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Dilemmas of Development

This article presents criticle review of John Toye's (1993) Book, *Dilemmas of Development*, and its relevance in present day world.

2. Toye (1993:1-43) is comprised of introduction to second edition and chapter one, "Is the Third World Still There?", John Toye attempts to look again at the cogency of original ideas enunciated in first edition of the book (Toye 1987). He asks whether recent global events have undercut the original lines of argument and examines the ideas which have become fashionable in the 1990s as a result of the post-1989 realignments. In *Dilemmas of Development: Reflections on the Counter-Revolution in Development Theory and Policy*, first published 1987, John Toye, outlined the focus of the Book to be about ideas and opinions of well-known professional economists who emerged in 1970s, and 1980s as the intellectual advance guard of what their friends and critics alike referred to as a 'counter revolution' in development theory and practice. They are united in opposition to Keynes and neo-Keynsianism, 'structuralist' theories of Development and the use of economic planning for development purposes. They are united by the belief that the problems of economic development can only be solved by an economic system with free operating markets and a government that undertakes a minimum of functions. The book was written to alert its readers to both theoretical problems and some of the practical mistakes which can arise from an over-simplified approach to Development Policy. (vii-viii)

In introduction to the second edition, Francis Fukuyama's (1992) *The End of History and The Last Man*, is examined as one of the new theories propounded in the aftermath of the post-1989 global scenario.

Fukuyama has proclaimed that, "liberal democracy is the final form of government' for the world as a whole. Fukuyama, treats modern America, as the 'achieved utopia' of a classless society and egalitarianism, and ascribes history as the causes of ‘black poverty’. Fukuyama, goes on propounding universal evolutionary history of human civilisation, quite in Hegelian mould. Toye (1993:6) says here, "If this hybrid of economic modernisation plus neo-Hegelianism is to be the theory of the New World Order, dilemmas of development, has not lost its relevance." Author questions the premise of modernisation being gradual and evolutionary process and he considers global modernisation as inherently conflictual process.

There are varying views and opinions about third world, the genesis being attributed to the post-World -War global scenario of US-USSR conflict and emergence of newly independent countries, from the yoke of colonial rule. According to author, decolonisation rather than US-USSR conflict is the major third World Issue. “The psychology of third Worldism” is the psychology of ‘decolonisation’ (Toye 1993:29). “National Liberation” as described by Fanon seems to be more appropriate basis of Third Word, as emphasised by Sartre as well. According to development counter-revolution, ‘Third World exists only because it has been created. Further, creative force was not history or geography or economics. It was psychology and politics, namely Western guilt and the politics of foreign aid, which between them conjured up the Third World” (Toye 1993:25).

3. Strength of John Toye’s arguemnt lies in recognising the role of Keynes in reestablishing development economic discourse in response to doctrines of free market forces and monetarism propagated by neo-classical economists of counter revolution in 1980’s and 1990’s.

Evolutionary Theories like the one propounded by Fukuyama, comprehensively block any alternative development paradigm, say, by a

Third world country. Both evolutionary theories propounded by Fukuyama and proponents of counter-revolution in development thinking present 'liberal-democratic capitalist' system, as the "ideal" state apparatus to be achieved by all backward societies. Thus, a scientific model (American) of highest form of human evolution has been perfected, and all that the less fortunate countries of the world i.e. Third World, have to do is, to strive for the American model. Thus, neo-classical economics, prescribes 'free market monetarism' as the economic key to solve problematics of the economic development, with minimalist state intervention.

We have seen that Euro-centric development theories and policies prescribed the panacea of 'democracy', 'modernisation', 'industrialisation', 'urbanisation' to Third world countries, for immediate plunge into 'developed state' from 'least developed' or 'developing stage'. What is most surprising is that within 3-4 decades of development discourse, its demise has also been pronounced by proponents of counter revolution. Centuries of imperial exploitation and resultant economic retardation, of newly independent states in Africa, Asia, Latin America, Middle east, was presumed, to be corrected in merely 3-4 decades, that too by policies of foreign aid and assistance. It is really incomprehensible to make sense of the paradox of exponents of "modernity" who were unprepared to accept "socio-economic" roots of under-development? This has resulted in permanent debate on the very meaning of the term "development", and focus during1990s seems to have shifted from socio-economic change of 1950s onwards to analysis of actors involved in it, diverting the attention to analysing institutions (World Bank, IMF), cultures, personalities as obstacles and/or instruments of development. Thus, it is no wonder today that terms like development and modernisation have lost their meanings. They are being construed more and more as policies pursued by governments and international agencies that enrich ruling elites, while masses are told to await the benefits of "trickle-down" effect.

What meaning it has, say for example for poorest masses of third world county like, India, whose monthly per capita income, cannot enable, them to buy basic amenities. Giving, an example of designing new type cooking stove by Sri Lankan government to meet fuelwood needs of people, at subsidised price, thereby, tackling problem of afforestation as well as people's welfare needs, author says "development policy is all about dilemmas of balancing the gains of one group against the losses of others, which goes against the purview of free-market solution of 'counter-revolution'. Thus, as stated by P.F.Lesson (1988:4), 'an acceptance of the need for state intervention has been one link between Keynsian and development economics, another being shared critical approach to neo-classical economic theory'. Kiernan (1978:127) rightly reminds us of the following: 'an economic system like a nation or a religion lives not by bread alone, but by beliefs, visions, day dreams as well and these may be no less vital to it for being erroneous'.

Thus author strongly advocates Keynesian idea of improved economic performance with intelligent state intervention, as the middle path, alternative paradigm to one, presented by neoliberals. John Toye's focus of 'reformed capitalism' is substantiated by Wade's case study of "governed market theory of East Asian economic success", making out case for global Keynsian policies, 'which admits both the self-determining political actor and the variegated structures - social, economical and political - within which action takes place, and which are modified by action itself'. (Toye 1993:180). Author (1993:29) further says here that Keynes was prepared to have the government pay people to dig holes in the ground and fill them up again, as a means of reducing unemployment.

4. Weakness of arguement of John Toye lies in Eurocentric interpretation of genesis and problematics of third world development as discussed below. According to author, decolonisation rather than US-USSR

conflict is the major third World Issue. “The psychology of third Worldism” is the psychology of ‘decolonisation’ (Toye 1993:29). Verhelst (1987) highlights the crux of the matter of problematic of development of third world, in following words “ development is a highly charged term. It grew out of conception that though dynamic and positive, was founded on the paradigm of one single culture, western culture, characterised by a specific relationship (anthropocentric, evolutionist, rationalist) and determined by a clearly defined socio-political model (pan-economism, consumerism, technocratism), in practice development , is often simply a euphemism for westernisation (Verhelst 1987:62).

Therefore, it is very crucial to examine the salient features of the representation of the old imperial inequities, of the old regime, the immense economic rift between poor and rich states. One certainty throughout the imperial past is existence of an “us” and a “them”, the division between ‘colonizer’ and ‘colonised’ which can be better expressed in “North-south” relationships. The post-war classifications of all the nations into three ‘worlds’ - coined by a French journalist - has largely been abandoned” (Pletsch:1981:565-90)

However, the persistence with usage of Third World, is basically in the descriptive sense, referring to states outside the major industrialised capitalist and socialist countries, in post-imperial world, coincided with academic interest in social and political change in newly independent countries. The spectre of Fascism, Naziism, Stalinism, response to deep depression of 1930s, McCarthyism, was haunting West, particularly USA, to such an extent that in 1944-45, itself, seeds were sown, in form of Bretton Woods Agreement, heralding the gigantic neo-imperial institutions of IMF and World bank, realising that it was not possible for the West to maintain and defend Western interests in the newly emerging world, in the previous colonial way. Largescale communal violence following independence in India, Britain military campaigns against newly independent countries like

Palestine (1946-48), Kenya (1952-55), Malaya (1957-62), Cyprus (1956-60), Aden (1960) French war in Algeria(1962), US war in Vietnam (1973), illustrate the real causes of conflict in post-colonial world, which can not be brushed aside by “psychology of decolonisation” as stated by Toye or “western guilt” as proclaimed by proponents of counter revolution. The post-world war, World is not a figment of post-modern deconstruction; the post-imperialist world, is rooted in the past, particularly the period, of about 200 years of colonial rule. Verhelst (1987:19) rightly says “The basic problem is the assassination of civilisations whose societies remain in a state of shock, like a body without a soul."

From a Third World perspective, Development is both more than and different from a theory which is an academic subfield (where intellectuals make and unmake each other’s reputations) and a mode of political intervention in the third world. Development in the third world is an overarching referrent of all political discourse (Munck 1993:113).

5. At the end of first decade of twenty first century, we are at crossroads; we have witnessed shortcomings of both ‘free market’ capitalist' and ‘state-controlled’ communist models of socio-economic and political development in the world, particularly in the context of collapse of neo-liberal economic paradigm in the wake of financial crisis & recession of 2008. The search for way forward lies in holistic indigenous self-reliant and local responses to social and economic crisis for sustainable development of third world countries in new millenium. As emphasised by John Toye, in the new world, economics cannot be separated from politics and political motivation. The discussion in this article can be summed up in words of Galbraith, (1987:299): ‘economic idea, as Keynes averred, do guide policy. But the economic ideas are also the offspring of policy and of the interest which it serves’.

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