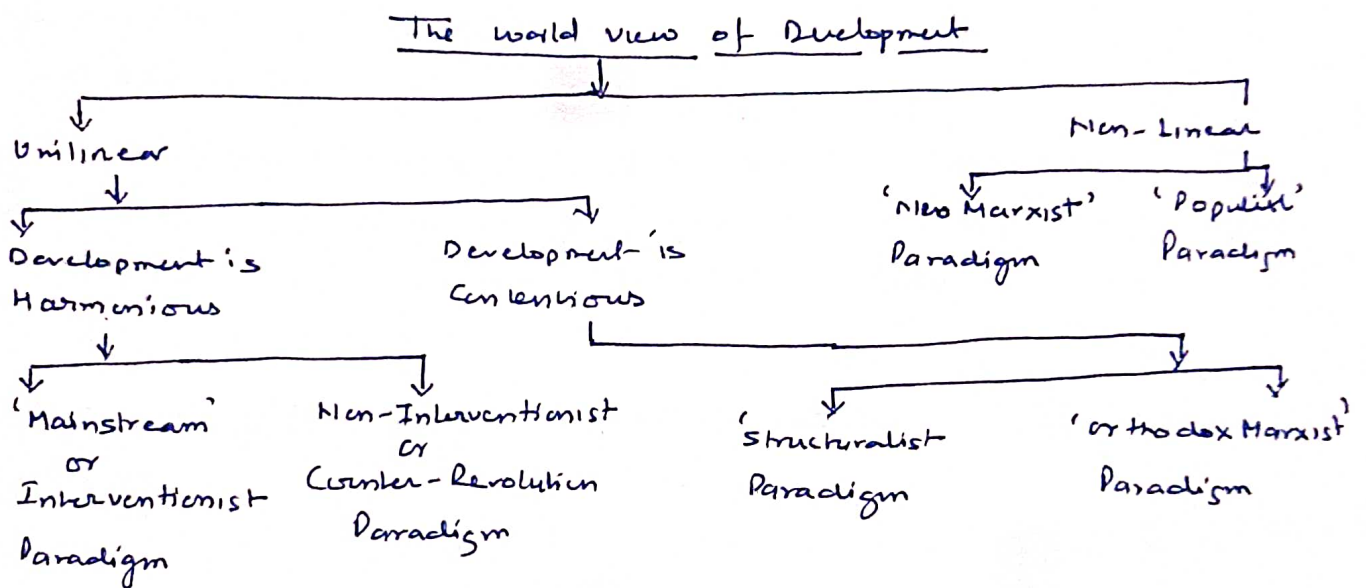


THEORIES AND PARADIGM OF DEVELOPMENT

Over the years in many parts of world, various development aims have been persuaded by groups of people. For some it may be to achieve total literacy, for some it may be drinking water, for other motorable roads etc. Depending on the aim, a certain process has been employed for development. Hence there are a number of theories offering alternatives. We have grouped these theories on the basis of vision and direction of development i.e. world view of development which is classified further down



'Unilinear world view of development simply means that ^{under} development is a preceding condition preceding development. All developed countries are late comers to the process of development, which had already taken place in the west. It suggests, therefore, that development is becoming like west or like the already developed countries. For becoming like the west, there are certain institutional or economic hurdles, whose removal will initiate the development process in the underdeveloped countries.

On the contrary, the 'non-unilinear world view of development' suggests that development is not becoming like west. Under the changed historical conditions, it may not be possible for less developed countries to become like the already developed countries. These less developed countries shall have to find an alternative path of development.

UNILINEAR WORLD VIEW OF DEVELOPMENT

1. Mainstream Paradigm - Theories under category which suggests development to be harmonious process, lead to two paradigms: one which advocates 'state intervention' or active role of the Government as an essential requirement for development. Most of the modern theories ('big push' or 'balanced' ^{growth} theory of Rosenstein Rodan, the 'vicious circle' theory of Ragnar Nurks, the 'unbalanced' ^{growth} theory of Alber Hirschman, the 'dualism' theory of Arthur Lewis, the 'stage theory' of W.W Rostow and the 'neo-malthusian' theory of Harvey Leibenstein) of development that have emerged during years comes under this paradigm.

Under this paradigm it is believed that 'development is becoming more like west and developing countries are late comers to the process, with certain initial conditions, which should overcome to experience transition to development.

Reason for underdevelopment 2. persistence of low saving syndrome, this low saving is due to the vicious circle of poverty; low income, low saving, low investment, low productivity. Once this low saving syndrome is overcome, then aid or foreign investment help in a sustained development, either through balanced investment or investment in the unbalanced sectors, that would set up inducements and pressures. In the process of mobilizing savings and channeling the same for development, this paradigm consider state intervention, either through government planning or state programmes, as essential.

what is development?

Development is a process of transforming an economy, which is predominantly agricultural-based and other related primary activities, towards predominance of industry and non-primary activities.

2. Counter-Revolutionary Paradigm - This paradigm emphasizes 'non-intervention' by the state or non involvement of the government, and advocates the efficiency of the market (the force that determine demand, supply, the cost, pricing, and production of goods, commodities and service) in promoting development, which favours,

"free market" for development, is called as the "counter-revolutionary" paradigm.

This paradigm considers the state intervention as the cause of inefficiency and distortions in the resource use. According to this, the state intervention through licensing and regulation leads to 'directly unproductive profit seeking', corruption, and real wage. Minimising the state role, and allowing the market to play the role in allocation of resources, would improve efficiency, competitiveness, and rapid growth. This paradigm has gained some popularity only in the 1980s.

Similarly, the category of theories, which consider development essentially as a contentious and conflict-ridden process, we find two paradigms.

3. The Structuralist Paradigm :- The origin of the structuralist paradigm could be traced to the writings based on the Latin American experiences. There are two variants of the structuralist paradigm, one referring to the distortion in the internal structure, and the other pointing to the global or international structure. It is the 'International Structuralism' of the Raul Prebisch that is more familiar.

According to this paradigm, the world is divided into the developed capitalist countries forming the core of 'the Centre', and the underdeveloped countries forming 'the Periphery'. Over the years, there emerged a division of labour with the Centre producing and exporting manufactured goods and the Periphery depending on the production and export of the primary products. As a result, while demand for the manufactured goods increased faster, ensuring higher prices for their exports, the demand for the primary products increased slowly, and the export prices did not keep pace with the rise in the prices of imported manufacturing goods. There was, in the long-run deterioration in the terms of trade of the primary exports from the less-developed countries. All the benefits, technical progress and productivity flowed to the developed Centre keeping the periphery in a continued state of underdevelopment.

Answer to developed

Import substitution Industrialization.

4. Orthodox Marxist Paradigm :- This paradigm considers that conflict and contradictions in the development of capitalism are inevitable, and that these can only be resolved through a revolution, which will then usher in the next phase of development.

The familiar Marxist concept of development is associated with the five stages: (i) Primitive Communism, (ii) Ancient slave state, (iii) feudalism, (iv) capitalism (v) socialism. Development, in this framework, may be viewed as one of transitions from feudalism to capitalism.

Karl Marx wrote that "the country that is more developed, industrially, only shows to the less developed the image of its own future". It is such an image of development that led Marx and Engels to believe that the capitalist colonial expansion would result in the spread of development of capitalism in the countries. But contrary to the expectation, a greater part of world experiences only its disintegrating effects.

Moreover, the united industrialization of the west was possible only at the expense of the so-called underdeveloped world. There appears to be not much analysis of the historical experiences of the colonial countries in Asia and Africa.

NON - UNILINEAR WORLD VIEW OF DEVELOPMENT

1. Populist Paradigm :- Gandhi thought that the western type of development had nothing to commend to societies like India. His contention was that the western industrialization had brought along with it immorality, crime and culture degradation/degeneration. "Development in countries like India should make the village as the centre, and provide employment and livelihood through a network of cottage and village industries. 'Gram Swaraj' or 'village united development' would not only ensure against the evils of industrialization and urbanization, but also absorb millions of people without uprooting them from their appropriate village industries."

The contribution of Schumacher is also inspired by the Gandhian thinking. It is well known through his book, "Small is Beautiful". The two severe problems of the less developed countries, according to him, were mass unemployment and mass migration to the urban ~~class~~ areas.

Much of the western type of industrialization initiated in the less developed countries helped only a fraction of the population living in the urban areas, while the mass of population living in rural areas were bypassed. Thus in less developed countries there emerged what is known as "dual economics" of urban and rural areas, each within different patterns of living, widely separated from each other, living as two different worlds.

What is needed is creation of appropriate technology that would promote employment opportunities through a network of small production units, a primary condition for such a development involves education, organization, and development.

Populist paradigm is discussed as an alternative strategy by not housed by any less developed country. This is partly because of the dominance of the mainstream paradigm in the initial stages of development independence, and the creation of an impression among the people that development means becoming like west. After raising false hopes, any attempt to adopt a Gandhian or "populist" alternative strategy, it is feared, would not be liked by the people. Most of the less developed countries hold on to the "mainstream" paradigm, its failures notwithstanding.

2. Neo-Marxist Paradigm :- There are quite a few economists who can be called as neo-marxist, but we would consider only the writings of Paul Baran, A.G. Frank and the related 'dependency theory'.

The essence of the paradigm lies in the fact, at present, the less developed countries cannot develop like west. It stresses interconnectedness of development and underdevelopment, of traditional and modern, and indeed many other social, political and economic factors. It seems many conflicts and classes of interest in the development process occur, both b/w nations and b/w social classes within the ^{under}developed countries. It emphasizes the historical factors, especially, the active process of how ^{under}development has come into being in the Third world countries.

Paul Baran declared that underdevelopment of most of the world was a direct result of the dynamics of monopoly capitalism. He sums up his views as follows -

" Thus people, who came into the orbit of western Capitalism, found themselves, in the light of feudalism and Capitalism, enduring the worst feature of both worlds. Their exploitation was multiplied, yet its fruits were not to increase their productive wealth, they went abroad or served to support a parasitic bourgeoisie at home. They lost their time-honoured means of livelihood, their arts and crafts, yet there was no modern industry to provide new ones in their place.

According to A. G. Frank " Underdevelopment is not just the lack of development. Before there was development, there was no underdevelopment. The relation b/w development and underdevelopment is not just a comparative one, in the sense that some places are more developed and yet there is underdevelopment. Capitalism internally generates its own transformation in which one part exploits another, though it also diffuses back some of the fruits of the economic and cultural development based on that exploitation.