

A NEW CONCEPT OF DEVELOPMENT

Basic Tenets

François Perroux

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Volume 105

 **Routledge**
Taylor & Francis Group
LONDON AND NEW YORK

First published in 1983

Published 2014 by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

Simultaneously published in the USA and Canada
by Routledge
711 Third Avenue, New York, NY 10017 USA

Routledge is an imprint of the Taylor & Francis Group, an informabusiness

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British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

ISBN 13: 978-0-415-58414-2 (Set)

eISBN 13: 978-0-203-84035-1 (Set)

ISBN 13: 978-0-415-60210-5 (Volume 105)

eISBN 13: 978-0-203-83538-8 (Volume 105)

Publisher's Note

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A New Concept of Development

BASIC TENETS

François Perroux

CROOM HELM
London & Canberra

UNESCO
Paris

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First published 1983 by the United Nations Educational, Scientific and Cultural Organization,

7 Place de Fontenoy, 75700 Paris, France

and

Croom Helm Ltd, Provident House, Burrell Row,

Beckenham, Kent BR3 1AT, United Kingdom

British Library Cataloguing in Publication Data

Perroux, François

A new concept of development.

1. Development psychology

I. Title

155 BF713

ISBN 0-7099-2040-7 (Croom Helm)

ISBN 92-3-102057-9 (Unesco)

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FOREWORD: DEVELOPMENT – TO WHAT END?

M.A. Sinaceur

Philosophy and Development Theory

Philosophy? Development? How are they connected? What traditional links are there between them? Diverse considerations point to the existence of some basic link. Firstly, it has been recognized since Plato's time that thought proceeds from contradiction, and the notion of development brings out the major paradox of our era: the desire for progress and mistrust of its consequences. Secondly, the approach to the whole question of development is, at once, the key to an understanding of the present and the real and, conversely, reflects in positive, critical terms a demand which must be regarded as springing from a rational view of the present, giving us a glimmer of light in the gloomy prospect facing mankind as the century draws to a close, or representing the first-fruits of a pattern for the future which will shape our potential to fit our designs.

What of the philosopher himself? What rôle can he play today? Simply that of a man who, despite the risks, in a field where actions and ideas are exposed to the extreme limit of egoism and ideology, seeks to demonstrate the illuminating value of intellectual effort. Analysing the ideas and theories propounded by the economic approach is an integral part of his elucidatory work, and in particular of the philosophical task. The latter's purpose and questioning aim not so much to impose a formula of the truth as to clarify the meaning and direction of research, which, like 'all knowledge and all ignorance', is especially prone 'to take opportunist paths'. Not that it is a matter merely of criticizing the biased orientations of research on development: also and above all eternal vigilance is needed, for the development universally desired and advocated cannot alter the fact that 'tyranny always has a happy beginning'.

No one is better qualified to say this than François Perroux, for whom the economic approach is not simply a matter of standing up to the test of reality but seeks to uphold the logic of truth in both the epistemic and the practical sphere, both as discursive truth and as

2 Foreword

ethical truth. As truth unqualified, we should say, even if we were to abandon the attempt to define truth (which is more than a symbol or convenient convention), admitting – to illustrate the difficulty – that Saint Augustine's comment about time applies also to truth: we know that it is when no one asks us but not when we try to explain it! What is involved is something much more than calculated truth, truth-as-validity, or the rehabilitation of some particular system of values: we must aim at action that is constantly inspired by meditation on the meaning of action and the meaning of knowledge, leading to thought that is both meditative and practical, paying as much attention to our refusals and resistances as to the analysing of our doctrines and our theories. Thought in this context is in harmony with action in its highest significance. It strengthens us in our insecurities; it is a bright ray of hope; it is essential for the pursuit of that ideal of maximum results at minimum cost without which economics can neither exist nor be imagined; it bolsters our aspirations. It rescues them from the very real concatenation of dangers which, when statically assessed, leads us to confuse the crabbed old age of worn-out civilizations with the future fate of civilization itself. To say, as the poet might have done, that the promises of enlightenment may one day turn out to be 'a vain fancy refuted by the shadows' is merely to say that enlightenment is not vouchsafed to all. Development has not taken place: it represents a dramatic growth of awareness, a promise, a matter of survival indeed; intellectually, however, it is still only dimly perceived.

A Term with Many Meanings

Let us consider whether the term itself is to blame, at least in part, for this obscurity. 'Development' means both the act of developing and the resultant state. The ambiguity, however, is compounded by another, more fundamental, ambiguity rooted in the vitalistic images and even in the very substance of the history and science of life, where it invariably implies a statement on the essence of becoming, of change and of evolution.

Before taking on economic significance and political and polemical functions, which can be seen in the constantly reiterated distinction between development and growth, in the apologia of development and in criticism of the 'myth' of development, the 'religion' of development, the 'illusions' of development, etc., the

term suffers from the original sin of having been born from the encounter of two realities: everyday reality, with its cohort of familiar images conjured up by the idea of anything that grows, and scientific reality, with the succession of changes, crises and corrections peculiar to it. And this history weighs all the more heavily on the notion because its evolution, in the context of the social sciences, has stabilized neither its meaning nor the strict positivity demanded for a scientific concept.

For this reason, without postulating a causal connection between the notions of growth, development and progress, and without assuming a logical connection in the transition from biological to economic and social knowledge, it is worth while to draw attention to the significant stages in the line of enquiry that is steadfastly set on breaking the tenuous links between the images of reality and the description of facts. This can teach us, firstly, something about relativity: development has been taken to mean growth, and growth – in the early biologists' discussions on the relationship between generation and development – was contrasted with the notion of development, and hence with the definition of 'generation', as being merely 'increase in size'! Secondly, something about modernity that is perhaps as far-reaching in its implications as was the law of falling bodies within its sphere of application; since Harvey, development has been the operative concept of the theory disseminated by his *Exercitationes de generatione animalium* (1651), the theory that overturned the principle adopted by Aristotle of the classification of living creatures according to their method of generation and put in its place the principle of *ex ovo omnia* – a principle that treated as identical things differentiated by Aristotle, undermined the foundations of the theory of spontaneous generation and opened the way to epigenesis, omnigenesis and a theory of life based exclusively on knowledge of life. And lastly, something about the relationship between science and ideology, in the elaboration – as complex as it is exemplary – of the nineteenth-century evolutionism that has permanently impregnated the concepts of economics, sociology, psychology and the philosophy of history. It is true, of course, that the new concepts in embryology introduced by Von Baer (1828), from whom Darwin and Spencer took their ideas, played their part in the erection of biological theory and social philosophy, and legitimized the terms 'development' and 'evolution': evolution – because of the importance of the problem of natural selection in the life process;

development – because of the spread of the ideas on progress of Comte, Spencer and their followers. First, Auguste Comte, who held that progress is development and that it is biology that gives history its fundamental laws; ‘the term *development*, by its nature, has the inestimable advantage of directly determining wherein the true *perfecting* of mankind necessarily consists . . .’. (The italics are mine.) There is no idea of history being a human undertaking: it is nothing more than a law of nature. Hence development introduces and justifies the use of organic metaphors in representing human evolution as proceeding without crises, interruptions and innovations. Next, Spencer. Between Comte and Spencer, Darwin had introduced drama into life, with its essential reference to death; hence the different connotations preferred by Spencer at the end of the nineteenth century. The embryological model was succeeded by the epigenetic model, all evolution being regarded as proceeding from the simple to the complex, whether it be the evolution of the cosmos, of life, of man and his productions or of society and its forms. This increasing complexity, however, is the result of the organism’s interaction with agents different from itself. All evolution is epigenetic, entailing structural modification and transition from homogeneity to heterogeneity and hence both growth and development. Admittedly, Spencer – unlike Marx in another version of the same model – adopted only the epigenetic aspect of Darwin’s thesis concerning the struggle for life, as was to be expected both for reasons of tradition and because it enabled him to reconcile his synthesis with the requirements of political individualism and economic liberalism. The final result, then, was what has been called a vast engineering project, a specifically Spencerian project, based on totally unified knowledge. And the object of that project was to institute the various forms of cultural and social engineering that would fulfil on a world scale the promises of a specific model of human experience.

An Ideological Notion

We are therefore dealing with much more than the arbitrary extension of given concepts to domains in which their use is left ill-defined and poorly controlled because it is under-regulated. Under cover of an anti-theological view of things, there has grown up an anti-teleological view. What is more, it is a line of thought that

challenges ends but without criticizing its own means or questioning its standards, the latter being assumed but not explicitly stated or seen as such. It is also a line of thought that has compromised research in the social sciences by giving dominating powers the pretext of civilizing intentions with which to salve their consciences.

Turning to the present, the context changes but the ambiguity remains. Hence those modes of discourse in which fact is confused with value, the idolatry of origins with fascination with the future, and nostalgia for pre-development with confidence in the spread of progress. Has it not been said that development is the West reproducing itself, and that the world could develop differently? Such an utterance crystallizes deeper questioning, the anxiety generated by a critical future. The critical aspect there is no doubt a symptom of the fact that a conflict situation is sanctioned and even legitimized by the recognition that development can never be defined in a universally satisfactory way, i.e. for all countries, all experiences and all requirements. Nor is it enough to say that development should be carried out differently, that it should take various paths. What then should determine this diversity within diversity? A form of development? Which one? What makes it 'a form of . . .' and of what development is it a form? If the paths so far followed seem impracticable, the paths ahead also seem impenetrable. We oscillate between a model that has lost its virtue and charm and an idea that has yet to demonstrate its effectiveness. This is in plain language what is usually referred to as 'the crisis'. For to paraphrase a famous remark, the problem of human destiny is nowadays expressed in terms of development: and the joint effort for the development of all takes on such urgency and dimensions that it is confused with survival and peace. The peace in question is world peace, hampered by the accumulation of wealth and productive and organizational innovation at specially favoured points; or redistributive peace in the sense that the economic system that causes conflicts reproduces them, in today's complex world, in the deepest strata of society, which are also the most vulnerable.

This cannot be regarded as a localized problem, short of proving that there are political and social microsystems capable of being understood without reference to the global, and hence international, environment; or else that resistance to the breaking-down process, which subordinates all development to the reproduction of an identical model, seems efficient; or again that the movement which opposes the integration process, the cause of the worst

disparities, and the internationalization for the benefit of the world productive system, has finally succeeded in preventing all human societies being absorbed by the modern economic machine, with its financial resources, its technology and its markets. Failing such proof, the striking thing is the evidence of development gone astray; the export of staple produce, import substitution, industrial exports. The result is the crisis of development, which is a real crisis, and then crisis ideology and the crisis of theory. What we then have – since we have arrived at the stage of a general formulation – is certainly a universal problem. It can be summed up in a word: the causal connection between growth and development is unsound, and the idea that growth leads to development even more so, bearing in mind that what lies behind this is not words but 800 million victims of abject poverty! But the universality of the problem also remains to be demonstrated. The language of challenges helps to do this. But is it not too dramatic, too partial, too unilateral? François Perroux suspected as much 20 years ago! The rehearsal of the challenges is always linked to the following question: ‘How can we change the societies and cultures *we* meet so as to make them suitable for *our* kind of industrialization?’ or worthy of a growth enriched by the injection of doses of generosity. As though the fact of being a society different from the *prevailing* model were an obstacle to development, the cause and reason of the ‘crisis’, and this theory of poverty did not also mask the poverty of the theory. All in all, what we are concerned with is not so much a universal crisis as an appearance of universality associated with the nature of the international scene.

Nevertheless, It Points to Universality

The crisis is therefore worldwide. But in a new sense. For this is not a critical moment in a continuing process, but the breakdown of that process. On the one hand we have integration, internationalization and universalization; and on the other problems which lead inevitably to individualization, the emergence of the regions and demands for identity. Opposing movements are not opposite parts of one and the same movement. They are indicative of potential universality, not because their arena is the same world, or because the underdevelopment of some and the overdevelopment of others are complementary aspects of ‘misdevelopment’; but also and

above all because the required solution must be the proper development of all – in other words a political and cultural blueprint worthy of a world in which mankind would only have to undertake the tasks it can properly carry out because they correspond to problems it can effectively state and solve. This, of course, is only a subjective view of the crisis, extrapolated to its limits from the standpoint of its undesirable aspects: employment crisis, crisis of the towns, oil crisis and the end of affluence, or else a worsening of general destitution and the pauperization of the majority in the world. All in all, though cynicism teaches that even death is viable, if the human rights to work and dignity still have any meaning, the world of conflicts in which we live is not a viable world. Granted. Whether we reject *homo consumens* or can no longer meet his needs, the challenges are the same. That which we reject and can no longer provide leads us on to criticize the models of education, the ideas of science and culture and the ends of politics. Here young people's spontaneous thinking about emancipation, human rights and peace links up with the nations decolonization movements and the anxieties of contemporary thinkers. Movement links up with movement; and the crisis is seen to be a crisis in the order of things and in the process it engenders and controls. A challenge to its legitimacy too, and all the more painful in that the prevailing universality is challenged and discredited by the universality which identity prompts us to demand. A crisis of modernity, too. The promises and speeches which for long portrayed history as a unifying process have now revealed the reality; and it is an economy and a technology which have seized upon the goods of the defeated and now threaten to seize the one good left to them, viz. their souls. The image of progress is tarnished: poverty and violence give it the lie. But it is still prevalent, for the idea of a balanced, differentiated growth comparable to organic growth (and comparable, moreover, to the growth of a biological organism shaped by the process of natural selection¹ . . . as though the state of the world were the product of natural history) is still stressed. As though the process of integration-disintegration ruled out any positive constructive intention to provide a secure basis for development or to set up a new world movement which, like the computers of the future, would think not so much in series as in parallel. Like the 'multiple history' to come, it would take the form of co-ordinated chronologies, rather than the homogeneous mode of history to which other histories, despising the multiplicity of social and

historical eras and the diversity of cultures that converge in tomorrow's universality, are subordinated.

A Sociologically-based Approach

We are indebted to the epistemological sensitivity of François Perroux, determined to conceptualize that which organicist metaphor sought to conceal, for something which neither Neoclassicism nor Keynesianism gave us.

His effort runs in several directions.

The first step is to place growth, development, progress and social progressiveness in the context where their meaning can be made clear: that of science-oriented economics 'considered' as a science. Not that all metaphors are to be rejected, but there are some metaphors which mask and obstruct thought; others are more heuristic. In this attempt at rethinking, it is a question not of understanding scientific method but of getting it to move forward. The aim is more subtle: to find a middle way between ideas unrelated to facts and facts unsupported by ideas. For if we are to enter the field of economics, it is because it can be the scene of enlightened decisions and actions – and enlightened by knowledge. Economics is also a mode of action which has become the object of scientific investigation and continual critical analysis.

Admittedly the increasing naivety of economists, as of pretty well all social scientists, has been deplored. Some have suggested subjecting them to sociological study: the sociology of the social sciences and sociologists. Recourse to logic has even been recommended. And this is important: taken literally, this recommendation cannot be put into practice without carrying out a specific programme of formalization, justification and elucidation of observable facts, aligning and matching expression with experience. That which causes or explains economic and social change must be covered by this conceptual flexibility which is more significant than etymology, more operative than semantics and more efficient than pure philosophy, and which aims at an intelligent grasp of economic phenomena. Analysis therefore focuses on the field of real forces where active units confront one another: the individual or collective subjects of the economy.

Its characteristic: the omnipresence of power. Its specific features: relations between unequal partners, and dissymmetries.

Observation is then photography, a close interpretation of series of data that history illuminates but does not explain. That history should count for something is in itself a gain! It rounds off an analysis which the reader will clearly understand on reading François Perroux' book. It adds a temporal dimension to growth in the usual dimensions; for economic reality, even when reduced to the measurements that describe it, remains a datum in real 'space-time', space that is limited and time that runs out. It culminates in the analysis of the structural changes, types of organization and lines of force through which social advances pass. Growth, an indicator of size, takes on significance from the development which surrounds it, while remaining distinct from it, and as it advances, shows its effectiveness. Economics is no longer, in this case, a science of the relationships between things, but a praxis of competitive complicities and co-operative conflicts, as different from the components of the homogeneous market regulated by the price mechanism as it is from the struggles for prestige and the fight to the death illustrated by the dialectic of master and slave. François Perroux thus postulates as the principle of *science-oriented economics* a fundamental axiom: life, the combination of forces that resist death.

Convergence of Science and Values

It follows that science here coincides not only with common sense but with perspicacity: the peoples' realization, as François Perroux says, 'that they had been duped into passively accepting ideas, formalizations and strategies which not only had not been arrived at on the basis of their own experience, but had been furnished them by the West' and thrust upon them to serve the purposes of the wealth-owning powers alone. He was accordingly interested in the central theme of the meeting that Unesco organized in Quito (Ecuador) from 27 to 31 August 1979 on the idea of overall, endogenous and integrated development; of these three concepts, endogeneity is probably the most difficult: signifying the mobilization of nations' domestic resources, it means primarily taking into account the system of cultural values deserving respect, and not merely the system of values that are calculable. It means confronting the secret, hidden truth, that development is impossible without the participation of all those for whom it is

meaningful, and that it cannot take place if it goes against their interest, representing deprivation under the cover of dubious promises. It consists in achievement, fulfilment and liberation. It is not a topic for academic debate between pessimists and optimists: no one can dismiss as unrealistic the effort to use knowledge and action to launch a movement that is more conducive to the achievement of human aspirations and more attuned to scientific requirements.

Development for All People and for the Whole Person

Development, then, may be seen as the focus of a tension leading to the creation of knowledge and value, which it is Unesco's duty to foster and to advantage.

It must do this through philosophical reflection, which is useful in more than one respect: development does not result from spontaneous evolution, it is not the outcome of a consensus on the common interest, it cannot be reduced to the realization of models devised by experts, and it goes beyond a straightforward moral injunction to satisfy human needs. Although some of these factors contribute to its advancement, it must necessarily be the fruit of resolute endeavour, in which the constraints of reality and the constraints of truth converge.

For all social scientists, but especially for economists, this must be a requirement specifically depending on the self-awareness of a body of knowledge that is capable of looking again at its own foundations, linking up with other bodies of knowledge and assessing the relativity of its basic tenets and the impact of the powers to which it is exposed by reason of its naivety. The effort of critical reassessment helps us discern the conditions governing cognition, and reminds us that reality itself cannot escape from the hold of truth and that a rigorous approach is indispensable. And if it be asserted that the old philosophy of development is associated with historical conditions and circumstances that have changed, then we may reply that it is an exhilarating intellectual undertaking to think out the conditions governing the historical possibility of the new development. Our present reality demands it. Philosophy needs only to remind us that this new development is something other than an extrinsic imperative depending on circumstances: it is the idea of the context of new meanings that will make freedom

tangible. This is the idea that François Perroux has constantly set before us and that will, if we address our efforts to it, lead us forward into a new world.

28 October 1981

The opinions expressed in this book are the responsibility of the author alone and do not necessarily represent the views of Unesco.

Notes

1. See the text quoted in Maurice Byé – G. Destanne de Bernis – *Relations économiques internationales*, J, 4th ed., p. 1020.

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PREFACE

The redistribution of world power since the last war has produced a chain reaction which called for a review of traditional ways of thinking about economics, society and relationships between nations. Doctrines out of Europe are criticized and rejected by the underprivileged peoples, who can now bring out into the open the resistance they long nursed in resentment and silent protest. With the upsurge of emergent nations and common peoples no longer willing to be forgotten, trends of thought are appearing under the impetus of wide-ranging and irreversible aspirations.

They take on form and meaning in the quest for a *new international economic order* and a *new development*. It is the latter that Unesco suggested I should write about by way of follow-up to a recent meeting of experts in Quito (Ecuador).¹

I did not object, though well aware of the responsibility that fell on me and of the intimidating task of writing an introduction to the philosophy of development. Since for 30 or so years² I have been engaged in describing and analysing development, I hope I will not be accused of idle presumption: my aim is to make a modest contribution to the efforts of the many capable teams at work throughout the world. It may be that every conscientious economist owes it to them to search his conscience, together with them, about what he has done, and to bear witness to what his chosen discipline is capable of.

My personal conviction is that emphasis on development presages radical changes in the field of economics and in the analytical tools used therein. The point is that development has to do with man as subject and agent, and with human societies and their aims and obviously evolving objectives. Once the idea of development had been accepted, a series of new developments could be expected, conditioned by successive variations in human values and the way they have historically been translated into deeds and action.

The call for a different kind of development³ comes at a time when world development strategies have not had the results expected of them. While the first Development Decade was positive, the second did not achieve its aims: neither a 6 per cent

growth rate, nor the amount of official aid (1 per cent of the gross national product of the developed countries for total aid, .7 per cent for official aid), nor efficient co-ordination of action.

The *new* development sets out to be 'global', 'integrated' and 'endogenous'. Each of these terms has several meanings, and combining them does not give a univocal meaning. Moreover, the disparity of interests involved gives rise to contradictory interpretations.

It is as well to pinpoint these difficulties from the outside before determining them analytically.

Global describes a view of all the dimensions of a human whole and the disparity of aspects that must be accepted in their interrelationships, over and above specific analyses. The term is of course applied to entities of different sizes and structures, such as a nation, a group of nations or the whole world.

Endogenous, in normal mathematical parlance, refers to the variables that make up the selected system of equations, as opposed to the exogenous variables which represent data and may be subjected to different logical processing. In the vocabulary of international organizations, however, the adjective is used to denote a nation's internal strengths and resources and their rational exploitation and use.

As for *integrated*, the polysemy of the word is obvious. If a number of nations are integrated, they are grouped together in a more coherent whole. More generally, the term 'integration' denotes the grouping together of units or factors to form a single whole. Integrated development may therefore mean either the integration of a number of regions or increased cohesion between sectors, regions and social classes. The two meanings are mutually compatible when appropriately analysed.

It is important to realize at the outset that each of the terms may be interpreted by different interests on the basis of economic doctrines which start from different premises and hence lead to different recommendations. Rational and historical trickery in international negotiations produces opposing interpretations, which vested interests then apply to generalizations. Thus global development draws criticism from econometricians accustomed to their own indicators of growth, decline in growth and rate of growth; they are tempted to say that development does not offer the same rewards when indicated by many indicators. As for the advocates of development, some will rather stress its external