

DEVELOPMENT IDEAS IN HISTORICAL PERSPECTIVE

The New Interest in Development⁺

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Development Economics is a new branch of economics. There was little that went under this name before World War II, though many of the same problems were dealt with by members of the colonial services, anthropologists and others. Since much of economics is a response to current political and social problems, it is pertinent to ask what new conditions gave rise to the new and rapidly growing interest in development.

First, there was a new awareness that poverty is not the inevitable fate of the majority of mankind. This new awareness was itself the result of the achievement of affluence for the masses in the West, the high economic growth rates of countries in Western Europe, of North America, of the Soviet Union and of Japan, and the improvement in mass communications which brought events in the rich North to the consciousness of the poor South, and more specifically to the consciousness of the new elites there. As a result of the propaganda of politicians and economists, aided by the transistor radio, television and jet planes, economic growth came to be regarded as a human right.

A second source was the Cold War, in which East and West, the Second and the First World, competed in attracting the attention of the Third World. Both the capitalist, mixed economies of the West, and especially the USA, and the planned economy of the Soviet Union attempted to win friends and influence people by showing that their economic performance was superior, by holding up their respective regimes as ideals to be limited and by giving development aid. It is interesting to note that with the thawing of the Cold War (if this is the right metaphor) and with the relatively reduced significance of military expenditure, the expectations of those who thought that this would make more resources available for international aid were disappointed: the flow of aid levelled off and shrank as a proportion of national income⁺⁺. It not only shows up the limits of economics but illustrates the principle of the irrelevant alternative, according to which a boy comes home and tells his father proudly that he had saved tenpence by walking and not taking a bus. To this the father replies contemptuously: "You fool; why did you not save £ 1.00 by not taking a taxi?"

A third factor was the population explosion. When population was kept at a fairly constant level as a result of high mortality rates, poverty was bearable. There was no growing pressure on scarce resources, son followed father in his occupation and traditional ways continued. But a growing population requires production increases simply in order to maintain the level of living. The maintenance of "traditional ways" and freedom from the pollution and rapaciousness of modern ci-

+) I am grateful to Ajit Ghose and Jeffrey James for assistance in preparing this paper, and to Albert Hirschman, Dudley Seers, Karsten Laursen and J. C. Voorhoeve for helpful comments. The paper forms part of a larger study, undertaken for the Rothko Chapel, Houston, Texas.

++) See Tables 1, 2 and 3 in Annex.

vilisation presents an attractive, romantic picture, but it is unrealistic. Admittedly, it was the introduction of modern medical and other scientific technology that reduced spectacularly mortality rates, while no equally cheap and effective method to reduce traditional high birth rates was available. But it remains true that, without development and the disruption it brings, societies could not continue to enjoy the happy existence presented by some romantic anthropologists, but would be faced with growing misery.

The fourth source is the large number of countries that attained independence after the War. Decolonisation is the most important effect of the last war. 102 countries achieved independence in the last thirty years. Membership of the United Nations increased from 51 to 147 (and the total number of countries is 153). Development and planning for development were written on the banners of the governments of these countries.

An understanding of the reasons for the rapide growth of interest in development economics is both interesting in itself, and helpful in identifying possible biases and omissions in our work. Gunnar Myrdal, who has consistently tried to remain aware of these influences, wrote:

"For social scientists it is a sobering and useful exercise in self-understanding to attempt to see clearly how the direction of our scientific exertions, particularly in economics, is conditioned by the society in which we live, and most directly by the political climate (which, in turn, is related to all other changes in society). Rarely, if ever, has the development of economics by its own force blazed the way to new perspectives. The cue to the continual reorientation of our work has normally come from the sphere of politics; responding to that cue, students are launched, data collected, and the literature on the "new" problems expands. By its cumulative results, this research activity, which mirrors the political strivings of the time, may eventually contribute to a rationalization of these strivings and even give them a different turn.

So it has always been. The major recastings of economic thought that we connect with the names of Adam Smith, Malthus, Ricardo, List, Marx, John Stuart Mill, Jevons and Walras, Wicksell and Keynes, were all responses to changing political conditions and opportunities." 1)

It is not easy to convey, in the present atmosphere of gloom, boredom and indifference surrounding discussions of development problems, what an exciting time of ferment these early years were.

The excitement arose both from the challenge and the vision of the task of eradicating poverty and opening up new lives and opportunities for self-fulfilment to hundreds of millions of people, and from the new ideas to which this challenge gave rise. These ideas were a revolt against the traditional, conventional views of the profession.

Albert Hirschmann recently pointed to the importance, in the history of development economics, of Samuelson's proof of factor price equalisation in 1948-49². The articles proved that, on certain assumptions conventionally accepted in the

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theory of international trade, free trade would equalize absolute factor rewards, and trade could therefore perform precisely the same function as free international movement of factors. In a world in which people became increasingly aware of wide and widening international income gaps, this was a brilliant and startling conclusion. As Albert Hirschmann says, here the neoclassical paradigm was not undermined by the accumulation of contradictory evidence, as Thomas Kuhn's scientific revolutionary sequence would lead us to expect, but "the theory contributed to the contradiction by resolutely walking away from the facts."³

Raul Prebisch, Hans Singer and Gunnar Myrdal, less elegantly but more realistically, challenged not only Samuelson's findings but the more general view that equilibrating forces showed a tendency for the fruits of economic progress to be widely and, after a time-lag, evenly shared.

At the same time, the Harrod-Domar model, though formulated for different conditions than those of underdevelopment, added output-generation to the Keynesian income-generation of investment, and thereby provided the principal pillar for the analysis of development and for many development plans⁴. Capital accumulation became, if not the necessary and sufficient condition for development, at any rate the main strategic variable, and the propensity to save and the capital/output ratio became the basic equipment of development analysts, planners and aid officials. The notion that capital was scarce and savings difficult to raise in poor countries was qualified by pointing to the opportunities of attracting it from abroad, from the capital-rich countries, which would find new profitable investment opportunities in the countries to be developed. Notions like those of Balanced Growth (Ragnar Nurkse) the "critical minimum effort", and the Big Push (Paul Rosenstein-Roden) threw new light on the role of market forces and planning.

From the beginning there were critics. Paul Baran argued that the political power structure in the poor countries prevented adequate and productive investment and that foreign investment and aid reinforced social and political systems hostile to development⁵. And between the position that development was ensured by adequate amounts of capital accumulation, and the conviction that the political power structure made development impossible, there were many intermediate positions. It became soon evident that some development was taking place in some places, but that it was not always simply a matter of capital.

The analysis was refined, qualified, criticized. Albert Hirschmann emphasized entrepreneurial incentives, appropriate sequences of motivational pressures and linkages. Other writers attempted to introduce in addition to total income the distribution of this income as an important force determining subsequent investment. A more equal distribution was thought to be necessary in order to generate the mass markets which could exploit economies of scale; a less equal income distribution was thought to be conducive to higher savings. The choice of techniques was discussed in both its productive and distributional aspects⁶. What is remarkable about these early discussions is the proliferation of ideas, criticisms, and qualifications which contrasts sharply with the monolithic view of a single paradigm. The early days of development economics were a time of intellectual pioneering, of considerable excitement, of the opening of new geo-

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graphical and intellectual frontiers, of optimism and confidence.

Bliss was it in that dawn to be alive,
But to be young was very heaven!

A) Discarded Ideas

Before distilling the ideas that survived the test of time, it is useful to summarize the elements in earlier thinking on development which have largely been discarded.

1. Analysis and policy were dominated by the then recent experience of the rapid recovery from the war, supported by Marshall Aid, of the industrial countries of Western Europe, by the high post-war rates of economic growth and the scientific and technological triumphs of post-war reconstruction. The problem of development is, however, fundamentally different from the problem of reconstructing war-damaged advanced economies.
2. Priority was given to industrialization and infrastructure (power and transport) which came to be almost synonymous with development. Hence also the strong emphasis on capital accumulation as the strategic variable in development. It was found, however, that capital accounted for only a relatively small portion of growth, and that growth was not synonymous with development.
3. Central government planning from the top down and the need for a "big push" dominated thinking and policy-making, and the limitations of administrative capacity, of human and institutional constraints, and the need for participation, decentralization and mobilization of local labour were not recognized.
4. Policies were dominated by the reaction to colonialism. The governments of many newly independent states wanted to do what the colonial powers had neglected to do. This reinforced the desire for planning, for industrialization and for import substitution. It also fed the desire, after the achievement of political independence, for economic independence, which, however, was often equated (wrongly) with a high degree of economic self-sufficiency, mistaken for self-reliance. Latin American countries, which had been independent for a long time, felt that economic independence, which did not follow from political independence, was elusive.
5. Thinking was deeply influenced by foreign trade pessimism, which led to the formulation of two-gap models. Pessimism about export prospects and the terms of trade reinforced policies of import-substituting industrialization, which in turn created strongly entrenched vested urban interests that resisted efforts to liberalize trade.
6. There was a belief that high average growth rates of production will lead to reduced poverty either as a result of trickle down or of government policies: that the best way to attack poverty was indirectly, by supporting growth poles ('if it moves, push it'), and that the spin-offs would, at any rate after a time-lag (during which inequality and poverty must be tolerated), benefit the poor.

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7. The rate of population growth and the problems generated by it were underestimated and diplomacy ruled out the topic for both bilateral and multilateral development agencies.
8. The goals of development were defined narrowly in terms of GNP and its growth and other goals, such as greater equality, eradication of poverty, meeting basic human needs, conservation of natural resources, abating pollution, and the enhancement of the environment, as well as non-material goals, were neglected or not emphasized sufficiently. When they were brought out into the open, "trade-off pessimism" prevailed.
9. The contribution by the developed countries was seen too narrowly in terms of capital aid and technical assistance, instead of as the impact of all policies pursued by the rich countries, whether or not they were pursued with the express purpose of assisting development efforts: these would include science policies, the thrust of research and development expenditure, policies towards transnational companies, migration policy, monetary policy, regional policy, trade and employment policies, agricultural policy, as well as foreign policy and military alliances generally.
10. The "Third World" was considered, rather monolithically, as an area with common problems, whereas it became increasingly clear that some of the differences within the group of developing countries were at least as great as those between them and the developed countries.
11. Development was considered exclusively a problem of underdeveloped countries becoming less so. In contrast development is now beginning to be viewed as a problem common to the whole world: it gives rise to problems that are shared by the rich, over-developed, and by the poor, with some interests in common, others conflicting.

B) The New Strategy

The new development strategy may be summarized in the following way.

1. We must start with meeting the basic needs of the majority of the people who are very poor. These needs are more and better food, safe water at hand, security of livelihood, health, sanitation, education, decent shelter, adequate transport; in addition there are "non-material" needs like self-confidence, self-reliance, dignity, capacity to make one's own decisions, to participate in the decisions that affect one's life and work, and to develop fully one's talents, all of which interact in a variety of ways with "material" needs.
2. Meeting the basic needs of the billion poor people requires changes not only in the income distribution, but also in the structure of production (including distribution and foreign trade). It calls for increases in basic goods bought in the market, as well as in the purchasing power to buy them, and for an expansion in public services. To ensure that these actually reach the poor, restructuring public services will be necessary, as well as greater participation at the local level, better access to these services, and an appropriate delivery system.

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3. Since the majority of the poor live (and will continue to live for some time) by agriculture in the countryside, priority has to be given to growing food for domestic consumption. Agriculture has been the lagging sector; it has been holding up development and its produce has been unevenly spread. Agriculture also forms an important potential mass market for industrial goods.
 4. In order to meet the needs of the rural population, credit, extension services, fertilizer, water, power, seeds must be made available so that these reach the small farmer. He must also be given security of tenure or secure ownership of his land and a guarantee that he gains from the improvements that he makes. He needs inputs, including information, appropriate institutions and incentives.
 5. The small farmer must also be provided with access to markets in market towns and regional cities through feeder roads and marketing facilities.
 6. A group of smallholdings should be serviced by modern centres of processing, marketing, financial services and extension services, but this must be done in a way which does not call excessively for scarce managerial resources.
 7. Efforts should be made to develop efficient labour-intensive technologies or, more accurately, technologies that economize in the use of capital and sophisticated skills and management, and are appropriate for the social, cultural and climatic conditions of developing countries, especially in farming, processing and agro-industries, as well as in exports and import-substitution. Construction with appropriate building materials also offers opportunities for creating efficient employment.
 8. The rural towns should provide middle-level social services, such as health and family clinics, secondary schools and technical colleges.
 9. The new structure will reduce the rush to the large cities, economise in the heavy costs of certain services, and will increase the scope for regional and local participation.
 10. The whole process should embrace human and social, as well as economic development. More particularly, hundreds of millions of people will not be more productive, for some time to come. They need social help.
- All policies, such as price controls, allocation of inputs, financial and fiscal measures, credit control, foreign exchange controls, etc. should be scrutinized with respect to their final impact on the specified goals. Although some increase in inequality may be inevitable in the early stages, as long as it does not impoverish the poor, those measures whose incidence is to benefit the rich at the expense of the poor should be abandoned or redesigned.

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C) The Distressing Political Record and Other Neglected Obstacles

Side by side with the new "economic" focus on poverty, underemployment and inequality went certain political developments. In the international debates on the widening income "gap" between rich and poor countries and in the domestic debates on growing inequality, inequality stood to some extent as a proxy for discontent with political (or tribal or ethnic) results. Both domestically and internationally the uneven process of development had important, and in some cases disastrous side-effects. The development disasters of the Nigerian civil war and the war of the cessation of Bangladesh are extreme instances of the discontent and frustration generated by unequal access to the opportunities offered by development, and growing intolerance of this inequality⁷. The same forces encouraged a turn towards greater authoritarianism and military dictatorships⁸. While the aggregate growth record therefore has been spectacular and the evidence on distribution and poverty alleviation ambiguous, the political record has been distressing.

Moreover, there are important areas for analysis which tend to be either neglected ("opportunistic ignorance") or treated in separate compartments, as "exogenous" variables, not integrated into development analysis and policy, or dismissed as biased partisan views. Yet, any serious, objective analysis of development ought to incorporate them, because they are closely linked to the development process. Here they can only be enumerated.

1. The unwillingness of governments to grasp firmly the political nettles: land reform, taxation, especially of large land owners, excessive protection, labour mobilization.
2. Linked with the first, nepotism and corruption.
3. Behind these, again, various forms of oligopoly and monopoly power: the power of large land owners, of big industrialists and of the transnational enterprises.
4. In a different field, but often equally disruptive to development efforts, the power of organized urban labour unions and the obstacles to an income and employment policy and to a wider spread of employment opportunities, particularly to the rural poor.
5. Restricted access to educational opportunities and the resulting job certification that both reflect and reinforce the unequal structure of power and wealth. Similar restrictions in access to health, housing and other public services.
6. Weak entrepreneurship and defective management and administration of public sector enterprises, of the civil service and of private firms, granted protection or other forms of monopoly power.
7. Lack of coordination between central plans and executing ministries, central plans and regional, local and project plans, and between the activities of different ministries.
8. The weakness of the structure, areas of competence, recruitment, training and administration of the UN specialized agencies charged with development,

combined, too often, with a narrowly technocratic approach, encouraged by the historical origin and organisation of these agencies and their politically "non-controversial" approach.

9. There are also the terrible facts of mass slaughter, expulsion of ethnic minorities (often entrepreneurial and therefore hated) and political opponents, imprisonment without trial, torture, and other violations of basic human rights, and the \$ 370 billion spent on armaments, compared with \$ 17 billion on net concessional transfers (in 1975).

The list is not exhaustive but merely illustrative, to indicate some of the obstacles to an attempt to tackle human and social development in the full sense and to pinpoint some of the reasons for the disenchantment with what has turned out to be, by narrow economic criteria, unexpectedly and unprecedentedly high growth.

D) General Conclusions

No doubt there were errors, false starts and dead ends in the development story of the last three decades. In accounting for these, there are Keynesians and Marxians. Keynes attributed (at least in a much-quoted passage in the *General Theory*) the errors of "practical men, who believe themselves quite exempt from any intellectual influence" to "some defunct economist." He thought "that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas." On this interpretation it was the mistaken doctrines of Nurkse, Singer and Rosenstein-Rodan that led governments to subsidise industrial capital equipment, support high urban wages, overvalue exchange rates, raise the costs of farm inputs by protecting domestic industry, lower the prices of farm outputs and generally neglect or, worse, exploit, agriculture and the rural poor.

Marxians believe that it is the power of class interests that is reflected in ideas. The above-mentioned doctrines, in this view, are merely an ideological superstructure, reflecting the powerful vested interests of the urban industrialists and their workers.

But there is a third way of looking at the succession of problems and difficulties: there is a Hydra-like aspect to development (and perhaps to all human endeavour). Many of the difficulties encountered in the path of development were neither the result of economic errors, not attributable to vested interests, but were the offspring of the successful solution of previous problems. Scientific confidence asserts that there is a solution to every problem, but history (and not only the obstructionist official) teaches us that there is a problem to every solution.

The solution of one problem creates a series of new ones. Success in manufacturing industry has brought out the lag in agriculture. The need to expand the production of food for domestic consumption became so acute partly because of the remarkable growth of industrial output. The seed-fertilizer revolution has spawned a collection of new problems about plant diseases, inequality, unemployment and the other so-called second-generation problems. The need for popula-

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tion control arose from the successful attack on mortality through cheap and efficient methods of malaria eradication. Growing unemployment is (partly) the result of the high productivity and its growth of manufacturing investment. Education raises excessively aspirations and contributes to the movement to the cities and the consequent unemployment of the educated. The success and the attractions of urban development have shown up the need to accelerate rural development, which, however, by the turmoil it creates, may further accelerate the migration to the cities.

This Hirschmanesque generalised doctrine of unbalanced growth cannot, of course, be used to justify and legitimize errors in development thinking and policy. Of these there were plenty. But, on the other hand, not all difficulties are the result of past mistakes, and some are the consequences of the successful solution of preceding problems.

"Hydra" is the wrong metaphor, for it suggests the hopelessness of all endeavours. "Second-generation" problems, on the other hand, may be too optimistic a term. The question is whether, in spite of the subsequent emergence of new problems, the series converges to, or diverges from, a solution. While some solutions are worse than the problems, others represent progress. It is important to bear in mind that solutions are not readily transferable between places and periods.

Another lesson is what more sophisticated colleagues like to call "the counter-intuitive character of systems analysis". Things are not necessarily true because they are paradoxical, but in development studies, as in other fields, common sense does not always lead to the correct answer. Job creation may cause more, rather than less unemployment; import restrictions and physical allocations, intended to reduce inequalities, may strengthen monopoly power; a strategy that sacrifices economic growth of consumption in order to create more jobs may require faster not slower, growth; policies designed to help the poor may benefit the middle and upper classes, and so on. As these illustrations show, the implications of this view can be profoundly conservative or startlingly revolutionary. In a given power structure, attempts at piecemeal reform may be self-cancelling and the system will then tend to reestablish the initial wealth and power distribution. Only a deep, structural change may enable to take root.

In the other hand, piecemeal reform may trigger off pressures that lead to further reforms, whereas revolutionary change, as the many revolutions that failed show, may not achieve its objective.

A third lesson is that in many areas only a concerted, properly phased, attack on several fronts yields the desired result and the application of some measures without certain others may make things worse. "Correct" prices in a society with a fairly equal distribution of assets and available appropriate technologies may raise efficiency and reduce inequality, but to use "correct" prices in a society with very unequal ownership of assets will only change the manifestation of inequality.

Not only are there Myrdalian cumulative processes, but the processes require packages; the causation is cumulative and joint. The appropriate metaphor is the jigsaw puzzle, the fitting together of different parts, not the toothpaste or the sausage machine which respond to pressures with homogeneous outputs. To do something in a certain sequence, together with other things, brings success; to

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do it in isolation may be worse than doing nothing. A programme of education without employment opportunities will only accelerate the brain drain. What is needed is a range of interrelated, properly phased, measures. There are no simple remedies. The solution of underdevelopment is not to be found in making the soil more, and women less fertile, in a combination of fertilizer and pill (the technocratic solution); nor, for that matter, by staging a revolution (the revolutionary solution), or implementing a radical land reform (the radical solution), or implementing a radical land reform (the radical solution), nor by "getting prices right" (the economist's solution), though each, in conjunction with the others, may have something to contribute to a total solution.

A fourth lesson is that few problems are narrowly economic ones. The difficulties often lie with human attitudes, social institutions and political power structures, more than, or as well as, with scarcities of productive inputs and their correct allocation. Scarce inputs - capital and skills - will probably also be needed to attack social and political obstacles, but the link between resources and outcomes is a tenuous one: there are no fixed capital coefficients between resources spent and an effective land reform, or between money and a successful birth control campaign.

Finally, the response of the rich countries to the challenge of development is not to be found in development aid alone, whether it consists of capital or brains, even if it were 2 % instead of 1/3 % of GNP, or in freer access to the markets of the rich countries. It is the total relationship, the impact of all policies of the rich countries, that is relevant, and that has to be our concern, if we are serious about international cooperation.

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ANNEX

TABLE 1 : Defence expenditure as % of budget expenditure

	U. K.	U. S. A. ¹	France	Germany ¹
1955	24.9	58.7	25.4	16.9
1956	24.6	-	25.7	13.9
1957	20.3	-	25.9	13.0
1958	18.6	53.7	24.8	13.0
1959	18.0	50.1	24.6	15.2
1960	17.3	49.8	25.0	16.2
1961	16.7	48.4	24.6	16.5
1962	16.7	47.8	23.3	18.8
1963	16.2	46.9	18.8	20.4
1964	15.6	45.2	20.0	17.3
1965	14.9	41.9	19.1	17.2
1966	14.4	42.2	18.3	16.4
1967	13.8	44.3	18.0	16.0
1968	12.8	45.0	17.0	14.0
1969	11.6	44.0	16.6	14.1
1970	11.3	40.8	17.1	13.4
1971	11.4	36.7	17.1	13.8
1972	11.3	33.8	16.5	12.8
1973	10.6	30.6	-	12.5
1974	10.1	29.3	-	-

Sources: For France and Germany: U. N., Statistical Yearbook;
 For U. S. A. : United States Bureau of the Census, Statistical
 Abstract of the United States;
 For U. K. : Central Statistical Office, National Income
 and Expenditure.

- Notes: 1) For the U. S. A. the budget expenditure refers to the Federal
 Government; for Germany it refers to the combined Federal
 Government and Laender.
- 2) Where estimates have been revised, the latest ones have been used.

TABLE 2: Defence expenditure as % of GNP
(factor cost and current prices)

	France	U. K.	U. S. A.	Germany
1949	6.2	7.0	5.1	-
1950	6.3	7.3	5.5	-
1951	8.2	8.9	10.8	-
1952	10.0	11.2	14.9	-
1953	10.6	11.2	14.7	4.9
1954	8.5	9.9	12.7	4.7
1955	7.4	9.2	11.0	4.8
1956	8.8	8.8	10.7	4.2
1957	8.4	8.0	10.9	4.7
1958	7.8	7.8	10.9	3.4
1959	7.7	7.4	10.3	5.0
1960	7.4	7.3	9.9	4.6
1961	7.3	7.0	10.0	4.6
1962	7.1	8.0	10.2	5.5
1963	6.5	6.9	9.7	6.0
1964	6.3	6.8	8.9	5.4
1965	6.1	6.6	8.3	5.0
1966	5.9	6.5	9.2	4.7
1967	5.9	6.5	10.3	5.0
1968	5.5	6.2	10.2	4.1
1969	4.9	5.8	9.6	4.1
1970	4.6	5.6	8.7	3.7
1971	4.5	5.8	7.7	3.8
1972	4.3	5.9	7.3	3.9
1973	4.2	5.6	6.6	3.9
1974	4.1	5.8	6.6	4.1

Source: NATO, Facts and Figures, Brussels, Jan. 1976, p.294-5

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TABLE 3: Net flow of official development assistance as % of GNP
(at market prices)

	France	U. K.	U. S. A.	Germany
1950	-	-	-	-
1951	-	-	-	-
1952	-	-	-	-
1953	-	-	-	-
1954	-	-	-	-
1955	-	-	-	-
1956	-	-	-	-
1957	-	-	-	-
1958	-	-	-	-
1959	-	-	-	-
1960	1.38	.56	.53	.33
1961	1.41	.59	.56	.41
1962	1.30	.52	.57	.45
1963	1.01	.48	.60	.41
1964	.89	.53	.57	.44
1965	.75	.47	.50	.38
1966	.69	.46	.45	.37
1967	.71	.44	.44	.43
1968	.69	.40	.38	.41
1969	.69	.39	.33	.39
1970	.66	.37	.31	.32
1971	.66	.41	.32	.34
1972	.67	.39	.29	.31
1973	.58	.34	.23	.32
1974	.59	.38	.25	.37

Source: For 1960-69, OECD, Development Assistance, Dec. 1970
For 1970-74, OECD, Development Cooperation, Nov. 1975

FOOTNOTES

- 1) Gunnar Myrdal, *Asian Drama*, Vol. 1, Penguin Press, 1968, p. 9
- 2) Albert O. Hirschman "A Generalized Linkage Approach to Development, with Special Reference to Staples" *Essays on Economic Development and Cultural Change in Honor of Bert F. Hoselitz*, Economic Development and Cultural Change, volume 25, Supplement, 1977, editor: Manning Nash. The two articles by Paul A. Samuelson were "International Trade and the Equalisation of Factor Prices," *Economic Journal* 58 (June 1948): 163-84, and "International Factor-Price Equalisation Once Again," *ibid.*, (June 1949): 181-97.
- 3) *Ibid.*, p. 68 .
- 4) Paul Streeten, "A Critique of the 'Capital/Output Ratio' and its Application to Development Planning", chapter 6 in *The Frontiers of Development Studies*, Macmillan, 1972.
- 5) Paul A. Baran, "On the Political Economy of Backwardness", *Manchester School of Economic and Social Studies* 20 (January 1952): 66-84.
- 6) Walter Galenson and Harvey Leibenstein, "Investment Criteria, Productivity and Economic Development," *Quarterly Journal of Economics* 69 (August 1955): 343-70.
- 7) See Albert O. Hirschman "Changing Tolerance for Inequality in Development", *World Development*, 1974.
- 8) It would be quite erroneous to equate this trend towards authoritarianism with a turn away from what Myrdal has called "the soft state". Violence is not hardness, though some of the regimes came to power with the pretence to eradicate "softness", like corruption. See Gunnar Myrdal, *Asian Drama* (Penguin Book, 1963) vo. 2 .