy, but also the reciprocal influences between the world economic process and other global phenomena, notably environmental issues, population trends and movements, including international migration, and health-related problems, such as illicit drug trafficking and the spread of some communicable diseases. The response to the challenge of interdependence, as a result, is an enormously complex, multisectional undertaking, for which a wide range of expertise and fora needs to be assembled.

The second point concerns the impact of interdependence in the process that recent research has termed 'globalisation'.

Globalisation has been made possible by the emergence of technologies integrating computer, communication and control elements, which allow firms to set up information networks that link production, marketing and R & D globally. Globalisation, however, goes beyond the older phenomenon of the expansion of individual multinational firms. A distinctive feature of the globalisation process is the emergence and rapid growth of strategic alliances, or non-equity cooperative arrangements among multinational firms — including market competitors — with the purpose of sharing the cost of R & D, sharing core technologies that allow them to concentrate in gaining competitive advantages in new products and applications, and sharing information and distribution networks to be able to maintain a global presence in markets.

Interdependence and globalisation are inextricably linked to the development prospects of developing countries. The efforts of developing countries to improve their domestic economic policy framework will come to naught without a supportive international environment. I suggest the United Nations provides a unique forum for the analysis of trends and issues in the field of interdependence at the intergovernmental level and for promoting (and providing guidance for) the coordination of macroeconomic policies with a view to avoiding inconsistencies and furthering development. This is precisely because of the structural features identified by the Uppsala Roundtable as well as other related characteristics.

(i) The United Nations is indeed a universal forum, in which all countries are represented and all views and interests can be heard and taken into account.

(ii) It is specifically mandated by its Charter to promote the development of developing countries, and its Secretariat can therefore legitimately introduce a concern with the development impact of various policy options in the debates.

(iii) By that same token, it is likely to provide a broader — even if more general — view than that of the multilateral financial institutions, some of which — like the IMF — do not have a development mandate, and all of which must give priority to their financial soundness requirements over the development interests of their actual or prospective debtors.

(iv) By virtue of its responsibilities under Chapter IX and X of the Charter, it has a comprehensive mandate and intergovernmental machinery, covering all sectors of the world economy and the interdependent world system.

The UN and Consensus-building

Those same characteristics make the United Nations the obvious choice of arena for consensus building in today's world. In particular, it appears as the most suitable forum for the elaboration of what has been termed the emerging new development consensus as to what appropriate development policies should be at the national level, and about what kind of world economic system is most conducive to global welfare.

At the international level, the elements of the new consensus are said to involve the liberalisation of the international trade system, adequate financial support for policy reform in developing countries, and the encouragement of sustainable development and growth.

And yet, it is also clear that such an emerging international consensus needs more detailed and careful formulation.

To have a solid foundation, the new world order in its economic expression must be built on a set of parameters freely and democratically agreed by the international community, which would have a reasonable degree of specificity and whose implementation and operation can be followed and monitored by the international community in a continuous process of fine tuning.

Currently, there is no forum in the international system where such a consensus-building task can be performed in a universal, democratic, development-oriented and technically supported manner. The United Nations can provide such a forum. On the basis of the consensus arrived at, more specific negotiations can take place elsewhere, or in the United Nations itself, in areas such as technology, trade, investment, services, commodities, etc. as appropriate.

The UN and International Economic Negotiations

This brings me to what is perhaps the most difficult aspect of the argument. Put bluntly, it seems clear that the developed countries today are not prepared to grant the United Nations any functions that may be construed as interference in the decision processes concerning the world economy that take place in specialised international fora, in which the developed countries have disproportionate weight. This, in effect, would mean excluding from the domain of United Nations' concerns issues of debt, trade liberalisation, new regimes for trade-related intellectual property rights, trade-related investment measures and trade in services, consistency of developed country policies in the fields of interest rates and exchange rates, international capital flows and the functioning of the international monetary and financial systems. In other words, all of the crucial dimensions of the world economy. Such an approach would, of course, deprive the United Nations of any real function in international economic policy making. At most the UN would evolve into a debating society on the problems of the world economy, but in all likelihood with a decreasing rank of participation, as Ministers and high-level government officials would obviously be uninterested in spending time in a forum barred from having any impact on the decision of issues with which they are concerned.

The conundrum can, however, be overcome if clear understanding is reached as to the precise import of the role...
the United Nations would have in international economic negotiations. In connection with issues which are within the domain of other institutions, there is a crucial distinction between the United Nations on the one hand debating them and making recommendations on the basis of high-level technical advice from the secretariat, and on the other attempting to intervene in decision-making. While the latter can be properly construed as interference, the former can in effect provide a useful and creative input to those fora in charge of the conduct of the actual negotiations: they would certainly benefit from the international community agreeing on broad goals and guidelines that may provide political impulses and serve as a framework for their own specific negotiating efforts. The United Nations could further provide a framework for the follow-up, implementation and monitoring of decisions and agreements. A workable division of labour between the United Nations and the Bretton Woods institutions as well as GATT could then be arrived at.

For this general approach to be workable, of course, both the quality of the technical work on which recommendations are to be based and the nature and quality of the intergovernmental debate leading to the recommendations must be thoroughly appropriate to the task in hand. In particular, intergovernmental debate must be pragmatic and businesslike if it is to command the respect of the negotiating fora.

In areas where there are no negotiations elsewhere, the United Nations can both prepare the ground for intergovernmental negotiations through research and analyses conducted by the secretariat leading to proposals, and provide the forum where the actual negotiations can take place, if considered appropriate. This will apply naturally to those fields where the United Nations has a unique mandate – as in the case of international commodity policy – but also to areas and issues of a global kind where no negotiation is proceeding or envisaged currently. I shall conclude by supporting one such area which seems to me eminently suitable for international co-operative efforts and where I can see the United Nations playing a pivotal role: it is the area of international competition policy.

**Competition Policy**

It is arguable that the globalisation process described above has introduced new elements that call for a thorough reappraisal of the approaches followed until now in connection with international competition policy. To begin with, it seems increasingly clear that in a number of industries or product groups there now exists basically a single global market with a single global supply structure. Defining concentration in terms of shares in domestic markets – and locating competition policy at the level of national legislation – may be increasingly inadequate in those cases.

It has also been fairly well established that globalisation has been accompanied by a strong tendency toward the concentration of market power at the global level in most high-technology industries and in an increasing number of service industries. This could have serious consequences for competition where the products involved are critical inputs to other production (the so-called 'core technologies') and where concentrated supply structures coincide with the nationality of firms. This is partly the result of the fact that, as indicated above, technological innovation in today's world is a highly cumulative process, leading to mechanisms of increasing returns in R & D investments and to what has been termed 'the technological patrimony of the firm'. It is also partly the result of the new forms of association and co-operation among firms, which do not any longer correspond to the traditional price-collusion oligopolistic arrangements, but which may have just as serious anti-competitive effects through raising barriers to entry or denying access to technologies to other firms. Again, international competition policy needs to take into account the extent to which 'strategic alliance' behaviour on the part of multinational firms can be an obstacle to genuine international competition.

Perhaps the most intriguing and challenging corollary of the new developments is the fact that concentration of market power at the global level is increasingly not a function of collusive behaviour as such: it is rather the result of the cumulative character of technological development that generates self-sustaining processes of superior efficiency for the firms that get a head start, and which has a logic of its own that reinforces concentration through the competition-co-operation arrangements among leading firms. An appropriate competition policy in this context may not be so much one that attempts to eliminate the new forms of inter-firm linkages – assimilating them to collusive behaviour of the old type – but rather one that fosters competition by helping prospective new entrants, notably from developing countries, overcome the cumulative disadvantages of late entry. It would be a policy that would aim at encouraging competitive markets ex ante, while retaining the ability to correct deviations from competition ex post. It would involve an attempt at linking competition policy with the promotion of competitiveness.

The task of constructing an international competition policy that takes appropriate account of the globalisation of the world economy and that links competition with the promotion of competitive efficiency is no doubt a formidable undertaking. It will require a thorough laying of the ground through high-level analysis and research and through the gradual building of intergovernmental consensus on objectives, principles, definitions, measures, instruments, enforceability and institutional machinery. The United Nations, and more specifically UNCTAD, are uniquely placed to conduct the groundwork of research and analysis and provide a forum for preliminary intergovernmental consideration of the issues involved. This could conceivably lead to an eventual international negotiation process towards a framework agreement on competition policy, on the basis of which more specific sectoral issues could be negotiated in a variety of fora.

Carlos Fortin is Deputy to the Secretary-General and Director of the Commodities Division of UNCTAD. While this paper has benefited from discussions in the UNCTAD secretariat, the views expressed in it do not necessarily reflect those of the institution.
Global Governance for Human Development

Paul Streeten, European University Institute, Italy

From Keynes to the next millennium

This paper looks at the world as a whole and examines what reforms and innovations are needed in order to enable all members of humankind to play their full role in society and to develop and exercise their talents. Our global society presents great opportunities, but also many obstacles, to the improvement of the human condition. International interdependence, about which so much is written and talked these days, can amount to the opening up of new worlds, but it can also mean the infliction of suffering by one nation on others. The state has become too big for the small things, and too small for the big things. The small things call for delegation downwards, to the local level, to participatory organisations, to decentralised decision-making, and to the market. The big things call for delegation upwards, for coordination between national policies or for transnational institutions. In examining the need for institutional reforms, the concern in this paper will always be their impact on the lives of individual human beings, their families, their neighbourhoods and their communities.

This century’s greatest and most influential economist, John Maynard Keynes, had anticipated many of our global problems and had proposed solutions during and after World War II. Although he had shown little interest in what today would be called development studies and developing countries (with the exception of Indian currency reform), his imaginative treatment of international issues has still important implications for the poor people living in the developing countries. He was prescient about the need to stabilise the prices of primary products, the need to put pressure on surplus countries as well as deficit countries, the need to move towards a world currency, and the need for surveillance and coordination of international economic policies.

Keynes foresaw clearly the deflationary pressures on the world economy generated by countries amassing large current account surpluses in their balances of payments. He predicted the need for an international authority to supervise trade, to prevent single governments trying to snatch advantages by protecting their jobs at the expense of others, and in the longer run at their own expense. He predicted the need to prevent the violent fluctuations in the prices of exported primary commodities, that wreak havoc with the incomes and livelihoods of small farmers in developing countries and cause inflation and unemployment in the importing industrial countries.

The International Trade Organisation was intended to be the third arm – in addition to the World Bank and the International Monetary Fund – to bring order into the world economy. If the international community had succeeded in establishing and maintaining the ITO as envisaged by Keynes, commodity prices would have been stabilised. The price of oil would not have fallen, and then, in 1973, been precipitously raised. The terms of trade of the debtor countries would not have sharply deteriorated in the 80s, and the debt crisis would have been avoided. Keynes also saw the need for a world currency – he called it Bancor. It was to be initially fixed in terms of gold, which would stabilise the average prices of commodities, and with them the international medium of exchange and the store of value. He proposed an International Clearing Union with powers that represented a step towards a global Central Bank.

Keynes opposed free private international capital movements, and there was a provision that countries with excessive deficits should be forced to restrict the outflow of capital. Although this would have deprived the developing countries of some funds, especially from the Eurocurrency market, it would also have avoided the debt crisis. Most of Keynes’s innovative proposals sank without a trace. At the same time Keynes did not favour central planning or detailed government regulation. He believed that once government responsibility for full employment was accepted, and certain rules were laid down for international relations, markets are best suited to allocate resources efficiently. Keynes, like many of his more orthodox teachers and contemporaries, did not think that free markets distributed incomes and wealth fairly. He favoured the provision of social services for the poor and the unemployed. He predicted with approval the ‘euthanasia of the rentier’, which would follow from the ever lower returns on the ever larger invested savings of the propertied classes.

Of course, Keynes did not foresee all our present problems. We have moved from a time when the USA dominated world production and trade to a multipolar world. At the same time, it is remarkable how prescient Keynes was half a century ago, and how correctly he perceived the problems of the post-war world, yet how he had to compromise in the crucial negotiations leading to Bretton Woods, and how little heed was ultimately paid to his proposals.

The Global Order and National Governments

The fact that the world is divided into sovereign states, and that there is no world government, has important implications for all members of the human race. Some of these are detrimental to human development. They are due partly to natural and historical conditions and endowments, and partly to erected barriers against tendencies that would, in the absence of these barriers, be equalising.

First, the poor countries start with different initial conditions from those that the rich faced when they embarked on development. Second, the international distribution of incomes and wealth is much more unequal than the domestic distribution. Third, advanced countries have put up barriers to the migration of people from low-income countries, who would want to share in the natural and man-made resources which the high-income countries enjoy. Fourth, this exclusion from the endowments of the earth is aggravated by the encouragement of the move-
ment of professionally trained people from the developing countries. Doctors, nurses, scientists, engineers, academics.

Fifth, when a developing country attempts to stem this brain drain, it has to offer its professionals salaries comparable to those they would get in the industrial countries. This makes it impossible to pursue an egalitarian incomes policy.

Sixth, the absence of a world government with powers to tax and provide social services means that the citizens of countries which are victims of the free play of market forces and those incapable of making use of these forces are unable to provide a safety net for their people who suffer the full hardships. Seventh, the rich countries attract not only trained professionals, but also financial capital from the poor countries. This is contrary to economic doctrine, which predicts higher returns to capital in capital-poor countries, and hence their greater attraction for capital. Capital flight and investment abroad for political reasons deprives the poor countries of the few resources they could mobilise. Eighth, the global political and military power structure is not responsive to the human needs in the developing countries. When there were still two superpowers, the non-aligned countries could play off one against the other, and thereby gain attention and support.

Obviously there are also benefits to be derived from the coexistence of rich and poor countries in the absence of a world government. There is the opportunity to export labour-intensive goods that yield remunerative earnings for poor people, as well as the existence of markets for more traditional exports. There is the availability of development aid and technical assistance, small in amount and poor in quality though it is. The role of multilateral aid should increase in the post-cold war world. Private capital flows, and the management and technical know-how that go with direct private investment, are useful in supplementing domestic efforts. They can provide missing components and speed up the development process. The developing countries can also draw on the stock of accumulated scientific and technical knowledge and experience of the rich countries, and on the evolution of their institutions, from double-entry book-keeping and the joint stock company to trade unions and Parliamentary democracy.

The Dilemmas of Global Interdependence

In the international arena we are witnessing a lag of institutions behind technology. The revolutions in the technologies of transport, travel, communications and information have unified and shrunk the globe, but our organisations into nation states dates back to the Peace of Westphalia in 1648, to the 19th century unifications of Germany and Italy, and to the new states founded after the first and second World Wars. When the early nation states were founded, the city states and the feudalism that preceded them had become too small for the scale of operations required by the Industrial Revolution. The political institution therefore was adapted to the new industrial technology, to the roads, railways and canals. The nation state was then a progressive institution. Today, some aspects of this institution have become obsolete, and supranational institutions could usefully take over certain functions. Now the nation state, with its insistence on full sovereignty, has become an obstacle to further progress. Each nation acts in its own perceived national self-interest, and the result is that every country is worse off. It pays each nation to pursue this mutually destructive course, whether others do likewise or not.

Common interests and conflicts are running today across national boundaries. The European farmers are in conflict with the European industrialists and the public in the world at large has to pay for the Common Agricultural Policy. The advanced countries' textile manufacturers are aligned in the Multifibre Arrangement against Third World textile exporters. The nation state has revealed itself to be the inappropriate level at which such issues can be resolved.

Public goods, such as peace, an open trading system, including freedom of the seas, the market, standards of weights and measures, international stability, a working monetary system, and conservation of the global environment, are undersupplied, while public bads, such as wars, pollution, and poverty are oversupplied.

Improving International Institutions

The United Nations and its many organisations have not yet adjusted to the post-cold war era. They have been subjected to many criticisms and numerous proposals have been made for their reform. Some argue that the United Nations have been more successful in the social and economic fields than in peace-keeping, others see it the other way round. What would an agenda for reform in the 90s look like?

The Need for Institutional Innovation

International coordination has worked well in areas where the advantages are great and visible.

Other international institutions have worked less well, among them the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Educational, Scientific and Cultural Organisation (UNESCO).

When institutional innovation is proposed here, it is not intended to add legions of international bureaucrats to the existing army, or gleaming, glass-plated headquarter buildings and pools of high-paid consultants with more secretaries. The concern is for procedures, rules, norms, many of which can be adopted by existing organisations. Not is necessarily more coordination of functions involved. Some of these innovations can take a regional form, others should be global.

An International Investment Trust

Imagine that Marshall Plan aid to Europe had been given as commercial loans instead of grants, and that repayments by European surplus countries like Germany had to take the form of recycling the debt service to developing countries. Everybody would be better off. Germany would not be exhorted to expand its economy, the USA would run a much smaller current account deficit, and the developing countries would have access to capital. Or imagine that the OPEC surpluses of the 70s and early 80s had been recycled through an international trust. Interest rates would have been lower, selection of countries and projects more careful, inflation and counter-inflationary monetary restrictions would have been reduced, there would have been no debt crisis, and world growth would have been higher.

First then, there is a need for a new institution that would mobilise the current account surpluses of Japan and Germany (or any other persistent surplus country) to developing countries in need of capital. This recalls Keynes' proposal for a Clearing Union which had such a role.

My proposal is to establish an International Investment Trust that would issue bonds (and perhaps other assets) to central banks and perhaps other financial institutions.

Can existing institutions, such as the World Bank or the regional development banks not undertake this task? Can existing institutions, such as the World Bank or the regional development banks not undertake this task? In principle they could, and this would be better than global deflation. But some competition in lending procedures, an invitation to experiment with alternative lending styles, and some limits to the size and monopoly power of lending institutions is clearly desirable.

A recycling of these surpluses to the developing countries, on commercial terms, by a multilateral investment Trust, would have the following...
A Global Central Bank

It may not be obvious that we should hand over our fate to a new group of global central bankers. Reflecting on the ability of bankers to deal with a new group of global central bankers, trust, offers a solution that countries.

In spite of this bad press, bankers, particularly central bankers, fulfill an important function in the event of a run on the banks, the central bank is the lender of last resort, providing the public at a price. With the liquid resources, it wishes to hold.

As a first step. The IMF and the central banks of the major trading countries would form a coordinating committee to manage world liquidity. (A. W. Mullineux, Do We Need a World Central Bank? Royal Bank of Scotland Review, No. 160 December, 1988, pp. 23-35.) As the role of the IMF in providing world liquidity increases, its regulatory function would have to grow with it. The role of the SDRs would grow as a substitution account. Is established. Member countries would deposit foreign exchange into it and receive SDR denominated certificates in exchange.

Cooperation between countries in avoiding unemployment, inflation and protection is necessary if mutually destructive outcomes are to be avoided. It is usually the poor who bear the brunt of such outcomes. An extension of the powers of the IMF, in line with Keynes's proposals at Bretton Woods, in the direction of a global central bank would contribute to stability and growth in the world economy. Whether countries are ready to coordinate their fiscal and monetary policies, and to permit the free movement of goods, capital and labour that would be called for by a global central bank and a single world currency, is to say the least, an open question. Countries respecting democratic civil rights pride themselves on an independent judiciary. (True, they do not always also have an independent central bank.) But should not the same principle be applied to a global monetary authority, independent of national political control?

An International Debt Facility

At the heart of theocal- currence of the debt problem lies the conflict of interest over who shoulders the costs of continuing debt service or of debt relief. The banks, the industrial countries' taxpayers, or the developing countries. If the banks, is it the managers, the shareholders, or the depositors? If the taxpayers, is it the rich or the poor? If the developing countries, is it the urban or the rural people, the rich or the poor?

The proposal of international debt relief (or debt reduction) conditional on policy reform, combined with government guarantees of the reduced debt is perhaps different from some of the other proposals, because it applies to the present situation, from which it would be hoped that a lesson would be learned, and that it would not be repeated. On the other hand, since the possibility of repetition cannot be excluded, some global equivalent of a bankruptcy facility might well constitute a permanent feature of the global landscape.

Global Taxation

The absence of a system of global taxation is an important incentive for capital flight, which in turn constitutes one of the major damages suffered by developing countries from their coexistence with industrial countries. It implies either that investment and growth are lower than had the capital been retained, or that more money has to be borrowed from abroad, with the higher debt burden this involves.

One step towards a global system of taxation would be to sign treaties to secure an exchange of information between the tax losing and the haven countries that would permit the collection of taxes on foreign investment income.

If a progressive international income tax is regarded as too radical, there are other bases for taxation which may be found more acceptable. Such bases for global revenue would be oil, the arms trade, international tourism, or licence fees on patents and copyrights. Ideal taxes would be those imposed on carbon dioxide and sulphur emissions or pollution of the oceans.

Commodity Price Stabilisation

What is needed is a revival of Keynes's proposal. By stabilising commodity prices both inflation and unemployment in the industrial countries are reduced. Incomes in the developing countries are stabilised and raised, by encouraging investment. And the world economy can expand at a stable rate. Back to the future of Bretton Woods would not be bad slogan for the 1990s.

Other Institutional Innovations

The institutions discussed above are illustrations of the kind of innovation at the global level I have in mind. We can think of many others. Among these would be a Sustainable Development Commission (or a Global Environmental Protection Agency). It would be concerned with the global air and oceans, a Global Energy Agency that would avoid the zig-zag movements of oil prices. Producers and consumers would have to agree on a future price, say in 20 years, and then reach this price in annual changes. An Industrial Investment Board would avoid the bunching between surplus capacities and scarcity in fixed investments that take a long time to construct and last a long time, such as fertiliser, steel, and shipbuilding.

Conversion of military bases to community centres would be another imaginative act. Foreign military bases have good infrastructures, which should be handed over to states and local communities.

Transnational Corporations

Relations between host country governments and transnational corporations have moved from ideological heat to pragmatic light. Confrontation has been replaced by cooperation. The basic problem is how to get the best out of their
potential contribution to technology generation, management and employment, while making them publicly accountable, how to avoid their excessive regulation, while encouraging social responsibility.

The International Civil Society

Some think of the international system as a system of states. Others include besides states multinational corporations, non-governmental organisations (NGOs), international organisations and individuals. Certainly states play a predominant role in international society, but they are not the only agents. Private voluntary organisations have come to play an increasing role, next to governments and profit-seeking companies. They comprise the most diverse organisations: religious, political, professional, educational, cooperative, pressure groups, lobbies, project-oriented, technical assistance, relief, disaster-prevention, etc. Their membership and the loyalties of these members cut across national boundaries. Although they often claim to work without or even against governments, their contributions can best be mobilised jointly with governments. The relationship between NGOs and governments can be understood as one of cooperative conflict or creative tensions, in which the challenge of the voluntary agencies and their innovative activities can improve government services and the working of markets, and help to resolve tensions between them.

Though there is in the early stages of development a need to strengthen both states and markets, in fact they often tend to weaken and undermine each other. It is the institutions of the civil society that can intervene and inhibit such weakening and undermining (Michael Lipton, The State-Market Dilemma: Civil Society, and Structural Adjustment, The Round Table (1991), 317, pp. 21-31). Interactions between the state, markets and civil society are complex. Both too weak and too strong a state can discourage the growth of civil society. And too strong private organisations can undermine the power of the state, as in Sri Lanka or in Lebanon, and lead to the dissolution of society.

Honesty International: a Proposal

There are many institutional innovations that rely not on governments but on voluntary agencies. Watchdogs for arms trade and military expenditure or international consumer associations that would agitate against trade barriers are examples. High priority should be given to an NGO that would combat corruption.

Until recently, any public discussion of corruption was taboo. But next to tyranny, corruption is the greatest disease of government. It is proposed here that in analogy to Amnesty International a non-governmental international organisation that might be called Honesty International should be established. It would be financed by voluntary contributions. It would gather information on corrupt activities from specialised staff (auditors, investigators), from third parties (the media, bankers), from clients, from the public, and from its own agents.

Concluding Remarks

There is, in addition to the market, the state, and the civil society a fourth sector: the family. It is a consumption, production and reproduction unit. Its activities are not marketed, and therefore often not counted. Its origins are ancient. It takes different forms at different stages of development. The extended family in many developing countries has given place in the North to the nuclear family, which in turn is in the process of dissolution. The neglect of women in some Asian societies, the heavy burden of work put on them in some African societies, the neglect of children by both low and high income households in terms of resources, time and attention, want, from oppression, from violence, from the drudgery of monotonous and stifling work. The dream was of life in stable communities, rich in human relations, secure, materially prosperous and focused on leisure activities undertaken for their own sake and not for instrumental reasons.

The dream was to be realised sequentially. As the developed societies became post-industrial, post-scarcity societies, the developing world would become modern, industrial, affluent, stable and liberal democratic. Almost everyone agreed that the key to the realisation of the dream was growth and accumulation, the development of the forces of production through technological progress. The dream was born once the pessimism of the immediate post-war years had been vanquished by the surprising strength and stability of the emerging 'Post War Order'. Optimism now gathered strength. At first it grew slowly, tempered by the warnings of structuralists, of dependency theorists, of Marxists, of many development economists and of historians, pointing to the

Rescuing the Dream of Development in the Nineties

Manfred Bienefeld, Carleton University Ottawa (Canada)

The 60s and 70s: The Dream Defined and (almost) grasped

The dream was human liberation - from poverty and
many obstacles and pitfalls to be encountered on the road to 'California.' Gradually it grew into a tidal wave whose roar drowned out the voices of the dwindling chorus of critics.

Soon the end of the Third World was announced from the left and the right alike. So was the end of development economics, the irrelevance of dependency theory and even the end of history. Development was to be financed by the commercial banks, who knew how to tell a viable project from a white elephant, unlike those faceless, bloated bureaucrats that had blocked the ascent of so many developing countries for so long. Concerns about impending debt crises were dismissed with paternalistic reminders that in a dynamic world debt need not be a problem and with confident assertions that the risk-adjusted preferences expressed by market constrained borrowers and lenders provided the best available forecast of an inherently uncertain future.

For a time the magic of the market came to be extolled with religious fervour.

The 80s: The Dream Meets Reality

The world that has actually emerged in the course of the eighties bears little relation to the dream. Indeed, the dream has then all but extinguished in many parts of the world.

An economic miracle is now usually an economy that has arrested decline and disintegration, or that has achieved some positive per capita growth, regardless of whether this is laying solid foundations for long term development or whether it is based on more unmanageable debt.

Meanwhile, in large parts of the developing world the social fabric is literally disintegrating as competition and debt bear down on struggling institutions and economies. As economic infrastructures deteriorate and administrative structures crumble, past investments turn into millstones of unserviceable debt and, as worst term problems multiply, the long view needed for development becomes an unattainable luxury. Even large balance of payments surpluses are frequently failing to reduce the burden of debt so that no respite is effectively in sight.

In large parts of the world welfare conditions have deteriorated sharply. Real wages have collapsed, public health and public security have been grievously undermined while net resource flows began to run from the poor to the rich countries. Just now this reversal is also occurring in more and more cases with respect to financial flows from the multilateral institutions who took up some of the slack that developed when commercial lending ceased so abruptly after 1981. This is very bad news, partly because it is difficult to see who might fill the new financing gap that this creates; partly because the obligations to the multilaterals are less easily rescheduled; and partly because there is no more fat to be cut to accommodate these flows, only flesh and blood and bone.

To be sure, there have been some successes, but the most striking fact is the very small number of genuine long term successes. Most of the highly touted miracles have come and gone like shooting stars, including most of the early NICs (i.e. Brazil, Mexico, Yugoslavia, Iran, Pakistan), the Ivory Coast, Cameroon, Kenya, and the Ghanaian miracle is just in the process of being engulfed by the avalanche of debt that is the usual legacy of these ephemeral debt based miracles that first appeared in the seventies under recycling and that are now recreated under the structural adjustment banner, though under far less propitious or plausible circumstances.

The other striking fact is that almost all of the genuine successes are to be found in the Far East.

If we are to assess the prospects of the dream of development in the nineties it is essential that we first understand the enormous damage that was done in the eighties and the reasons for it. The truth is that the neoconservative policies pursued throughout that decade were analytically indefensible, morally repugnant and politically and economically destructive and they have contributed in a major way to the destruction of the dream.

They have resulted in increased indebtedness, reduced investment and increased social and economic polarisation, but their most deplorable long term legacy will turn out to be the damage they have done to the national institutions, ideologies and political processes on which a rescue of the dream of development will depend.

The present celebration of the spread of democracy is in danger of mistaking form for substance. The significance of democratic processes lies in the fact that they allow a society to make politically legitimate choices regarding social and economic priorities and trade-offs. The value of national democratic processes thus declines proportionately as nationally elected governments lose the capacity to make meaningful social or economic choices.

The truth is that the greatest need in many developing countries today is for political processes that have the capacity to strengthen social and political cohesion and integration and that provide a basis for conflict mediation and for managing the dangerously volatile and destructive centrifugal trends of increasingly unstable, unregulated and conflict ridden global markets.

Certainly sovereignty is on the wane and the orthodox structural adjustment package actively and aggressively dismantles it further.

The attack on sovereignty is deeply embedded in the multilateral shift to 'policy lending.' In the project lending era, the agencies assumed that national governments had to define the national interest and choose a development strategy. Then projects could be designed to satisfy the welfare functions implicit in those choices. Even though this frequently did not happen in practice, it was the legitimating rationale behind the process. With policy lending, the agencies now claim to know as an 'objective fact' that national interests are best served by market.

Certainly the Bank and the Fund are utterly confident that they have identified the policies that will enhance efficiency and flexibility in the developing world.

Moreover, the enthusiasm for these policies has not been much weakened by the stark fact that the record of these policies has been rather discouraging in so many developing countries over the past decade. Despite the implementation of many 'comprehensive stabilization cum-liberalization programs' most Latin American and Sub-Saharan African countries are entering the nineties poorer, more polarised and no nearer to economic viability than they were a decade earlier.

Such problems were instrumental in inducing both the Fund and the Bank to launch a series of studies to assess the effectiveness of their Structural Adjustment Lending programs in order to develop improved policy packages that could be better designed to suit the specific circumstances of individual economies, while also making more explicit allowance for the welfare effects of such policies.

In its 1988 review of experience with structural adjustment the World Bank agreed and lauded its own more detailed sectoral work for 'allowing the Bank to move beyond textbook solutions' (World Bank 1988:66). After almost ten years of militant structural adjustment that constitutes a remarkable admission.

These militant assertions of the orthodox position are not easy to reconcile with the apparent return of pragmatism and the new concern for welfare with which the multilaterals are entering the nineties. This is the knife-edge on which the development policy debate is poised as we enter the nineties. To make a judgment as to which way we are likely to fall we must be clear as to what happened in the eighties to bring us to this
The eighties were dominated by the debt crisis which emerged out of the frenzied financial activities of the seventies which, the World Bank now says demonstrate that competitive financial markets can still make mistakes (World Bank 1989:4). The main response to this crisis was the ferocious application of an orthodox structural adjustment package based on textbook policies (World Bank 1988: 66) which, according to the World Bank's own assessments, brought little or no relief to the highly indebted or the poorest economies, increased debt burdens, reduced investment, improved external balances mainly through import compression and did little to curb inflation or public sector deficits (World Bank 1988).

In short, these policies have contributed to the assault on the dream of development and they have been most damaging and unhelpful in the weakest and most indebted economies. Moreover, they have generally and militantly undermined nationally oriented policies, ideologies and institutions and declared war on embryonic national bourgeoisie not yet capable of competing on a so-called level global playing field. In the process they have irreparably damaged the possibility of effective and meaningful democratic control of economic processes.

At the end of that fearsome decade, the advocates of these policies now acknowledge these failures and wish to be given credit for rediscovering pragmatism, structuralism, development economics and their concern for welfare. They now propose that the way forward lies in ensuring that the right policies continue to be implemented domestically (possibly even more militantly than before) but that these must be designed and introduced more pragmatically and accompanied by complementary policies designed to ameliorate their transitory effects on the poor and the vulnerable.

The question is: Will it be different this time? The answer is: Yes, it will be far worse!

The 90s: Development Dreams and Imperialist Nightmares

Why might one reach such a depressing and strong conclusion? There are many reasons, but in this brief paper I want to cite only three. The first is that the attack on the nation state has damaged the political mechanisms through which genuine welfare concerns might actually be reconciled with demands for efficiency and with the obligations incurred in a volatile global market. Second, because the conditions within which these new policies have to be implemented are now far worse than they were in the seventies when 'basic needs' nourished the dream. Third, because the contradictions that have been generated in the global economy are now far greater and more intractable and allow less room for magnanimity.

Ultimately, the lesson we must learn is: I am glad to say, one that I associate with this Institute. It is that markets must function in a defined social and institutional framework if they are to promote development in any meaningful sense, that such frameworks must reflect priorities and choices that are legitimated through accountable political processes; that the most important forms of international assistance would be that which fostered institutions and rules that would allow this to happen; that current adjustment policies do the opposite. If there is reason for hope it is because the international world must learn the same lessons to rescue its own dream.

The direction in which we must go has been indicated by many of my former colleagues and friends here at the IDS. It is no new discovery but it remains the challenge.■

This paper is divided into four sections. Section I argues the case for according a high priority to research on land reform. Section II deals with various types of land related reform options. Section III examines the land reform experience in West Bengal, one of the rare cases where the government is motivated in favour of redistributive land reform. In Section IV we attempt to briefly summarise the main conclusions. Some parts of the paper reflect the work done by the author at FAO as a follow up of WCAARRD.

I. The Case for Land Reform

The issue of land reform has not received the priority it deserves in the IDS research programme. Not that the issue has not been posed from time to time, or that the IDS members are not aware of the importance of the issue, but there appears to be a feeling that agrarian relations are not likely to change much, given the political composition of the governments of the Third World countries - so why waste time? Instead, priority has been shifted to second best solutions, such as poor-oriented technology, redistribution within acceptable political limits and improvement of the delivery system to serve the poor.

I would argue that even such strategies based on limited objectives are not likely to take us very far without grappling with the question of agrarian structure in India, despite loan-subsidy schemes like IRDP, ITDP, DPAP, lawahar Yojona and RLEGSP, poverty has not been eradicated. Social oppression has not stopped in Bihar and the rural inequality and landlessness has indeed grown in the regions where the new agrarian technology has made its mark, such as Punjab. The argument that land redistribution would not put an end to the problem of landlessness in most countries is certainly true, but this, by itself, can not be an argument against land reform.

In India, though even the most egalitarian land redistribution would leave a farmer family with no more than 1.8 hectares, the fact remains that this is more than the size of 78 percent of the holdings, who would be better off. Even though the ultimate solution to land problem lies in the transfer of
workers to non-agricultural pur-
suits – since, with increasing
demographic pressure, the aver-
age size of land holding would
reduce, because it is still more
efficient, as the large
landowners give way to more
enterprising small holders
who make more investment in
land. It also allows for a
carried out land reform; among
other things, this is a major
participatory kind of rural
administration in most
countries was to squeeze out a
small section of the working
population who would no longer
be protected by the egalitarian
sharing, communal arrange-
ments, and would become
landless – for work in the
plantations against wages. The
distribution of legal documents
was deliberately biased in favour
of the politically dominant
chiefs, making them owners of
land that were under their
charge as representatives of the
total community, in order to
make them an ally of the alien
rulers. Stratification of the
peasantry was fostered on the
explicit argument that inequality
was good, as it helped to bring
to the fore the more enterprising
able section, but also
become privileged groups
fighting for more
profits while denying the
minimum rights to the poorer

We can envisage three
types of follow-up action: (i)
aiming at the vulnerable
groups – such as marginal
farmers as well as village
artisans – and providing them
with a safety net so that they are
not reduced to the state of
landlessness; (ii) those related to
the beneficiaries so that they
can take full advantage of
reform and can avoid losing
control over land that has now
come into their possession; and
(iii) those related to the landless
who have been bypassed by
reform.

As for (i), more important
than anything else is to provide
these vulnerable groups with
access to credit, modern inputs
and technology.

As for (ii), it is even more
important to emphasise on
access to credit, inputs and
technology, as their holdings
are much smaller and less
productive, and, in most cases,
without access to irrigation
water. Their technological needs
are greater as they have to
produce as much as possible
out of such tiny holdings.
Otherwise, most of the points
made in relation to the vulner-
able peasant groups apply to
their case.

As for the landless agricul-
tural labourers, the following

II. Land Reform: Worldwide Experience

Let me begin by stating
what, in my opinion, is not land
reform. There is a tendency
fudge the issue by making it
synonymous with agrarian
reform, while making the latter
synonymous with rural
development. Issues relating to
agricultural production, tech-
nology, prices or to poverty
eradication are certainly
important and should be
thoroughly examined – all that I
am saying is that these do not constitute land reform as I
understand it. I would rather go
Doren Warnier’s definition:
Land reform means redistri-
bution of property or rights in
land for the benefit of small
farmers and agricultural
labourers. Anything else is
nothing but a change in
agrarian structure. As
is not land reform.

Land Settlements

Another problem arises
with land settlements, which
are often projected as land
reform measures. These
measures help the rural landless
with land, by taking them to a
virgin land away from where
they live, so that the structure
of land rights in their native areas
remain unaffected. World Bank
is a major protagonist of this
kind of reform, particularly
in countries with favourable land-
man ratios and vast unutilised
forest areas, e.g. Sumatra or
Amazonia. As the literature on
these settlements shows, these,
while satisfying the land needs
of the landless, create new
problems in the destination
that were not foreseen. As for the
native areas from which they
come, while somewhat
relieving the pressure on land,
e.g. in Java, the issue of land
reform remains alive.

Land settlements do no
take away the problems that
give rise to the demand for land
reform – neither in the original
areas of inhabitation nor in the
destinations. Stratifications that
arise in the settler communities
eventually give rise to new
forms of landlord-tenant
relationship in many cases.

Encroachments and
Customary Rights

Encroachments of land –
mainly forest land or publicly
owned land, but also,
ocasionally, privately owned
land – by land hungry peasants,
is a major headache of land
administration in most
countries. Strong administrative
actions seldom succeed –
encroachers driven away from
one spot move to another, or
return to the same spot after a
time lag. Realising this,
governments of most countries
regularise such encroachments
periodically. Such legalisation
is indeed land reform, as it
affects redistribution of rights
on land.

Communal Land Tenures

Our discussion on
customary rights would not be
complete without reference to
communal land tenure: a specific
feature in many African countries
as also in tribal communities in
many other parts of the world.
Communal tenures did not
consider individual rights of
ownership, but allowed for
temporary control over land for
cultivation, etc, as decided by
the village community, which
operated in consultation with the
village council of elders.

Colonial Land Reform

The colonial rulers all over
the world carried out land
reforms that suited their own
economic and political interests.
One major reason for establish-
ing individual rights over land
in Kenya and other African
countries was to squeeze out a
section of the working popu-
lation – who would no longer
be protected by the egalitarian
sharing, communal arrange-
ments, and would become
landless – for work in the
plantations against wages. The
distribution of legal documents
was deliberately biased in favour
of the politically dominant
chiefs, making them owners of
land that were under their
charge as representatives of the
entire community, in order to
make them an ally of the alien
rulers. Stratification of the
peasantry was fostered on the
explicit argument that inequality
was good, as it helped to bring
to the fore the more enterprising
able section, but also
because it helped to create
demand for colonial goods by
the elite.

Post-Colonial Land
Redistribution in Third
World Countries

A policy of land redistri-
bution in the post-colonial
period has, generally, been
more successful in two types of
situations – in taking over the
foreign owned commercial
enterprises, and in abolishing
large scale, absentee, inter-
mediate land tenures. Most
Third World countries have
made out of these two types of
land reform, but very few have
gone beyond these two
measures, mainly for political
reasons.
III. Land Reform in West Bengal: a Case Study

The programme of land reform in India has been generally regarded as a failure, and for valid reasons too. Only two per cent of the cultivated land area has been declared surplus and even less have actually been distributed, despite the extravagant public use of rhetoric in favour of land reform. This is largely because the landed gentry plays a major role in Indian politics and patronises all the major political parties excepting a few on the left. The introduction of adult franchise, cooperative movement, decentralised rural panchayat administration and the technology of green revolution, all these have tended to reinforce the authority of the smaller landlords and rich peasants, the main beneficiaries of the first phase of land reform which abolished intermediary tenures such as the zamindari system of large and absentee landlords. The nationalisation of banks in 1969 has helped these richer elements to gain access to funds for mechanisation of agriculture. While a large proportion of public loans and subsidies meant for the poorer sections have also tended pass into their hands, thanks to the dominant role they play over the rural administration, such as community development blocks and police.

In this paper we are dealing with the land reform experience in West Bengal, one of the major states in the country, which is taken to be a success story in contrast with the overall national experience. The difference lies mainly in the political and social character of the regime, dominated as it is by a number of Marxist and leftist parties which, together, have formed a Left Front. Its first election victory in 1977 following a series of land struggles, was largely because of the confidence of a large section of the peasantry that it would deliver land reform. Since then the state government has taken a series of measures to rigorously implement land reform laws with the active participation of the local level panchayats and peasant organisations, as far as it is possible within the confines of the Indian constitution.

Case studies

[In 1987-88 the author undertook an evaluation of land reform, based on case studies in five different areas of West Bengal. This section details his findings]

IV. Conclusions

The main objective of this paper is to make a strong plea for land reform as a major research priority area in IDS in the coming years. By land reform here we mean redistributive land reform and follow up actions, and not loosely termed agrarian reform or land settlement programmes. We have shown that land reform experiences are varied and need to be properly analysed by taking into account the experiences of a large number of countries. A major problem with legislation, or implementation after the requisite legislation has been passed, is the lack of political will on the part of the government which draws support from the classes that would be most hurt by land reform. We have, therefore, also examined in depth a case where the political will is not in question – that is land reform carried out by the Left Front government of West Bengal, India.

Our study on West Bengal shows that old style large scale absentee landlordism no longer exists. While small landlords and rich peasants still wield considerable influence which should not be minimised, the dependency relationship of the past is disintegrating and an impersonal market-based relationship is taking its place. The poor section is no longer feeling threatened while, through panchayats and kisan sabhas, their bargaining power has increased. Apart from the help they have received by way of land reform, land reform has provided them with a certain sense of self-respect that was hitherto unknown and is still rarely seen in the rest of the country.

There has also been an improvement in the material conditions of their life in terms of increased earnings, better seasonal balance, health care and literacy levels and better flood and drought relief measures which help to minimise fluctuations in earnings. Their greater participation in cooperatives and panchayats as well as kisan sabha has given them a certain amount of collective strength in their relationship with the rest of the world.

However, our study also reveals many weaknesses. In the distribution of land the erstwhile tenants get priority over the landless. The cooperative movement, at its present level of membership, has a lot of room for improvement. The credit system is still weak with a low level of repayment and credit shyness. The crop share is still less than the legal norm, though much higher than the traditional 50-50 distribution. There is no room for complacency. Though such reforms have somewhat held the national trend towards increased proletarianisation in check in this state, the demographic pressure is mounting and the surplus land in future would be too little to make any perceptible impact in terms of solving the problem of land. The long run solution lies outside land. That is in industrialisation both in the towns and in the villages. Though land reform, by abolishing land monopoly and augmenting the purchasing power of the rural folk, has helped to widen the base for industrialisation. 

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Human Resources in Economic Development
Past and Future

Robert Cassen, Queen Elizabeth House, Oxford

It is relatively easy to give a generic justification for investing in human resources: relatively difficult to know exactly what to do in a given country, and what will be the result. For many people, justification is hardly required: development is human development. But in development strategy economists have to be concerned with the investment effects of human resources (HR) expenditure, if they are to give any guidance on allocations. It is the payoff in terms of other objectives that provides decision criteria.

We know from a variety of sources that HR investment contributes to economic growth and macroeconomic goals such as the reduction of population growth. It can also raise individual productivity. But many countries have made very substantial investments with only limited results, and often without much trace of the interactive consequences that have shown, in some contexts, highly satisfactory improvements in health, fertility rates, incomes, and even equity. Instead, the social sectors are often problem areas, confronting policy-makers with hard choices. The purpose of the present note is to contribute to thinking about a strategy for HR development (HRD) and research relevant to it, which may give direction to such choices, and provide a rationale for focussing the issues down to something less comprehensive than the totality of the social sectors and their interactions.

Today human resource questions are inseparable from those of democratisation and human rights which currently preoccupy the development community. The concept of ‘sustainable development’ has now for many begun to incorporate political development as an aspect of sustainability. And there are many connections between human rights issues and human resource development.

The subject of human resources in development has changed enormously in the last 25 years. In the 1960s, the principal associated conceptions were of ‘human capital’, of skill shortages and absorptive capacity bottlenecks; investing in people was seen by economists principally as an adjunct to physical investment. The moral and humanitarian aspects of such investments were, of course, also to the fore in development writing. But the placing of human development at the centre of the development stage and the understanding of all the complex interactions of people and institutions with the development process make the topic both richer than and essentially different from its older forms.

THE CASE FOR AN HR STRATEGY
Trends

In recent years enormous strides have been made in developing countries in virtually every aspect of human development. Educational enrolments have risen, mortality and fertility have fallen. As measured by most indicators, even the poorest countries have made substantial progress. The advances are not only in the indices of well-being, but in countries’ capacities to analyse and implement policies, in training, in willingness to confront difficult issues of access and equity.

Yet much remains to be done. Even in the industrialised countries – some of them at least – people are becoming aware of areas of social neglect, and in particular of the ways in which their educational systems are failing to keep pace with the new demands of economic change. Most developing countries have deficiencies of educational development. Whether it be of the ‘high-tech’ skills needed to master new technology, or of basic education. Old and new health problems abound. In the poorest countries, despite their advances, life expectancy is still 20 years or more below attainable levels. In some countries, what is becoming known as the epidemiological transition is posing new challenges to health systems. High fertility and unduly rapid population growth are still widespread problems. And almost everywhere women’s roles have still to achieve appropriate recognition in society – this fact alone is responsible for many of the failures of human development which shadow the picture of progress.

Determinants

Growth and the availability of resources obviously affect human resource development (HRD). Not resources alone, since there are countries which have grown and done relatively little in HR sectors, and there is in general, among the world’s poorer countries at least, little relationship between per capita income and social provision. But one of the benefits of growth is typically to acquire the capacity for extending social services. Certainly the reverse can happen: there is abundant evidence from Africa during the 1980s recession of countries forced to cut social sector expenditures in times of economic hardship.

Economic growth and social development are mutually supportive. Countries which neglect their social sectors compound their problems, as population growth continues at high levels, making widespread social development ever harder to achieve, and slowing down the growth of incomes. As countries develop and technological sophistication increases, demand for educated and skilled people grows, those which have maintained their social sector performance will be better able to satisfy it.

INTERACTIONS

[This section consists of a wide-ranging survey covering education and health, fertility, and productivity; manpower supply; returns to educational investment, primary education-secondary and tertiary, vocational; health (and productivity, fertility); health interventions, nutrition, population growth, the economy.]

ELEMENTS OF A STRATEGY

Any HR strategy must address both poverty and...
national development issues. As with the old ‘basic needs’ debate, there are choices to be made between doing things now and being able to do more things later. In many areas there may be no conflict: some actions are needed which are the same both for improving economic growth and national development, and for reducing poverty. But conflict can arise. There must be an adequate economic base for public social provision; otherwise what results from excessive provision is a premature welfare state. There must also be income generation for the poor, as an essential part of any strategy.

Neither basic data nor knowledge of cause and effect are in fact sufficient to determine allocations as between HR and directly income-generating investments. There are, in any case, many binding constraints on the pace of HR investment even if finance were available, and many decisions to be made about priorities within HRD. And income-generation must often complement HR service provision. Nevertheless, much can be said of a general nature about determining priorities, even though programmes and priorities will be country-specific, and will require adaptation to the level of development and other country characteristics.

1. Determining Priorities

Education

The first priority of an HR strategy lies in primary education, increasing enrolments where they are low, and improving quality almost everywhere. Improving quality is essential in many countries for increasing enrolment, where families have insufficient incentives to send children to school; this is especially true for female enrolment. It is essential for the duration of enrolment and reducing dropout rates. And it is essential for making possible the progress to secondary education and beyond. Further, some of the externalities — fertility decline in particular — may only be captured at or after some threshold educational levels has been reached.

Saying that improving the quality and the coverage of primary education must be the first priority of an HR strategy is far from saying that other parts of education, and other HR sectors, are to be neglected. Strengthening other dimensions of education is important for primary education for equality, and for national economic goals. Work in other HR sectors is also important both to education and beyond. But primary education has payoffs in other HR outputs, and is frequently complementary to other HR inputs. It is this fact that makes it central to an HR strategy.

Provision and Financing: Public/Private Choices

It must be said that the production of public expenditure devoted to education is not sacrosanct, and it may not be possible to find the resources needed by realloacting within existing totals. But beyond these considerations, the main choices to be considered are between public and private financing, public and private provision (which is separable from financing), and choice of technology. There is a good deal of variety in country experience in all these areas. Particularly in recent years, there has been much experimentation with private financing and cost-recovery, private provision (including provision by NGOs) and low-cost educational technologies. The evaluations are far from being all in, but there is sufficient evidence that major contributions to efficiency and quality can be made both by private provision and by private financing, especially in secondary and tertiary education, and vocational training. Private and NGO provision can also play a part in primary education, both in basic school and teacher provision, and in other inputs.

At first sight it may be thought that there is an impossible task of priority determination, even within education, let alone among all the HR sectors. There are of course choices to be made. But in reality, in any given country, there are a variety of constraints, from manpower to finance. It is over the long run that major change is possible: then what is important is the directions of change and the vision that informs a new emphasis on human resources have the right goals.

Population, Health and Nutrition

A great deal has been learned about the population issue in the last decade. The rhetoric of ‘time-bomb’ and ‘crisis’ has almost disappeared, and more and more countries appreciate the need to limit population growth. At times, though, increased understanding of all the factors that contribute to slowing the growth of population, and of the timing perspective in which they can be brought into being, has seemed to reduce the urgency of making an appropriate response. But the longer it is left, the harder it is to cope with, and the harder it is to make progress with all the HR sectors.

Of all the correlates of fertility decline other than family planning programmes, the most consistently significant is female education. If the educational priorities outlined above are followed, the most important of the contributory factors will be strengthened. The other main correlates — declining infant mortality, increasing modern-sector employment for women — are also in part a function of education, as the discussion of interactions’ implies. Income generation for the poor and for women is the one further important component — a subject to be returned to below.

All this said, the provision of the means for family limitation remains crucial. When utilised, they are the most cost-effective way of reducing fertility and maternal mortality. In a strategy for integrated HRD, the questions about development versus contraception disappear. The rest of the strategy takes care of the correlates of fertility decline, population programmes can confine themselves to the supply of the means for family limitation, and those aspects of demand which the correlates do not themselves cater for.

The greatest difficulties in priority determination in health and nutrition lie in the poorest countries, where the syndrome of malnutrition and infection is still responsible for a large share of child mortality, but neither causal attribution nor the effects of interventions are perfectly understood. In general where cause of death information is deficient, it is hard to determine policy. The other difficult issue is achieving the appropriate balance in health between medical, curative services, and public health and preventive services and related social and economic policies and programmes affecting incomes, employment, consumption and the environment.

As in education, health priorities vary with the level of development, not only in the evolution of health systems, but in the changing pattern of mortality and age-structure of the population. Even data needs are a function of the level of development: there is a particular problem in Africa, where data on causes of death and the incidence of disease are quite inadequate for the purposes of determining health priorities. Data deficiencies are only somewhat less severe in many other low-income countries. Some problems are common: the emphasis on curative services benefitting the less poor, rather than preventive ones helping the poor, is widespread. The need to cope with financing difficulties, and shift, where equitable, to private financing and cost-recovery equally so. New forms of provision, private and NGO, are being tried in many countries, as well as measures to increase the efficiency of the public sector despite the shortage of resources: there is a great deal to be done simply by reducing waste and mismanagement.

Women in Development

It need hardly be said that if service delivery in HR sectors falls to reach women, many of the goals of an HR strategy will not be met. Many of the externalities of educational advance are specific to, or strongly related to, women's
education. The most widespread health problems at younger ages are specific to women and children. Even nutritional deficiencies in some countries are more common among female than male children, and there are particular problems among pregnant and lactating women.

Income Generation

It has been noted at various points that it would be an error to address poverty issues by concentrating on HR service delivery – as has been all too frequently the case with poverty-oriented aid – without paying attention to income generation. The same point must be made emphatically about HR service delivery itself. There is ample evidence that supply of HR inputs is only part of the strategy. Where incomes are falling, the demand for services may fail; individuals need resources to be able to make use of services (and not just to pay any charges which may be levied) and to attend to their own needs. The demand for services is a relatively neglected part of HR thinking.

It is also true that other aspects of HR – and the role of women in particular – have to be related to income generation. The functioning of labour markets, access to credit, the distribution of assets, economic growth itself and the pattern of growth and employment are all related to an HR strategy. Current thinking about poverty and about HRD must go hand-in-hand. Of course, HRD is not only about the poor; even if much of service delivery has to be organised bearing them particularly in mind. It also contributes to income generation, raising the productivity of the poor and the non-poor, and thus to economic growth.

Capturing the Interactions

How does one reconcile the need to capture the interactions between various HR inputs and outputs with the knowledge (derived from IRDP and other experience) that this is exceptionally difficult to do? There are three possible responses: one (also derived from IRDPs in later models) is to design programmes in which the individual components make sense on their own, and do not require dovetailing with each other to be effective. They can still be encouraged to occur in time to enhance each other. The second is to reassert the primacy of education among the HR sectors, since it delivers at least in part the outputs of all of them, whereas they contribute to, but do not deliver it. The third – which should definitely be pursued – is to study such attempts as there have been to integrate HRD activities, such as school nutrition or health programmes, or education, health/family planning links, as already suggested above.

Services and Development

Another way of looking at much that has been discussed in this paper lies in the role of services. The idea that services are something that grow at a late stage of development is out of date. They are very large in many developing countries today – in Brazil and Pakistan, to take two very different economies, they already constitute 50 per cent of GDP according to World Bank indicators. They are important both as an output – a source of incomes and employment – and as an input, a complement to other aspects of development.

This is particularly true for producer services and manufacturing development. Studies are beginning to suggest the importance of such services in the achievement of economies of scale and efficiency, with important consequences both for theory and policy. Yet as far as developing countries are concerned the service sector and its new potential functions have been very little researched, only trade in services has attracted much academic attention, stimulated by the GATT Round. The service sector does not of course consist of human resources alone, but the role of human resources in services is a very major one. Policies towards the service sector and its training and other needs are thus very much a part of the modern concern with HR.

The Research Agenda

There are a number of main areas for research. If the above account of current issues in HR development is an acceptable summary. But there are also areas where what is needed is not research in the classical sense, the derivation of new knowledge from scholarly enquiry, so much as a drawing together or synthesis of what is known. Perhaps another way of putting this is to say that synthesis is an undervalued aspect of research.

(I) Research to generate new knowledge

There is room for a great deal more work on the effects of primary education. There are several possible resolutions of the contrast between the reputed effects of primary education, and the prevailing syndrome of low quality in all but a few developing countries. The effects may have been exaggerated, or the returns are high even given low quality. If the latter is correct, it does not necessarily follow that all the effects would be even higher if quality were improved; it may be that some of the crucial effects of education, such as changes in attitudes, occur even at these low levels of quality.

Many policy decisions would be affected if we knew more clearly exactly what it was in primary education which was producing the effects identified. It is among the first needs of HR research to understand these relationships better.

In the relationship between education and fertility there is still a great deal which is unknown – exactly how the relationship, which is quite well attested, functions, and why fertility decreases monotonically with years of female education in some countries, while in (some) others there appears to be a positive relationship with the first years of education. There is also much to be done in the relations between education and health. The association is better attested at the macro than the micro level, the few studies which have looked at individual mothers’ education and their children’s health status, while seeming to support the connection, are subject to some doubt, as noted above. Cause-of-death data in many, especially the poorer, countries, are extremely weak. Their improvement is a further priority, which would permit valuable research that cannot currently be conducted.

And there is the question of the epidemiological transition – new patterns of cause-of-death related to development supervening on the older and still prevalent patterns related to under-development. Adult mortality has been relatively neglected in research (quite properly in the past) compared with the more widespread problems of maternal and child mortality, but needed emphases are changing – even without the AIDS issue. Cost recovery in both health and education, and its effects on uptake of services, is also in need of investigation.

The relations between education and health and agricultural and industrial productivity are also deserving of greater research effort. There is still a dearth of studies of the lamison and Laiu variety in the agriculture field, and as noted, there are even fewer studies of education and industrial productivity for developing countries. The role of producer services in development and the relations to them of human resource inputs are similarly awaiting research attention.

Many of the issues which need investigation are in the field of interaction among variables and also among activities and programmes. Some of these have been investigated, e.g. there have been studies of the effects of various combinations of health interventions, and also of the conditions (including occasionally the extent of education) in which interventions are more or less effective. This is both a pure research matter, and one which comes under the next heading.

(ii) Not by research alone

Not everything which needs doing in these areas is necessarily a subject for traditional research. Some of it
lies more in the context of evaluation - determining what has worked in development policy and what has not; some of it in action research; and some of it in synthesising existing research.

**Aid Issues**

Quite a number of issues can best be described as opportunities for the aid donor community. Donors should take advantage of each others' experience - good and bad - in formulating new HR programmes. It is only in the last five years that the donors - through the OECD DAC and the World Bank's MADIO study - have made serious efforts to share the lessons of their collective experience in lending for agricultural development. The lessons of experience in population assistance are relatively accessible; but to this author's knowledge, those of education, health and women in development less so; nutrition lies somewhere in between. The results of donor efforts to combine any or all HR components in projects or programmes are even less well known. The OECD Development Assistance Committee and the World Bank could profitably think about convening more inter-donor meetings/conferences/workshops to try and expand the sharing of knowledge of past HR activities and to assist the joint development of a multi-donor HR approach.

There are also, obviously, differences in comparative advantage. Donors vary in their relations with and knowledge of individual recipient countries; and in types of aid finance and activities they are able or willing to finance. Past World Bank approaches to aid coordination have expressed a preference for countries needing substantial foreign assistance to prepare a 'priority investment programme', and sit down with the donors to determine the roles of the respective parties. This would be an appropriate formula for HR assistance in many countries, especially the poorer ones.

It is apparent from the discussion in this paper that what is to be done in every sector varies by country and by its level of development and the stage reached in existing policies and programmes. It is true of data needs. It is true of the determination of priorities, and of private/public choices in financing and provision. The response of the donors must also be tailored to these conditions. Countries will vary in their need for support with policy analysis, management and institutional development. The form of donor coordination required will also vary - not every country will need a full-scale examination of social sector priorities and a donor effort at division of labour to help to meet them. The more advanced the country, the more feasible is a piecemeal approach; the less advanced the country, the more comprehensive must be the response.

**Human Rights, Democratisation and HRD**

It was observed at the outset of this paper that questions of human rights and democratisation were inseparable from those of HRD. An incipient research literature has begun to explore the relations between various aspects of democratisation and civil society institutions and various aspects of economic development. Human rights directly affect 'brain drain' and aid-supplied technical assistance (TA). It can be argued in many cases, for example, that TA is supplying foreign personnel - often at excessive cost - to replace nationals who have been unable to keep their jobs as a result of their criticism of or opposition to government policies. There is certainly scope for a great deal more research in many of these areas.

The tension will always remain, however, between the desirability of HRD, democratisation and human rights for their own sake, and as instruments to economic development. The present paper has concentrated on the instrumental case. The world would be a more agreeable place if research always found that what was desirable was also useful. Many researchers must hope that their research will support this harmony. But the research community will presumably long continue to separate its motivation for embarking on research from the objectively which must govern its conduct.

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**Education and Development: Macro Relationships and Micro Cultures**

Angela Little, Institute of Education, University of London

In March 1990 delegates from 155 governments, and officials and specialists from 20 intergovernmental bodies and 150 non-governmental organisations met in Jomtien, Thailand to discuss the basic learning needs of children, youth and adults. The conference adopted the World Declaration on Education for All (EFA). The macro relationships between education and development assumed by the policy are redolent of earlier debates in the 1960s about the role of human capital in the development process.

In the 1960s educational expansion was driven partly by its promise of enhanced economic growth and partly by the universal declaration of human rights. During the 1970s investment in education attracted criticism from a variety of quarters as economic growth slowed, rates of unemployment among the educated rose and income disparities increased. By the late 80s and early 90s education - the innocent turned villain - is cast once again by the international development planners in a positive role whose character is tinged with that of the saviour, rescuing us from our perils.

But shifts in the concept of development and education are redefining the macro relationship between them. The recontextualisation of development expressed in the UNDP Human Development reports of 1990 and 1991 places human development at its centre. Human development (in
expressed more broadly than the human capital of the 1960s. It is defined as a process of enlarging people’s choices for a long and healthy life, the acquisition of knowledge and access to a decent standard of living. And whereas human capital formation was seen to serve development, defined as economic growth, economic growth now is construed as serving human growth and development as much as they serve economic growth.

There have been shifts too in the emphases in education. There is now a greater stress on acquisition of knowledge and enlarging people’s choices for a of behaviour. Peoples’ choices values, aspirations and norms of culture in the development process. At the macro level. At the same time there appears to be an increasing trend towards the internationalisation of educational assessment targets and practices. If ‘international’, which in many instances means external standards begin to take precedence over national and sub-national standards what are the implications for nationally and culturally prescribed curricula? Will an internationalised education assessment technology begin to drive an internalised curriculum reform? How much wider will become the gap between the culture of those who control education and who design ‘international’ tests and curricula (i.e. the supranational educators) and the culture of the child whose learning is the goal?

The fourth, and final tension is that between macro system-level reform and micro classroom-level reform. World declarations by politicians, planners and policymakers are necessary tools in the struggle for human progress. World declarations can often succeed in mobilising financial resources for system-level reform. But whether that system-level reform is matched by changes in the organisation of relationships on the ground, in the classroom, requires an understanding of local culture by international and national planners and policymakers, and access to resources and professional support by teachers twin conditions observed all too seldom.
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