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Development Paradigms: Old And New

By

Meheroo Jussawalla
&
George Beal
DEVELOPMENT PARADIGMS: OLD AND NEW

by

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1. Introduction

During the past four decades (since World War II) there has been an unprecedented emphasis on development: especially development of underdeveloped countries. Massive optimistic programs of capital infusion; science, technology and "expert" knowledge-transfer; central planning and incentives based on generally accepted (mostly Western) development models were mounted and carried out. Four decades later the very limited success of these programs is evident.

Gamini Corea, Secretary General of UNCTAD, addressing a world conference on Development in Sri Lanka in 1979 said that at UNCTAD V, governments had, for the first time recognized the problem of structural adjustment and agreed to work towards a negotiated solution. To quote him, "the number of poor in the world is large and rising. The prospects of hunger and starvation are increasing. In spite of the disarray in which both thinkers and doers find themselves there is hope - a blend of pessimism of intellect and optimism of will."

The World Bank in its Development Report for 1980 declares that "developing countries start the decade of the eighties facing two major challenges. First, they must strive to continue their social and economic development in an international climate that looks less helpful than it did a decade or even a year ago. Second, they must tackle the plight of 800 million people living in absolute poverty." Even today the statement made by Adam Smith holds true over the centuries that the prosperity of a nation depends on "the skill, dexterity and judgment with which its labor is generally applied."
The dimensions of world poverty are hard to visualize because absolute poverty means more than low income. It also means malnutrition, poor health, lack of education. As the World Bank Report for 1980 shows, even household surveys, if they exist "underrepresent the poor." In 1978, 550 million persons lived in countries where the life expectancy was less than 50 years, where the annual death rate of children aged one to four was 20 per 1,000—twenty times that of industrialized countries. Half of these people live in South Asia. One sixth live in East and Southeast Asia and another sixth in Sub-Saharan Africa. There is a strong correlation between the extent of poverty in a country and its GNP (see tables below). The proposition stands qualified because the connection between economic growth and poverty goes both ways. Economic growth that bypasses large numbers of people may not be the most effective way to combat poverty for developing countries.

Three decades against poverty

Income (GNP per capita in 1980 U.S. dollars)

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<th>1950</th>
<th>1960</th>
<th>1980</th>
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<tr>
<td>Industrialized countries</td>
<td>3,841</td>
<td>5,197</td>
<td>9,684</td>
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<tr>
<td>Middle-income countries</td>
<td>625</td>
<td>802</td>
<td>1,521</td>
</tr>
<tr>
<td>Low-income countries</td>
<td>164</td>
<td>174</td>
<td>245</td>
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Population (average annual percentage growth)

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<th>1950-60</th>
<th>1960-70</th>
<th>1970-80</th>
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<tbody>
<tr>
<td>Industrialized countries</td>
<td>1.2</td>
<td>1.0</td>
<td>0.7</td>
</tr>
<tr>
<td>Middle-income countries</td>
<td>2.4</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Low-income countries</td>
<td>1.9</td>
<td>2.5</td>
<td>2.3</td>
</tr>
<tr>
<td>Centrally planned economies</td>
<td>1.9</td>
<td>1.7</td>
<td>1.3</td>
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(World Bank World Development Report 1980, p. 34)
These realities have created great concern for policy makers. Doubts are being voiced at national and international fora about the models, theories and the concepts of development itself. The United Nations declared one after another three "development decades" and we are now in the fourth. International institutions like the UNCTAD, WHO, UNICEF and the UNDP have actively worked for researching and ameliorating living conditions and infrastructures of the very poor nations. A flood of literature has poured forth on the debate over the "old" and "new" paradigms of development.

It is the purpose of this paper to provide a brief historical perspective on the current debate and to delineate some of its main issues in terms of the paradigm of development.

II. Another Development?

There can be no final definition of development. Like the concept of "peace" the concept of development remains open-ended. It is conventional to present definitions of key concepts at the outset. In this paper, however, the definition itself, especially at the operational level is part of the debate on the old and new paradigms. It is only at the most general level that a semblance of agreement can be reached. For example, it is generally conceded that development is normative in that it assumes existing conditions are less than satisfactory. It specifies some future set of conditions which would serve as an improvement. The problems of definition differ widely even among LDCs. The concept then is both normative and policy oriented.

In its latter aspect it involves change—both physical and structural designed ultimately to evolve human change, i.e., investment in human capital pari passu with investment in physical capital. In economic
terms, development involves a process of perpetual disequilibrium. Those who live in developing countries know only too well that the path to development is strewn with vicious circles. These can be more or less vicious depending on the stage of development. Even to get on to the turnpike is a long and arduous process since there are no shortcuts to development. It involves two processes in history—development and underdevelopment. The positivist approach is being abandoned in favor of the functional structural approach. As Galtung repeatedly proclaims, this new approach must be "human beings oriented."

III. Development Theory in Historical Perspective

Revived interest in growth and development emerged after the Second World War. But the preoccupation with development can be traced back to the classical economists like Adam Smith, David Ricardo, Thomas Malthus, John Stuart Mill and Karl Marx, all of whom dealt with the causes and consequences of economic progress. The industrial world faced the challenge of development in the early thirties when their economies were gripped by depression and massive unemployment. Keynes offered a "costless" policy prescription: expansion of demand, credit creation, a public works policy all of which were exemplified in the American New Deal. But the problems of poor countries are very different and Keynesian economics with its emphasis on investment first and saving afterwards involved LDCs into development based on deficit financing—a technique which enabled policy makers to mortgage the future of their progeny. On the one hand the gloomy prognostication of Ricardo, Malthus and Mill did not take into consideration technological progress and rising productivity and on the
other, Karl Marx did not anticipate the era of welfare capitalism and its role as an aid giver to periphery countries.

At the close of the Second World War the Marshall Plan wrought miracles of rehabilitation in war-torn Western Europe and colonialism as a pattern of international relations ended. Politically free, the erstwhile colonial countries sought solutions to their problem of economic freedom, and assistance patterned on the Marshall Plan was tried and failed. Streeten argues that the cold war made it incumbent on the First and Second Worlds to attract the attention of the Third World. As aid poured in, mortality rates declined, birthrates exploded and real GNP growth deteriorated. Elite enclaves within LDCs reaped the harvest of foreign aid, but the poor at the periphery remained below the poverty line and their numbers grew.

Earliest of the Kenyanesian theories of growth and most relied upon as a growth strategy was the Harrod-Domar model. This model advocated investment as the motive force of growth coupled with increases in the capital-output ratio. Many refinements of this theory were tried out in India, Pakistan, Indonesia and the Philippines with appropriate allowances for the level of savings, capital depreciation and the operation of the capital-output ratio. From this emerged the two-gap theory that investment and development are restricted not only by domestic saving but by the paucity of foreign exchange for imports of capital equipment. An indigenous growth model evolving from Harrod-Domar, was the celebrated Mahalanobis model used in India's Second Five Year Plan. It used inter-sectoral growth rates emphasizing investment in the heavy industries sector and reaching the same kind of steady growth targets envisaged in the Russian and European growth theories.
None of these theories answered the basic question of what is the process of change by which a society transforms itself from a low saving and investment society to a high saving and investment one. Rosenstein Rodan recommended a Big Push to the economy of industrial investment. No single industry by itself can lead development; investment must generate growth and demand for the output of several industries. Nurkse argued for a balanced growth of several industries, all capital-intensive. The reaction to these recommended strategies came from Hirschman's advocacy of unbalanced growth or development of one large leading sector which would pull the economy up by its bootstraps. Soon it was recognized that economic dualism plagued the developing world and any theory that did not recognize the realities of dualism was doomed to fail.

Just as economists pinned their faith on investments in capital intensive industries, communication scholars relied on mass media to provide multiple development through media specific changes in agriculture, health and education.

The U.N.'s First Development Decade has been described by Mahbub ul Haq as "the truly innocent years" when development planners failed to focus on income distribution and access to information. Economic planning fell into disrepute, and pessimism permeated future programs of development. The goal of aggregate increases in GNP was called into question as a social objective. As late as 1969 the U.N. committee under the chairmanship of Lester Pearson recommended the old paradigm of industrialization boosted by external assistance.

The second phase of development theories proved equally elusive in improving the living conditions of the masses. Empirical results as they
flowed in, seemed to indicate that theories of redistribution with growth were nothing but old recipes of Big Push and Balanced Growth theories in a new garb and would turn out to be equally utopian. In the realm of communication, the big push of the mass media failed to mobilize the masses for development objectives and bolstered only the enclave economies that large doses of investment had generated in LDCs. The deprived segments of society were as deprived of information as of improved physical and social well-being. Diffusion of information was charged with widening the income gap and the communication effects gap instead of narrowing it.

In the Second Development Decade some countries openly challenged the old 'trickle down' paradigm and questioned growth with distribution. In 1972 the Planning Commission of the Government of India outlined a strategy of self-reliant and participatory development for the removal of poverty of the two lowest deciles of income earners. Special programs of meeting the minimum basic needs of nutrition, family planning, protected drinking water, rural roads and electrification were generated. These objectives still remain in place in the new Sixth Five Year Plan. Tanzania had a different perception of development articulated in the Arusha Declaration of 1967. It was intended to mark a watershed in development strategy. Basically it rejected the past model of urban-biased industrial development aided by foreign finance and technology. Tanzania inaugurated self-reliance through investment in human and land resources through Ujama villages in which there was community holding of land, cooperation and participatory development.

Viewed as bankruptcy of the old paradigm to deliver the goods, new explanations of underdevelopment were sought and led to the emergence of still newer paradigms.
IV. The Dependence Paradigm

Akin to Rostow's stages of economic growth from traditional society graduating from primary products to manufacturing to technological innovations (from takeoff to mature mass consumption) are the historical stages which developing countries have passed through: mercantilism, colonialism, imperialism, neo-colonialism. In other words, there are social scientists who believe that societies of the Third World were forced to cater to the needs and demands of European societies. This is defined by them as "structural dependence." Dieter Senghaas describes it as a "transfer of the economic need structure and reproduction dynamics of advanced societies into the inner sphere of the societies of the Third World." It led to an asymmetric dependence of the Third World or periphery countries on the metropoles of the industrialized nations. Economically it brought an arbitrary international division of labor with unequal consequences which led to the enrichment of the center and the impoverishment of the periphery.

To counteract this dependency some countries in Latin America and Asia resorted to import controls and import substitution. Neo-Marxist thought came to be merged with dependency and gave rise to the measurement of internal and external dimensions of dependence. Galtung maintained that structural imperialism emerged from this chain of metropolitan centers conditioning the processes of both development and communication. This structuralist tradition of the UN Economic Commission of Latin America emphasized the failure of exports to stimulate growth because of the alleged long-run decline in the terms of trade between primary products and manufactured goods.
Andre Gunder Frank vehemently supported the neo-Marxist tradition that capitalist development generates underdevelopment in satellite countries at the periphery. He coined the phrase, "the development of under-development." The monopoly structure of capitalism was in his view the cause for destroying the "potential" economic surplus of developing countries.

The dependency theory has been challenged by reverse dependency arguments. Rajni Kothari is of the opinion that the elite enclaves of developing countries use this dependency theory to masque their own self-development and it serves as an alibi for the elites to exploit the masses within LDC countries.

Another challenge to the doctrine of dependence comes from Rostow's most recent book, Why the Poor Get Richer and the Rich Slow Down. He supports the biological theory of economic development and contradicts the neo-Marxists by elaborate data on growth rates. He contends that over the years there has been a major relocation of industry from the rich north to the poor south, leaving a vacuum in the north and changing the familiar picture of dependency.

V. Strategy of Basic Human Needs (BHN)

Since the neo-Marxists had never accepted the stages of growth in the Rostovian sense, their doctrines led to the exploration of the concept of Basic Human Needs. This concept was articulated at an ILO conference in 1976 which recommended that development planning should include the explicit goal of satisfying basic human needs of LDCs by the year 2000. The monetary and energy crises of the seventies had led to pessimistic forebodings of the Third World facing 'triage' and the need to use a "life boat strategy" to save the poor people of the world.
The major difference in the BHN strategy and the older paradigms is that emphasis has shifted from income per capita to the social and physical quality of life. BHN usually covers such needs as food, clean drinking water, housing, health, education, job opportunity, access to resources such as credit, skill formation, information. It covers dignity and self-fulfillment of the individual along with participation in decision making. To most, the achievement of these goals requires much more than redistribution of income—it involves massive structural changes (international and national). This BHN strategy reflects considerable consensus among leading thinkers and policy makers.

Meeting the basic needs of nearly a billion poor people entails not just redistribution, but calls for drastic changes in the very structure of production de-emphasizing luxury goods. It involves larger supplies of basic goods and of purchasing power and expansion of public services.

Streeten urges the development of efficient labor-intensive technologies, appropriate for the sociocultural and climatic conditions of developing countries. To quote Streeten, "the whole process should embrace human and social as well as economic development."

VI. Doctrine of Self-Reliance

In 1970 the Group of 77 (now 130) non-aligned countries met at Lusaka and declared self-reliance to be a strategic concept to which they pledged their future policies. In 1974 they met again at Cocoyoc (Mexico) and further supported the principle of SR by which time claims for a New International Economic Order were simultaneously articulated. It does not involve autarchy but the rationale for SR lies in priorities for self-reliance in meeting basic human needs, compatibility with local conditions, utilization of local resources, better ecological balance.
Free enterprise proponents as well as socialist theorists, while advocating self-reliance have neglected the problem of size of the population and given resources. For instance, free market theorists assume perfect mobility of the factors of production like capital and labor. Socialist theories make no such assumption. The reality is that it may be easier for USSR and the Peoples Republic of China to practice self-reliance. Small countries like the islands of the Pacific and the Caribbean may have to work for collective self-reliance as the ASEAN countries have done (Association of Southeast Asian Nations). In an international context SR involves greater flows of trade and communication on a South-South basis to minimize dependence on the advanced nations.

The lack of effective political and social institutions in LDCs, their periphery people have not so far reaped the many intended benefits from anti-poverty programs, especially in terms of meeting basic human needs. No dent in poverty can be expected, according to Minhas, until the target groups can be identified and their dimensions of poverty determined. Redistribution of welfare becomes meaningless when there is no substantial base or nucleus from which to redistribute. Therefore, it is contended that self-reliance is a better strategy of development because it enables the poor to help their own growth. However, a value laden issue in political terms may be whether basic needs are consistent with basic freedoms. Basic human rights may include the right to communicate or refuse to do so, the right to participate or not to participate.
VII. Indigenous to Global Meta Theory of Development

Economic development is not the result simply of applying theories or models or calculating growth paths but is an integral part of the dynamic process of a society's growth as a whole. Jussawalla argues that this is the essence of the difference between economic growth and development. While the former postulates an expansion of the existing economic structure, the latter requires structural changes which must be endogenous and conceived from within. Therefore, it is held that the latter process is of relevance to the objectives of development.

Populist models voicing the interests and values of peasant societies and rural cultures are being advocated in LDCs. For instance, Russian populist models initially influenced planning in China and to some extent, India. Gandhi, Mao, Nyerere generated populist development models in the Third World. In the West it was encouraged by the work of Schumacher, Illich, and Brox. Populism is differentiated from political demogogy.

Third World countries are moving towards indigenization of social science and development thinking. Social reality in LDCs is seen as very different from Western models. Intellectual emancipation may be viewed as a corollary to economic self-reliance. It requires adequate production, storage and retrieval of information. This process may be a long-term one depending on how deep the the penetration of Western ideas has been. Simultaneously many Western intellectuals are in an introspective mood working towards the merging of two new streams of thought towards the formation of a global meta theory of development. There is speculation over the relationship of Western cosmology and its integration with populist models emerging from the Third World. The flowering of such a global model is expected to provide answers that have so far eluded the periphery countries.
Institution building is vital to such model building. Policy oriented research must be interdisciplinary and pragmatic in its approach. Research institutions like the East-West Center, the International Peace Research Institute, the International Foundation for Development Alternatives, the Institute for Development Studies (Sussex), the Marga (Sri Lanka), the Latin American Institute for Transnational Studies, and the Indian Council for Social Science Research should facilitate the exploration of global meta theories of development. However, the question remains whether there can be a single theory. Beyond the question of the state of the art still remains the fundamental questions of diversity of goals and means of development and cultural and ideological diversity.

VIII. Communication and the New Paradigm

If, in fact there is a "passing of the dominant paradigm" there goes with it the emphasis on aggregate economic growth, transfer of capital-intensive technology, centralized planning, persuasive educational campaigns. Human needs, indigenous technology, decentralization, self-reliance and participatory communications emerge.

How might these changes impact on communication's orientation and role? There will still be the need for massive amounts of information and knowledge--perhaps even more than at the present because of local self-reliance. However, the role of centrally determined common mass media messages may be less important. The historical mass media systems: print media, radio, film and television will have to be creatively adapted to meet more localized community and individual human needs. With increased emphasis on quality of life, there would probably be increased emphasis on social services related to rural welfare, health, family planning, literacy and nutrition. In all probability the historically evolved media will have
their roles to play too. The Chinese experience has demonstrated that through localized systems of posters, barefoot doctors, agricultural communes and other interpersonal systems, a viable alternative to top-down one-way flow of communications had the desired effects.

While the technological revolution speeds on and yesterday's technology becomes obsolete today as James Martin elaborates in his Wired Society, LDCs will adapt it for appropriate indigenous use. The fact remains, whatever type of hardware system is chosen, it will have to be one that is attentive to the needs of local conditions. The role of software becomes all important in this area and software generation is better suited for two-way communication flows. Formulating messages concerned with horizontal and "feed forward" vertical communication can be constructed. It is possible that interpersonal, demonstration, organizational and traditional networks may be used to a greater extent than before. The dualism of traditional and modern systems will need to be combined to exist side by side especially in areas of development like agriculture, health, handicraft production, small-scale industries and education.

Schramm, Lerner and Rogers declare the need for a new value orientation and that big and small media can flourish side by side and each society must base its changes on its internal experiences. If the elite have so far been the major beneficiaries of communication systems, thereby creating a communication effects gap, then change is critical not only in the media but in the institutional structures that make such gaps possible.

As self-help programs gather momentum and information flows get set up between governments and their remotely located majority population, new areas of research open up for the use of communication and social technology as Rogers describes it. The economic costs of new systems: satellites,
cable TV, fibre optics, computers, facsimile, view data, and teletext need to be offset by the total matrix of social welfare of the poorest sections of LDC societies. Will communication scientists rise to the challenge? Will old and new paradigms give way to still newer ones? Will policy markers at the national and international levels recognize the realities and complexities of development?
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