A Primer of Economic Development, - A book review by Professor Carroll Quigley
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A review by Carroll Quigley in The American Economic Review, June 1963,
of a book:

A PRIMER OF ECONOMIC DEVELOPMENT,

by Robert J. Alexander.


A Primer of Economic Development.

By ROBERT J. ALEXANDER.


Professor Alexander, from a wide experience in the Latin American field, offers us here a brief, lucid, and elementary guide on how our economic system, with a few slight modifications, might be applied to underdeveloped countries. "Underdevelopment" is defined (p. 6) in terms of seven criteria: low per capita real income; an "unbalanced" economy; natural resources not exploited for local benefits; a traditional, rather than a market, economy; production based on labor rather than capital; structural underemployment; and a local belief that the area is underdeveloped. It is clear, however, from the statement (p. 5) that Australia and New Zealand "may correctly be considered as underdeveloped" that the salient characteristics of this status, in the author's opinion, are the existence of what he calls an "unbalanced" (that is, colonial) economy and of the familiar discontent of rising expectations.

On this basis, ten brief chapters consider how an economy, similar to our own (even in its possession of democracy, trade unions, social legislation, and free choice) can be established in underdeveloped areas. The chief topics are the familiar ones of industrialization, agricultural reform, capital accumulation, foreign aid and borrowing, lack of entrepreneurial and managerial skills, and labor problems. Alexander's point of view is entirely that of old-fashioned, pre-Keynesian, elementary economic theory with only two significant exceptions: (1) his rejection of the "law" of comparative advantage, and (2) his emphasis on the accumulation of capital locally by state action rather than from private savings.

The clarity, simplicity, and ethnocentricity of this book give it an immediate appeal. In fact, much discussion in Washington on the subject of underdevelopment has been expressed, far less well it is true, from Alexander's point of view. This is unfortunate because these ideas have, in my opinion, little
relevance to the real problems in development. Their irrelevance appears so clearly in this book for the very reason that the ideas are presented so lucidly and simply.

The basic errors here are four in number: (1) the assumption that we are dealing with a dual situation (developed states and underdeveloped states) instead of a triple one (developed societies, traditional societies, and the area of mutual reaction between these); (2) the effort to advise and operate in terms of political units rather than areas or regions; (3) the effort to deal with problems arising from the interaction between developed and traditional societies in narrow economic terms rather than in terms of total acculturation; and (4) the assumption that the economic contribution to the accultural problem lies in export of our economic patterns with only that minimum of modification which seems absolutely unavoidable to our own ethnocentric vision.

In this context, traditional societies have no problems. Problems arise only when the impact of developed societies disrupts the patterns of thought, feeling, and action in a traditional society so that it can no longer function adequately or, in many cases, even survive. Alexander is perfectly right in his emphasis on discontent (or rising expectations) and on "unbalanced" economies, for these are characteristics of acculturation and not of traditional (that is, really underdeveloped) societies, but he is mistaken in believing that anything can be done about such problems of acculturation without deep understanding of the nature of the traditional societies themselves. And he is totally wrong if he believes that our patterns of behavior, even in the relatively narrow field of economics, can be exported to them with only slight modifications. This is impossible because the operational context in the acculturative process is (because of the nature of traditional societies) totally unfitted for our economic patterns.

For example, Alexander assumes that the discontent and rising expectations of native peoples are similar to our own and that they are, in economic matters, expressible in terms of our ideas of standards of living. Our whole economy is based on largely unconscious assumptions of future preference and infinitely expansible material demands. Most native peoples have outlooks, based on present preference and, most non-Christian areas, especially Africa, have little idea of a future. Many African languages have no future tense and must use the present tense with a circumlocution to speak of the future. This reveals minds totally unadapted to planning, capital accumulation, progressive training, or even steady work habits. Many native peoples have little conception of individualism (including individual choice, responsibility, or initiative) and are almost totally absorbed in family, tribe, or local groups. The expectations of middle class Americans can be listed largely as material (and thus marketable) desires. The expectations of rising standards of living among most Africans would be food; social activities including music, dancing, and sex-play; leisure; a bicycle or, for a woman, possibly a sewing machine. Our Puritan outlook may condemn this as shiftless, but we should recognize that our economic system rests, to a great extent, on our Puritan heritage and cannot be exported to people who lack that heritage.

The priority of food in the rising expectations of most native peoples and the pressing need to increase food in the face of growing populations make agriculture the most urgent problem in any development scheme. But in agriculture, above all, we have little idea of what to do. U.S. agriculture looks like the most successful in the world; it arose in a context of cheap land and expensive labor, and sought high output per man-hour through labor-saving devices. Most underdeveloped areas have surplus labor and scarcity of...
Our agriculture, developed on temperate, glacial soils, with rain in all four seasons, has little to offer to underdeveloped, tropical, sun-created soils with seasonal rains and high ultra-violet radiations. The billion dollar fiasco of the Tanganyika ground-nut scheme of 15 years ago is a case in point. Quite different, but equally powerful, obstacles exist in Latin America (see Edgar Anderson, Plants, Man, and Life; Boston, 1952).

The unrealistic character of this book, even in the area Alexander knows best, can be seen by comparing it with such recent works, from the accultural point of view, as George M. Foster's Traditional Cultures and the Impact of Technological Change or Charles J. Erasmus' Man Takes Control: Cultural Development and American Aid. In fact, this work ignores things which are perfectly clear in earlier volumes from this same author. For example, he is fully aware, in other books, of the role played by armed forces in Latin American life. Yet here he ignores completely the vital problem of weapon control as part of the context within which economic development must operate. For example, he suggests (quite mistakenly) that agrarian reform (breaking up large estates) is a necessary condition for increased agricultural production (pp. 70-75) and suggests taxation up to 100 per cent of uncultivated large estates, but he does not consider for a moment that the success of this depends on who controls the local armed forces (as was shown so clearly in Spain in 1936-39). Alexander is prepared to ignore weapons and politics here, apparently because he considers them less fundamental than economics; but really they are more fundamental, for no development program can operate without political order which, in turn, is largely a question of weapon control (see, for example, Edwin Lieuwen, Arms and Politics in Latin America). The Congo's economic collapse is still too close for any of us to ignore the role of political stability and weapons in economic development, even in a primer on the subject.

Please email the editors (editors@carrollquigley.net) with corrections, questions, or if you have other works by Professor Quigley you would like to see posted.

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