

# Encountering Development

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THE MAKING AND UNMAKING OF  
THE THIRD WORLD

*Arturo Escobar*

With a new preface by the author

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DEPARTMENT OF ANTHROPOLOGY

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## INTRODUCTION: DEVELOPMENT AND THE ANTHROPOLOGY OF MODERNITY

There is a sense in which rapid economic progress is impossible without painful adjustments. Ancient philosophies have to be scrapped; old social institutions have to disintegrate; bonds of caste, creed and race have to burst; and large numbers of persons who cannot keep up with progress have to have their expectations of a comfortable life frustrated. Very few communities are willing to pay the full price of economic progress.

—United Nations,  
Department of Social and Economic Affairs,  
*Measures for the Economic Development of  
Underdeveloped Countries*, 1951

IN HIS inaugural address as president of the United States on January 20, 1949, Harry Truman announced his concept of a “fair deal” for the entire world. An essential component of this concept was his appeal to the United States and the world to solve the problems of the “underdeveloped areas” of the globe.

More than half the people of the world are living in conditions approaching misery. Their food is inadequate, they are victims of disease. Their economic life is primitive and stagnant. Their poverty is a handicap and a threat both to them and to more prosperous areas. For the first time in history humanity possesses the knowledge and the skill to relieve the suffering of these people. . . . I believe that we should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life. . . . What we envisage is a program of development based on the concepts of democratic fair dealing. . . . Greater production is the key to prosperity and peace. And the key to greater production is a wider and more vigorous application of modern scientific and technical knowledge. (Truman [1949] 1964)

The Truman doctrine initiated a new era in the understanding and management of world affairs, particularly those concerning the less economically accomplished countries of the world. The intent was quite ambitious: to

bring about the conditions necessary to replicating the world over the features that characterized the “advanced” societies of the time—high levels of industrialization and urbanization, technicalization of agriculture, rapid growth of material production and living standards, and the widespread adoption of modern education and cultural values. In Truman’s vision, capital, science, and technology were the main ingredients that would make this massive revolution possible. Only in this way could the American dream of peace and abundance be extended to all the peoples of the planet.

This dream was not solely the creation of the United States but the result of the specific historical conjuncture at the end of the Second World War. Within a few years, the dream was universally embraced by those in power. The dream was not seen as an easy process, however; predictably perhaps, the obstacles perceived ahead contributed to consolidating the mission. One of the most influential documents of the period, prepared by a group of experts convened by the United Nations with the objective of designing concrete policies and measures “for the economic development of underdeveloped countries,” put it thus:

There is a sense in which rapid economic progress is impossible without painful adjustments. Ancient philosophies have to be scrapped; old social institutions have to disintegrate; bonds of cast, creed and race have to burst; and large numbers of persons who cannot keep up with progress have to have their expectations of a comfortable life frustrated. Very few communities are willing to pay the full price of economic progress. (United Nations, Department of Social and Economic Affairs [1951], 15)<sup>1</sup>

The report suggested no less than a total restructuring of “underdeveloped” societies. The statement quoted earlier might seem to us today amazingly ethnocentric and arrogant, at best naive; yet what has to be explained is precisely the fact that it was uttered and that it made perfect sense. The statement exemplified a growing will to transform drastically two-thirds of the world in the pursuit of the goal of material prosperity and economic progress. By the early 1950s, such a will had become hegemonic at the level of the circles of power.

This book tells the story of this dream and how it progressively turned into a nightmare. For instead of the kingdom of abundance promised by theorists and politicians in the 1950s, the discourse and strategy of development produced its opposite: massive underdevelopment and impoverishment, untold exploitation and oppression. The debt crisis, the Sahelian famine, increasing poverty, malnutrition, and violence are only the most pathetic signs of the failure of forty years of development. In this way, this book can be read as the history of the loss of an illusion, in which many genuinely believed. Above all, however, it is about how the “Third World” has been produced by the discourses and practices of development since their inception in the early post-World War II period.

## ORIENTALISM, AFRICANISM, AND DEVELOPMENTALISM

Until the late 1970s, the central stake in discussions on Asia, Africa, and Latin America was the nature of development. As we will see, from the economic development theories of the 1950s to the "basic human needs approach" of the 1970s—which emphasized not only economic growth *per se* as in earlier decades but also the distribution of the benefits of growth—the main preoccupation of theorists and politicians was the kinds of development that needed to be pursued to solve the social and economic problems of these parts of the world. Even those who opposed the prevailing capitalist strategies were obliged to couch their critique in terms of the need for development, through concepts such as "another development," "participatory development," "socialist development," and the like. In short, one could criticize a given approach and propose modifications or improvements accordingly, but the fact of development itself, and the need for it, could not be doubted. Development had achieved the status of a certainty in the social imaginary.

Indeed, it seemed impossible to conceptualize social reality in other terms. Wherever one looked, one found the repetitive and omnipresent reality of development: governments designing and implementing ambitious development plans, institutions carrying out development programs in city and countryside alike, experts of all kinds studying underdevelopment and producing theories *ad nauseam*. The fact that most people's conditions not only did not improve but deteriorated with the passing of time did not seem to bother most experts. Reality, in sum, had been colonized by the development discourse, and those who were dissatisfied with this state of affairs had to struggle for bits and pieces of freedom within it, in the hope that in the process a different reality could be constructed.<sup>2</sup>

More recently, however, the development of new tools of analysis, in gestation since the late 1960s but the application of which became widespread only during the 1980s, has made possible analyses of this type of "colonization of reality" which seek to account for this very fact: how certain representations become dominant and shape indelibly the ways in which reality is imagined and acted upon. Foucault's work on the dynamics of discourse and power in the representation of social reality, in particular, has been instrumental in unveiling the mechanisms by which a certain order of discourse produces permissible modes of being and thinking while disqualifying and even making others impossible. Extensions of Foucault's insights to colonial and postcolonial situations by authors such as Edward Said, V. Y. Mudimbe, Chandra Mohanty, and Homi Bhabha, among others, have opened up new ways of thinking about representations of the Third World. Anthropology's self-critique and renewal during the 1980s have also been important in this regard.

Thinking of development in terms of discourse makes it possible to main-

tain the focus on domination—as earlier Marxist analyses, for instance, did—and at the same time to explore more fruitfully the conditions of possibility and the most pervasive effects of development. Discourse analysis creates the possibility of “stand[ing] detached from [the development discourse], bracketing its familiarity, in order to analyze the theoretical and practical context with which it has been associated” (Foucault 1986, 3). It gives us the possibility of singling out “development” as an encompassing cultural space and at the same time of separating ourselves from it by perceiving it in a totally new form. This is the task the present book sets out to accomplish.

To see development as a historically produced discourse entails an examination of why so many countries started to see themselves as underdeveloped in the early post-World War II period, how “to develop” became a fundamental problem for them, and how, finally, they embarked upon the task of “un-underdeveloping” themselves by subjecting their societies to increasingly systematic, detailed, and comprehensive interventions. As Western experts and politicians started to see certain conditions in Asia, Africa, and Latin America as a problem—mostly what was perceived as poverty and backwardness—a new domain of thought and experience, namely, development, came into being, resulting in a new strategy for dealing with the alleged problems. Initiated in the United States and Western Europe, this strategy became in a few years a powerful force in the Third World.

The study of development as discourse is akin to Said’s study of the discourses on the Orient. “Orientalism,” writes Said,

can be discussed and analyzed as the corporate institution for dealing with the Orient—dealing with it by making statements about it, authorizing views of it, describing it, by teaching it, settling it, ruling over it: in short, Orientalism as a Western style for dominating, restructuring, and having authority over the Orient. . . . My contention is that without examining Orientalism as a discourse we cannot possibly understand the enormously systematic discipline by which European culture was able to manage—and even produce—the Orient politically, sociologically, ideologically, scientifically, and imaginatively during the post-Enlightenment period. (1979, 3)

Since its publication, *Orientalism* has sparked a number of creative studies and inquiries about representations of the Third World in various contexts, although few have dealt explicitly with the question of development. Nevertheless, the general questions some of these works raised serve as markers for the analysis of development as a regime of representation. In his excellent book *The Invention of Africa*, the African philosopher V. Y. Mudimbe, for example, states his objective thus: “To study the theme of the foundations of discourse about Africa . . . [how] African worlds have been established as realities for knowledge” (1988, xi) in Western discourse. His con-

cern, moreover, goes beyond "the 'invention' of Africanism as a scientific discipline" (9), particularly in anthropology and philosophy, in order to investigate the "amplification" by African scholars of the work of critical European thinkers, particularly Foucault and Lévi-Strauss. Although Mudimbe finds that even in the most Afrocentric perspectives the Western epistemological order continues to be both context and referent, he nevertheless finds some works in which critical European insights are being carried even further than those works themselves anticipated. What is at stake for these latter works, Mudimbe explains, is a critical reinterpretation of African history as it has been seen from Africa's (epistemological, historical, and geographical) exteriority, indeed, a weakening of the very notion of Africa. This, for Mudimbe, implies a radical break in African anthropology, history, and ideology.

Critical work of this kind, Mudimbe believes, may open the way for "the process of refounding and reassuming an interrupted historicity within representations" (183), in other words, the process by which Africans can have greater autonomy over how they are represented and how they can construct their own social and cultural models in ways not so mediated by a Western episteme and historicity—albeit in an increasingly transnational context. This notion can be extended to the Third World as a whole, for what is at stake is the process by which, in the history of the modern West, non-European areas have been systematically organized into, and transformed according to, European constructs. Representations of Asia, Africa, and Latin America as Third World and underdeveloped are the heirs of an illustrious genealogy of Western conceptions about those parts of the world.<sup>3</sup>

Timothy Mitchell unveils another important mechanism at work in European representations of other societies. Like Mudimbe, Mitchell's goal is to explore "the peculiar methods of order and truth that characterise the modern West" (1988, ix) and their impact on nineteenth-century Egypt. The setting up of the world as a picture, in the model of the world exhibitions of the last century, Mitchell suggests, is at the core of these methods and their political expediency. For the modern (European) subject, this entailed that s/he would experience life as if s/he were set apart from the physical world, as if s/he were a visitor at an exhibition. The observer inevitably "enframed" external reality in order to make sense of it; this enframing took place according to European categories. What emerged was a regime of objectivism in which Europeans were subjected to a double demand: to be detached and objective, and yet to immerse themselves in local life.

This experience as participant observer was made possible by a curious trick, that of eliminating from the picture the presence of the European observer (see also Clifford 1988, 145); in more concrete terms, observing the (colonial) world as object "from a position that is invisible and set apart" (Mitchell 1988, 28). The West had come to live "as though the world were



divided in this way into two: into a realm of mere representations and a realm of the 'real'; into exhibitions and an external reality; into an order of mere models, descriptions or copies, and an order of the original" (32). This regime of order and truth is a quintessential aspect of modernity and has been deepened by economics and development. It is reflected in an objectivist and empiricist stand that dictates that the Third World and its peoples exist "out there," to be known through theories and intervened upon from the outside.

The consequences of this feature of modernity have been enormous. Chandra Mohanty, for example, refers to the same feature when raising the questions of who produces knowledge about Third World women and from what spaces; she discovered that women in the Third World are represented in most feminist literature on development as having "needs" and "problems" but few choices and no freedom to act. What emerges from such modes of analysis is the image of an average Third World woman, constructed through the use of statistics and certain categories:

This average third world woman leads an essentially truncated life based on her feminine gender (read: sexually constrained) and her being "third world" (read: ignorant, poor, uneducated, tradition-bound, domestic, family-oriented, victimized, etc.). This, I suggest, is in contrast to the (implicit) self-representation of Western women as educated, as modern, as having control over their own bodies and sexualities, and the freedom to make their own decisions. (1991b, 56)

These representations implicitly assume Western standards as the benchmark against which to measure the situation of Third World women. The result, Mohanty believes, is a paternalistic attitude on the part of Western women toward their Third World counterparts and, more generally, the perpetuation of the hegemonic idea of the West's superiority. Within this discursive regime, works about Third World women develop a certain coherence of effects that reinforces that hegemony. "It is in this process of discursive homogenization and systematization of the oppression of women in the third world," Mohanty concludes, "that power is exercised in much of recent Western feminist discourse, and this power needs to be defined and named" (54).<sup>4</sup>

Needless to say, Mohanty's critique applies with greater pertinence to mainstream development literature, in which there exists a veritable underdeveloped subjectivity endowed with features such as powerlessness, passivity, poverty, and ignorance, usually dark and lacking in historical agency, as if waiting for the (white) Western hand to help subjects along and not infrequently hungry, illiterate, needy, and oppressed by its own stubbornness, lack of initiative, and traditions. This image also universalizes and homogenizes Third World cultures in an ahistorical fashion. Only from a certain Western perspective does this description make sense; that it exists at

all is more a sign of power over the Third World than a truth about it. It is important to highlight for now that the deployment of this discourse in a world system in which the West has a certain dominance over the Third World has profound political, economic, and cultural effects that have to be explored.

The production of discourse under conditions of unequal power is what Mohanty and others refer to as "the colonialist move." This move entails specific constructions of the colonial / Third World subject in/through discourse in ways that allow the exercise of power over it. Colonial discourse, although "the most theoretically underdeveloped form of discourse," according to Homi Bhabha, is "crucial to the binding of a range of differences and discriminations that inform the discursive and political practices of racial and cultural hierarchization" (1990, 72). Bhabha's definition of colonial discourse, although complex, is illuminating:

[Colonial discourse] is an apparatus that turns on the recognition and disavowal of racial/cultural/historical differences. Its predominant strategic function is the creation of a space for a "subject peoples" through the production of knowledges in terms of which surveillance is exercised and a complex form of pleasure/unpleasure is incited. . . . The objective of colonial discourse is to construe the colonized as a population of degenerate types on the basis of racial origin, in order to justify conquest and to establish systems of administration and instruction. . . . I am referring to a form of governmentality that in marking out a "subject nation," appropriates, directs and dominates its various spheres of activity. (1990, 75)

Although some of the terms of this definition might be more applicable to the colonial context strictly speaking, the development discourse is governed by the same principles; it has created an extremely efficient apparatus for producing knowledge about, and the exercise of power over, the Third World. This apparatus came into existence roughly in the period 1945 to 1955 and has not since ceased to produce new arrangements of knowledge and power, new practices, theories, strategies, and so on. In sum, it has successfully deployed a regime of government over the Third World, a "space for 'subject peoples'" that ensures certain control over it.

This space is also a geopolitical space, a series of imaginative geographies, to use Said's (1979) term. The development discourse inevitably contained a geopolitical imagination that has shaped the meaning of development for more than four decades. For some, this will to spatial power is one of the most essential features of development (Slater 1993). It is implicit in expressions such as First and Third World, North and South, center and periphery. The social production of space implicit in these terms is bound with the production of differences, subjectivities, and social orders. Despite the correctives introduced to this geopolitics—the decentering of the world, the

demise of the Second World, the emergence of a network of world cities, the globalization of cultural production, and so on—they continue to function imaginatively in powerful ways. There is a relation among history, geography, and modernity that resists disintegration as far as the Third World is concerned, despite the important changes that have given rise to postmodern geographies (Soja 1989).

To sum up, I propose to speak of development as a historically singular experience, the creation of a domain of thought and action, by analyzing the characteristics and interrelations of the three axes that define it: the forms of knowledge that refer to it and through which it comes into being and is elaborated into objects, concepts, theories, and the like; the system of power that regulates its practice; and the forms of subjectivity fostered by this discourse, those through which people come to recognize themselves as developed or underdeveloped. The ensemble of forms found along these axes constitutes development as a discursive formation, giving rise to an efficient apparatus that systematically relates forms of knowledge and techniques of power.<sup>5</sup>

The analysis will thus be couched in terms of regimes of discourse and representation. Regimes of representation can be analyzed as places of encounter where identities are constructed and also where violence is originated, symbolized, and managed. This useful hypothesis, developed by a Colombian scholar to explain nineteenth-century violence in her country, building particularly on the works of Bakhtin, Foucault, and Girard, conceives of regimes of representation as places of encounter of languages of the past and languages of the present (such as the languages of “civilization” and “barbarism” in postindependence Latin America), internal and external languages, and languages of self and other (Rojas de Ferro 1994). A similar encounter of regimes of representation took place in the late 1940s with the emergence of development, also accompanied by specific forms of modernized violence.<sup>6</sup>

The notion of regimes of representation is a final theoretical and methodological principle for examining the mechanisms for, and consequences of, the construction of the Third World in/through representation. Charting regimes of representation of the Third World brought about by the development discourse represents an attempt to draw the “cartographies” (Deleuze 1988) or maps of the configurations of knowledge and power that define the post-World War II period. These are also cartographies of struggle, as Mohanty (1991a) adds. Although they are geared toward an understanding of the conceptual maps that are used to locate and chart Third World people’s experience, they also reveal—even if indirectly at times—the categories with which people have to struggle. This book provides a general map for orienting oneself in the discourses and practices that account for today’s

dominant forms of sociocultural and economic production of the Third World.

The goals of this book are precisely to examine the establishment and consolidation of this discourse and apparatus from the early post-World War II period to the present (chapter 2); analyze the construction of a notion of underdevelopment in post-World War II economic development theories (chapter 3); and demonstrate the way in which the apparatus functions through the systematic production of knowledge and power in specific fields—such as rural development, sustainable development, and women and development (chapters 4 and 5). Finally, the conclusion deals with the important question of how to imagine a postdevelopment regime of representation and how to investigate and pursue alternative practices in the context of today's social movements in the Third World.

This, one might say, is a study of developmentalism as a discursive field. Unlike Said's study of *Orientalism*, however, I pay closer attention to the deployment of the discourse through practices. I want to show that this discourse results in concrete practices of thinking and acting through which the Third World is produced. The example I chose for this closer investigation is the implementation of rural development, health, and nutrition programs in Latin America in the 1970s and 1980s. Another difference in relation to *Orientalism* originates in Homi Bhabha's caution that "there is always, in Said, the suggestion that colonial power is possessed entirely by the colonizer, given its intentionality and unidirectionality" (1990, 77). This is a danger I seek to avoid by considering the variety of forms with which Third World people resist development interventions and how they struggle to create alternative ways of being and doing.

Like Mudimbe's study of Africanism, I also want to unveil the foundations of an order of knowledge and a discourse about the Third World as underdeveloped. I want to map, so to say, the invention of development. Instead of focusing on anthropology and philosophy, however, I contextualize the era of development within the overall space of modernity, particularly modern economic practices. From this perspective, development can be seen as a chapter of what can be called an anthropology of modernity, that is, a general investigation of Western modernity as a culturally and historically specific phenomenon. If it is true that there is an "anthropological structure" (Foucault 1975, 198) that sustains the modern order and its human sciences, it must be investigated to what extent this structure has also given rise to the regime of development, perhaps as a specific mutation of modernity. A general direction for this anthropology of modernity has already been suggested, in the sense of rendering "exotic" the West's cultural products in order to see them for what they are: "We need to anthropologize the West: show how exotic its constitution of reality has been; emphasize those domains most taken for granted as universal (this includes epistemology and

economics); make them seem as historically peculiar as possible; show how their claims to truth are linked to social practices and have hence become effective forces in the social world" (Rabinow 1986, 241).

The anthropology of modernity would rely on ethnographic approaches that look at social forms as produced by historical practices combining knowledge and power; it would seek to examine how truth claims are related to practices and symbols that produce and regulate social life. As we will see, the production of the Third World through the articulation of knowledge and power is essential to the development discourse. This does not preclude the fact that from many Third World spaces, even the most reasonable among the West's social and cultural practices might look quite peculiar, even strange. Nevertheless, even today most people in the West (and many parts of the Third World) have great difficulty thinking about Third World situations and people in terms other than those provided by the development discourse. These terms—such as overpopulation, the permanent threat of famine, poverty, illiteracy, and the like—operate as the most common signifiers, already stereotyped and burdened with development signifieds. Media images of the Third World are the clearest example of developmentalist representations. These images just do not seem to go away. This is why it is necessary to examine development in relation to the modern experiences of knowing, seeing, counting, economizing, and the like.

#### DECONSTRUCTING DEVELOPMENT

The discursive analysis of development started in the late 1980s and will most likely continue into the 1990s, coupled with attempts at articulating alternative regimes of representation and practice. Few works, however, have undertaken the deconstruction of the development discourse.<sup>7</sup> James Ferguson's recent book on development in Lesotho (1990) is a sophisticated example of the deconstructionist approach. Ferguson provides an in-depth analysis of rural development programs implemented in the country under World Bank sponsorship. Further entrenchment of the state, the restructuring of rural social relations, the deepening of Western modernizing influences, and the depoliticization of problems are among the most important effects of the deployment of rural development in Lesotho, despite the apparent failure of the programs in terms of their stated objectives. It is at the level of these effects, Ferguson concludes, that the productivity of the apparatus has to be assessed.

Another deconstructionist approach (Sachs 1992) analyzes the central constructs or key words of the development discourse, such as market, planning, population, environment, production, equality, participation, needs, poverty, and the like. After briefly tracing the origin of each concept in European civilization, each chapter examines the uses and transformation of

the concept in the development discourse from the 1950s to the present. The intent of the book is to expose the arbitrary character of the concepts, their cultural and historical specificity, and the dangers that their use represents in the context of the Third World.<sup>8</sup> A related, group project is conceived in terms of a "systems of knowledge" approach. Cultures, this group believes, are characterized not only by rules and values but also by ways of knowing. Development has relied exclusively on one knowledge system, namely, the modern Western one. The dominance of this knowledge system has dictated the marginalization and disqualification of non-Western knowledge systems. In these latter knowledge systems, the authors conclude, researchers and activists might find alternative rationalities to guide social action away from economistic and reductionistic ways of thinking.<sup>9</sup>

In the 1970s, women were discovered to have been "bypassed" by development interventions. This "discovery" resulted in the growth during the late 1970s and 1980s of a whole new field, women in development (WID), which has been analyzed by several feminist researchers as a regime of representation, most notably Adele Mueller (1986, 1987a, 1991) and Chandra Mohanty. At the core of these works is an insightful analysis of the practices of dominant development institutions in creating and managing their client populations. Similar analyses of particular development subfields—such as economics and the environment, for example—are a needed contribution to the understanding of the function of development as a discourse and will continue to appear.<sup>10</sup>

A group of Swedish anthropologists focus their work on how the concepts of development and modernity are used, interpreted, questioned, and reproduced in various social contexts in different parts of the world. An entire constellation of usages, modes of operation, and effects associated with these terms, which are profoundly local, is beginning to surface. Whether in a Papua New Guinean village or in a small town of Kenya or Ethiopia, local versions of development and modernity are formulated according to complex processes that include traditional cultural practices, histories of colonialism, and contemporary location within the global economy of goods and symbols (Dahl and Rabo 1992). These much-needed local ethnographies of development and modernity are also being pioneered by Pigg (1992) in her work on the introduction of health practices in Nepal. More on these works in the next chapter.

Finally, it is important to mention a few works that focus on the role of conventional disciplines within the development discourse. Irene Gendzier (1985) examines the role political science played in the conformation of theories of modernization, particularly in the 1950s, and its relation to issues of the moment such as national security and economic imperatives. Also within political science, Kathryn Sikkink (1991) has more recently taken on the emergence of developmentalism in Brazil and Argentina in the 1950s and

1960s. Her chief interest is the role of ideas in the adoption, implementation, and consolidation of developmentalism as an economic development model.<sup>11</sup> The Chilean Pedro Morandé (1984) analyzes how the adoption and dominance of North American sociology in the 1950s and 1960s in Latin America set the stage for a purely functional conception of development, conceived of as the transformation of "traditional" into a "modern" society and devoid of any cultural considerations. Kate Manzo (1991) makes a somewhat similar case in her analysis of the shortcomings of modernist approaches to development, such as dependency theory, and in her call for paying attention to "countermodernist" alternatives that are grounded in the practices of Third World grassroots actors. The call for a return of culture in the critical analysis of development, particularly local cultures, is also central to this book.

As this short review shows, there are already a small but relatively coherent number of works that contribute to articulating a discursive critique of development. The present work makes the most general case in this regard; it seeks to provide a general view of the historical construction of development and the Third World as a whole and exemplifies the way the discourse functions in one particular case. The goal of the analysis is to contribute to the liberation of the discursive field so that the task of imagining alternatives can be commenced (or perceived by researchers in a new light) in those spaces where the production of scholarly and expert knowledge for development purposes continues to take place. The local-level ethnographies of development mentioned earlier provide useful elements toward this end. In the conclusion, I extend the insights these works afford and attempt to elaborate a view of "the alternative" as a research question and a social practice.

#### ANTHROPOLOGY AND THE DEVELOPMENT ENCOUNTER

In the introduction to his well-known collection on anthropology's relation to colonialism, *Anthropology and the Colonial Encounter* (1973), Talal Asad raised the question of whether there was not still "a strange reluctance on the part of most professional anthropologists to consider seriously the power structure within which their discipline has taken shape" (5), namely, the whole problematic of colonialism and neocolonialism, their political economy and institutions. Does not development today, as colonialism did in a former epoch, make possible "the kind of human intimacy on which anthropological fieldwork is based, but insure[s] that intimacy should be one-sided and provisional" (17), even if the contemporary subjects move and talk back? In addition, if during the colonial period "the general drift of anthropological understanding did not constitute a basic challenge to the unequal world represented by the colonial system" (18), is this not also the case with the

development system? In sum, can we not speak with equal pertinence of "anthropology and the development encounter"?

It is generally true that anthropology as a whole has not dealt explicitly with the fact that it takes place within the post-World War II encounter between rich and poor nations established by the development discourse. Although a number of anthropologists have opposed development interventions, particularly on behalf of indigenous people,<sup>12</sup> large numbers of anthropologists have been involved with development organizations such as the World Bank and the United States Agency for International Development (U.S. AID). This problematic involvement was particularly noticeable in the decade 1975-1985 and has been analyzed elsewhere (Escobar 1991). As Stacy Leigh Pigg (1992) rightly points out, anthropologists have been for the most part either inside development, as applied anthropologists, or outside development, as the champions of the authentically indigenous and "the native's point of view." Thus they overlook the ways in which development operates as an arena of cultural contestation and identity construction. A small number of anthropologists, however, have studied forms and processes of resistance to development interventions (Taussig 1980; Fals Borda 1984; Scott 1985; Ong 1987; see also Comaroff 1985 and Comaroff and Comaroff 1991 for resistance in the colonial context).

The absence of anthropologists from discussions of development as a regime of representation is regrettable because, if it is true that many aspects of colonialism have been superseded, representations of the Third World through development are no less pervasive and effective than their colonial counterparts. Perhaps even more so. It is also disturbing, as Said has pointed out, that in recent anthropological literature "there is an almost total absence of any reference to American imperial intervention as a factor affecting the theoretical discussion" (1989, 214; see also Friedman 1987; Ulin 1991). This imperial intervention takes place at many levels—economic, military, political, and cultural—which are woven together by development representations. Also disturbing, as Said proceeds to argue, is the lack of attention on the part of Western scholars to the sizable and impassioned critical literature by Third World intellectuals on colonialism, history, tradition, and domination—and, one might add, development. The number of Third World voices calling for a dismantling of the entire discourse of development is fast increasing.

The deep changes experienced in anthropology during the 1980s opened the way for examining how anthropology is bound up with "Western ways of creating the world," as Strathern (1988, 4) advises, and potentially with other possible ways of representing the interests of Third World peoples. This critical examination of anthropology's practices led to the realization that "no one can write about others any longer as if they were discrete ob-



jects or texts." A new task thus insinuated itself: that of coming up with "more subtle, concrete ways of writing and reading . . . new conceptions of culture as interactive and historical" (Clifford 1986, 25). Innovation in anthropological writing within this context was seen as "moving [ethnography] toward an unprecedentedly acute political and historical sensibility that is transforming the way cultural diversity is portrayed" (Marcus and Fischer 1986, 16).

This reimagining of anthropology, launched in the mid-1980s, has become the object of various critiques, qualifications, and extensions from within its own ranks and by feminists, political economists, Third World scholars, Third World feminists, and anti-postmodernists. Some of these critiques are more or less pointed and constructive than others, and it is not necessary to analyze them in this introduction.<sup>13</sup> To this extent, "the experimental moment" of the 1980s has been very fruitful and relatively rich in applications. The process of reimagining anthropology, however, is clearly still under way and will have to be deepened, perhaps by taking the debates to other arenas and in other directions. Anthropology, it is now argued, has to "reenter" the real world, after the moment of textualist critique. To do this, it has to rehistoricize its own practice and acknowledge that this practice is shaped by many forces that are well beyond the control of the ethnographer. Moreover, it must be willing to subject its most cherished notions, such as ethnography, culture, and science, to a more radical scrutiny (Fox 1991).

Strathern's call that this questioning be advanced in the context of Western social science practices and their "endorsement of certain interests in the description of social life" is of fundamental importance. At the core of this recentring of the debates within the disciplines are the limits that exist to the Western project of deconstruction and self-critique. It is becoming increasingly evident, at least for those who are struggling for different ways of having a voice, that the process of deconstructing and dismantling has to be accompanied by that of constructing new ways of seeing and acting. Needless to say, this aspect is crucial in discussions about development, because people's survival is at stake. As Mohanty (1991a) insists, both projects—deconstruction and reconstruction—have to be carried out simultaneously. As I discuss in the final chapter, this simultaneous project could focus strategically on the collective action of social movements: they struggle not only for goods and services but also for the very definition of life, economy, nature, and society. They are, in short, cultural struggles.

As Bhabha wants us to acknowledge, deconstruction and other types of critiques do not lead automatically to "an unproblematic reading of other cultural and discursive systems." They might be necessary to combat ethnocentrism, "but they cannot, of themselves, unreconstructed, represent that

otherness" (Bhabha 1990, 75). Moreover, there is the tendency in these critiques to discuss otherness principally in terms of the limits of Western logocentricity, thus denying that cultural otherness is "implicated in specific historical and discursive conditions, requiring constructions in different practices of reading" (Bhabha 1990, 73). There is a similar insistence in Latin America that the proposals of postmodernism, to be fruitful there, have to make clear their commitment to justice and to the construction of alternative social orders.<sup>14</sup> These Third World correctives indicate the need for alternative questions and strategies for the construction of anticolonialist discourses (and the reconstruction of Third World societies in/through representations that can develop into alternative practices). Calling into question the limitations of the West's self-critique, as currently practiced in much of contemporary theory, they make it possible to visualize the "discursive insurrection" by Third World people proposed by Mudiinbe in relation to the "sovereignty of the very European thought from which we wish to disentangle ourselves" (quoted in Diawara 1990, 79).

The needed liberation of anthropology from the space mapped by the development encounter (and, more generally, modernity), to be achieved through a close examination of the ways in which it has been implicated in it, is an important step in the direction of more autonomous regimes of representation; this is so to the extent that it might motivate anthropologists and others to delve into the strategies people in the Third World pursue to resignify and transform their reality through their collective political practice. This challenge may provide paths toward the radicalization of the discipline's reimagining started with enthusiasm during the 1980s.

#### OVERVIEW OF THE BOOK

The following chapter studies the emergence and consolidation of the discourse and strategy of development in the early post-World War II period, as a result of the problematization of poverty that took place during those years. It presents the major historical conditions that made such a process possible and identifies the principal mechanisms through which development has been deployed, namely, the professionalization of development knowledge and the institutionalization of development practices. An important aspect of this chapter is to illustrate the nature and dynamics of the discourse, its archaeology, and its modes of operation. Central to this aspect is the identification of the basic set of elements and relations that hold together the discourse. To speak development, one must adhere to certain rules of statement that go back to the basic system of categories and relations. This system defines the hegemonic worldview of development, a worldview that increasingly permeates and transforms the economic, social,

and cultural fabric of Third World cities and villages, even if the languages of development are always adapted and reworked significantly at the local level.

Chapter 3 is intended to articulate a cultural critique of economics by taking on the single most influential force shaping the development field: the discourse of development economics. To understand this discourse, one has to analyze the conditions of its coming into being: how it emerged, building upon the already existing Western economy and the economic doctrine generated by it (classical, neoclassical, Keynesian, and growth economic theories); how development economists constructed "the underdeveloped economy," embodying in their theories features of the advanced capitalist societies and culture; the political economy of the capitalist world economy linked to this construction; and finally, the planning practices that inevitably came with development economics and that became a powerful force in the production and management of development. From this privileged space, economics pervaded the entire practice of development. As the last part of the chapter shows, there is no indication that economists might consider a redefinition of their tenets and forms of analysis, although some hopeful insights for this redefinition can be found in recent works in economic anthropology. The notion of "communities of modellers" (Gudeman and Rivera 1990) is examined as a possible method to construct a cultural politics for engaging critically, and I hope neutralizing partly, the dominant economic discourse.

Chapters 4 and 5 are intended to show in detail how development works. The goal of chapter 4 is to show how a corpus of rational techniques—planning, methods of measurement and assessment, professional knowledges, institutional practices, and the like—organizes both forms of knowledge and types of power, relating one to the other, in the construction and treatment of one specific problem: malnutrition and hunger. The chapter examines the birth, rise, and decline of a set of disciplines (forms of knowledge) and strategies in nutrition, health, and rural development. Outlined initially in the early 1970s by a handful of experts in North American and British universities, the World Bank, and the United Nations, the strategy of national planning for nutrition and rural development resulted in the implementation of massive programs in Third World countries throughout the 1970s and 1980s, funded primarily by the World Bank and Third World governments. A case study of these plans in Colombia, based on my fieldwork with a group of government planners in charge of their design and implementation, is presented as an illustration of the functioning of the development apparatus. By paying close attention to the political economy of food and hunger and the discursive constructions linked to it, this chapter and the next contribute to the development of a poststructuralist-oriented political economy.

Chapter 5 extends the analysis of chapter 4 by focusing on the regimes of representation that underlie constructions of peasants, women, and the environment. In particular, the chapter exposes the links between representation and power at work in the practices of the World Bank. This institution is presented as an exemplar of development discourse, a blueprint of development. Particular attention is paid to representations of peasants, women, and the environment in recent development literature, and the contradictions and possibilities inherent in the tasks of integrated rural development, incorporating women into development, and sustainable development. The mapping of visibilities by development through the representations planners and experts utilize as they design and carry out their programs is analyzed in detail in order to show the connection between the creation of visibility in discourse, particularly through modern techniques of visibility, and the exercise of power. This chapter also contributes to theorizing the question of discursive change and transformation by explaining how discourses on peasants, women, and the environment emerge and function in similar ways within the overall space of development.

The concluding chapter tackles the question of the transformation of the development regime of representation and the articulation of alternatives. The call by a growing number of Third and First World voices to signal the end of development is reviewed and assessed. Similarly, recent work in Latin American social science, on "hybrid cultures" as a mode of cultural affirmation in the face of modernity's crisis, is used as a basis for theorizing the formulation of alternatives as a research question and a social practice. I argue that instead of searching for grand alternative models or strategies, what is needed is the investigation of alternative representations and practices in concrete local settings, particularly as they exist in contexts of hybridization, collective action, and political mobilization. This proposal is developed in the context of the ecological phase of capital and the struggles over the world's biological diversity. These struggles—between global capital and biotechnology interests, on the one hand, and local communities and organizations, on the other—constitute the most advanced stage in which the meanings of development and postdevelopment are being fought over. The fact that the struggles usually involve minority cultures in the tropical regions of the world raises unprecedented questions concerning the cultural politics around the design of social orders, technology, nature, and life itself.

The fact that the analysis, finally, is conducted in terms of tales is not meant to indicate that the said tales are mere fictions. As Donna Haraway says in her analysis of the narratives of biology (1989a, 1991), narratives are neither fictions nor opposed to "facts." Narratives are, indeed, historical textures woven of fact and fiction. Even the most neutral scientific domains are narratives in this sense. To treat science as narrative, Haraway insists, is not

to be dismissive. On the contrary, it is to treat it in the most serious way, without succumbing to its mystification as “the truth” or to the ironic skepticism common to many critiques. Science and expert discourses such as development produce powerful truths, ways of creating and intervening in the world, including ourselves; they are instances “where possible worlds are constantly reinvented in the contest for very real, present worlds” (Haraway 1989a, 5). Narratives, such as the tales in this book, are always immersed in history and never innocent. Whether we can unmake development and perhaps even bid farewell to the Third World will equally depend on the social invention of new narratives, new ways of thinking and doing.<sup>15</sup>

## Chapter 2

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### THE PROBLEMATIZATION OF POVERTY: THE TALE OF THREE WORLDS AND DEVELOPMENT

The word "poverty" is, no doubt, a key word of our times, extensively used and abused by everyone. Huge amounts of money are spent in the name of the poor. Thousands of books and expert advice continue to offer solutions to their problems. Strangely enough, however, nobody, including the proposed "beneficiaries" of these activities, seems to have a clear, and commonly shared, view of poverty. For one reason, almost all the definitions given to the word are woven around the concept of "lack" or "deficiency." This notion reflects only the basic relativity of the concept.

What is necessary and to whom? And who is qualified to define all that?"

—Majid Rahnema, *Global Poverty:  
A Pauperizing Myth*, 1991

ONE OF THE many changes that occurred in the early post-World War II period was the "discovery" of mass poverty in Asia, Africa, and Latin America. Relatively inconspicuous and seemingly logical, this discovery was to provide the anchor for an important restructuring of global culture and political economy. The discourse of war was displaced onto the social domain and to a new geographical terrain: the Third World. Left behind was the struggle against fascism. In the rapid globalization of U.S. domination as a world power, the "war on poverty" in the Third World began to occupy a prominent place. Eloquent facts were adduced to justify this new war: "Over 1,500,000 million people, something like two-thirds of the world population, are living in conditions of acute hunger, defined in terms of identifiable nutritional disease. This hunger is at the same time the cause and effect of poverty, squalor, and misery in which they live" (Wilson 1953, 11).

Statements of this nature were uttered profusely throughout the late 1940s and 1950s (Orr 1953; Shonfield 1950; United Nations 1951). The new emphasis was spurred by the recognition of the chronic conditions of poverty and social unrest existing in poor countries and the threat they posed for

more developed countries. The problems of the poor areas irrupted into the international arena. The United Nations estimated that per capita income in the United States was \$1,453 in 1949, whereas in Indonesia it barely reached \$25. This led to the realization that something had to be done before the levels of instability in the world as a whole became intolerable. The destinies of the rich and poor parts of the world were seen to be closely linked. "Genuine world prosperity is indivisible," stated a panel of experts in 1948. "It cannot last in one part of the world if the other parts live under conditions of poverty and ill health" (Milbank Memorial Fund 1948, 7; see also Lasswell 1945).

Poverty on a global scale was a discovery of the post-World War II period. As Sachs (1990) and Rahnema (1991) have maintained, the conceptions and treatment of poverty were quite different before 1940. In colonial times the concern with poverty was conditioned by the belief that even if the "natives" could be somewhat enlightened by the presence of the colonizer, not much could be done about their poverty because their economic development was pointless. The natives' capacity for science and technology, the basis for economic progress, was seen as nil (Adas 1989). As the same authors point out, however, within Asian, African, and Latin or Native American societies—as well as throughout most of European history—vernacular societies had developed ways of defining and treating poverty that accommodated visions of community, frugality, and sufficiency. Whatever these traditional ways might have been, and without idealizing them, it is true that massive poverty in the modern sense appeared only when the spread of the market economy broke down community ties and deprived millions of people from access to land, water, and other resources. With the consolidation of capitalism, systemic pauperization became inevitable.

Without attempting to undertake an archaeology of poverty, as Rahnema (1991) proposes, it is important to emphasize the break that occurred in the conceptions and management of poverty first with the emergence of capitalism in Europe and subsequently with the advent of development in the Third World. Rahnema describes the first break in terms of the advent in the nineteenth century of systems for dealing with the poor based on assistance provided by impersonal institutions. Philanthropy occupied an important place in this transition (Donzelot 1979). The transformation of the poor into the assisted had profound consequences. This "modernization" of poverty signified not only the rupture of vernacular relations but also the setting in place of new mechanisms of control. The poor increasingly appeared as a social problem requiring new ways of intervention in society. It was, indeed, in relation to poverty that the modern ways of thinking about the meaning of life, the economy, rights, and social management came into place. "Pauperism, political economy, and the discovery of society were closely interwoven" (Polanyi 1957a, 84).

The treatment of poverty allowed society to conquer new domains. More perhaps than on industrial and technological might, the nascent order of capitalism and modernity relied on a politics of poverty the aim of which was not only to create consumers but to transform society by turning the poor into objects of knowledge and management. What was involved in this operation was "a techno-discursive instrument that made possible the conquest of pauperism and the invention of a politics of poverty" (Procacci 1991, 157). Pauperism, Procacci explains, was associated, rightly or wrongly, with features such as mobility, vagrancy, independence, frugality, promiscuity, ignorance, and the refusal to accept social duties, to work, and to submit to the logic of the expansion of "needs." Concomitantly, the management of poverty called for interventions in education, health, hygiene, morality, and employment and the instilling of good habits of association, savings, child rearing, and so on. The result was a panoply of interventions that accounted for the creation of a domain that several researchers have termed "the social" (Donzelot 1979, 1988, 1991; Burchell, Gordon, and Miller 1991).

As a domain of knowledge and intervention, the social became prominent in the nineteenth century, culminating in the twentieth century in the consolidation of the welfare state and the ensemble of techniques encompassed under the rubric of social work. Not only poverty but health, education, hygiene, employment, and the poor quality of life in towns and cities were constructed as social problems, requiring extensive knowledge about the population and appropriate modes of social planning (Escobar 1992a). The "government of the social" took on a status that, as the conceptualization of the economy, was soon taken for granted. A "separate class of the 'poor'" (Williams 1973, 104) was created. Yet the most significant aspect of this phenomenon was the setting into place of apparatuses of knowledge and power that took it upon themselves to optimize life by producing it under modern, "scientific" conditions. The history of modernity, in this way, is not only the history of knowledge and the economy, it is also, more revealingly, the history of the social.<sup>1</sup>

As we will see, the history of development implies the continuation in other places of this history of the social. This is the second break in the archaeology of poverty proposed by Rahnama: the globalization of poverty entailed by the construction of two-thirds of the world as poor after 1945. If within market societies the poor were defined as lacking what the rich had in terms of money and material possessions, poor countries came to be similarly defined in relation to the standards of wealth of the more economically advantaged nations. This economic conception of poverty found an ideal yardstick in the annual per capita income. The perception of poverty on a global scale "was nothing more than the result of a comparative statistical operation, the first of which was carried out only in 1940" (Sachs 1990, 9). Almost by fiat, two-thirds of the world's peoples were transformed into poor



subjects in 1948 when the World Bank defined as poor those countries with an annual per capita income below \$100. And if the problem was one of insufficient income, the solution was clearly economic growth.

Thus poverty became an organizing concept and the object of a new problematization. As in the case of any problematization (Foucault 1986), that of poverty brought into existence new discourses and practices that shaped the reality to which they referred. That the essential trait of the Third World was its poverty and that the solution was economic growth and development became self-evident, necessary, and universal truths. This chapter analyzes the multiple processes that made possible this particular historical event. It accounts for the 'developmentalization' of the Third World, its progressive insertion into a regime of thought and practice in which certain interventions for the eradication of poverty became central to the world order. This chapter can also be seen as an account of the production of the tale of three worlds and the contest over the development of the third. The tale of three worlds was, and continues to be despite the demise of the second, a way of bringing about a political order "that works by the negotiation of boundaries achieved through ordering differences" (Haraway 1989a, 10). It was and is a narrative in which culture, race, gender, nation, and class are deeply and inextricably intertwined. The political and economic order coded by the tale of three worlds and development rests on a traffic of meanings that mapped new domains of being and understanding, the same domains that are increasingly being challenged and displaced by people in the Third World today.

#### THE INVENTION OF DEVELOPMENT

##### *The Emergence of the New Strategy*

From July 11 to November 5, 1949, an economic mission, organized by the International Bank for Reconstruction and Development, visited Colombia with the purpose of formulating a general development program for the country. It was the first mission of this kind sent out by the International Bank to an underdeveloped country. The mission included fourteen international advisers in the following fields: foreign exchange; transportation; industry, fuel, and power; highways and waterways; community facilities; agriculture; health and welfare; financing and banking; economics; national accounts; railroads; and petroleum refineries. Working closely with the mission was a similar group of Colombian advisers and experts.

Here is how the mission saw its task and, consequently, the character of the program proposed:

We have interpreted our terms of reference as calling for a comprehensive and internally consistent program. . . . The relationships among various sectors of

Colombian economy are very complex, and intensive analysis of these relationships has been necessary to develop a consistent picture. . . . This, then, is the reason and justification for an overall program of development. Piecemeal and sporadic efforts are apt to make little impression on the general picture. Only through a generalized attack throughout the whole economy on education, health, housing, food and productivity can the vicious circle of poverty, ignorance, ill health and low productivity be decisively broken. But once the break is made, the process of economic development can become self-generating. (International Bank 1950, xv)

The program called for a "multitude of improvements and reforms" covering all important areas of the economy. It constituted a radically new representation of, and approach to, a country's social and economic reality. One of the features most emphasized in the approach was its comprehensive and integrated character. Its comprehensive nature demanded programs in all social and economic aspects of importance, whereas careful planning, organization, and allocation of resources ensured the integrated character of the programs and their successful implementation. The report also furnished a detailed set of prescriptions, including goals and quantifiable targets, investment needs, design criteria, methodologies, and time sequences.

It is instructive to quote at length the last paragraph of the report, because it reveals several key features of the approach that was then emerging:

One cannot escape the conclusion that reliance on natural forces has not produced the most happy results. Equally inescapable is the conclusion that with knowledge of the underlying facts and economic processes, good planning in setting objectives and allocating resources, and determination in carrying out a program for improvements and reforms, a great deal can be done to improve the economic environment by shaping economic policies to meet scientifically ascertained social requirements. . . . Colombia is presented with an opportunity unique in its long history. Its rich natural resources can be made tremendously productive through the application of modern techniques and efficient practices. Its favorable international debt and trade position enables it to obtain modern equipment and techniques from abroad. International and foreign national organizations have been established to aid underdeveloped areas technically and financially. All that is needed to usher a period of rapid and widespread development is a determined effort by the Colombian people themselves. In making such an effort, Colombia would not only accomplish its own salvation but would at the same time furnish an inspiring example to all other underdeveloped areas of the world. (International Bank 1950, 615)

The messianic feeling and the quasi-religious fervor expressed in the notion of salvation are noticeable. In this representation, "salvation" entails the conviction that there is one right way, namely, development; only through

development will Colombia become an “inspiring example” for the rest of the underdeveloped world. Nevertheless, the task of salvation/development is complex. Fortunately, adequate tools (science, technology, planning, and international organizations) have already been created for such a task, the value of which has already been proved by their successful application in the West. Moreover, these tools are neutral, desirable, and universally applicable. Before development, there was nothing: only “reliance on natural forces,” which did not produce “the most happy results.” Development brings the light, that is, the possibility to meet “scientifically ascertained social requirements.” The country must thus awaken from its lethargic past and follow the one way to salvation, which is, undoubtedly, “an opportunity unique in its long history” (of darkness, one might add).

This is the system of representation that the report upholds. Yet, although couched in terms of humanitarian goals and the preservation of freedom, the new strategy sought to provide a new hold on countries and their resources. A type of development was promoted which conformed to the ideas and expectations of the affluent West, to what the Western countries judged to be a normal course of evolution and progress. As we will see, by conceptualizing progress in such terms, this development strategy became a powerful instrument for normalizing the world. The 1949 World Bank mission to Colombia was one of the first concrete expressions of this new state of affairs.

#### *Precursors and Antecedents of the Development Discourse*

As we will see in the next section, the development discourse exemplified by the 1949 World Bank mission to Colombia emerged in the context of a complex historical conjunction. Its invention signaled a significant shift in the historical relations between Europe and the United States, on the one hand, and most countries in Asia, Africa, and Latin America, on the other. It also brought into existence a new regime of representation of these latter parts of the world in Euramerican culture. But “the birth” of the discourse must be briefly qualified; there were, indeed, important precursors that presaged its appearance in full regalia after World War II.

The slow preparation for the launching of development was perhaps most clear in Africa, where, a number of recent studies suggest (Cooper 1991; Page 1991), there was an important connection between the decline of the colonial order and the rise of development. In the interwar period, the ground was prepared for the institution of development as a strategy to remake the colonial world and restructure the relations between colonies and metropolises. As Cooper (1991) has pointed out, the British Development Act of the 1940s—the first great materialization of the development idea—was a response to challenges to imperial power in the 1930s and must thus be seen as an attempt to reinvigorate the empire. This was particularly clear in

the settler states in southern Africa, where preoccupations with questions of labor and food supplies led to strategies for the modernization of segments of the African population, often, as Page (1991) argues, at the expense of Afrocentric views of food and community defended by women. These early attempts were to crystallize in community development schemes in the 1950s. The role of the League of Nations in negotiating decolonization through the system of mandates was also important in many cases in Asia and Africa. After the Second World War, this system was extended to a generalized decolonization and the promotion of development by the new system of international organizations (Murphy and Augelli 1993).

Generally speaking, the period between 1920 and 1950 is still ill understood from the vantage point of the overlap of colonial and developmentalist regimes of representation. Some aspects that have received attention in the context of north and/or sub-Saharan Africa include the constitution of a labor force and a modernized class of farmers marked by class, gender, and race, including the displacement of African self-sufficient systems of food and cultural production; the role of the state as architect, for instance, in the "detrribalization" of wage labor, the escalation of gender competition, and the struggle over education; the ways in which discourses and practices of agricultural experts, health professionals, urban planners, and educators were deployed in the colonial context, their relation to metropolitan discourses and interests, and the metaphors furnished by them for the reorganization of the colonies; the modification of these discourses and practices in the context of the colonial encounter, their imbrication with local forms of knowledge, and their effect on the latter; and the manifold forms of resistance to the colonial power/knowledge apparatuses (see, for instance, Cooper and Stoler 1989; Stoler 1989; Packard 1989; Page 1991; Rabinow 1989; Comaroff 1985; Comaroff and Comaroff 1991; Rau 1991).

The Latin American case is quite different from the African, although the question of precursors of development must also be investigated there. As is well known, most Latin American countries achieved political independence in the early decades of the nineteenth century, even if on many levels they continued to be under the sway of European economies and cultures. By the beginning of the twentieth century, the ascendancy of the United States was felt in the entire region. United States-Latin American relations took on a double-edged significance early in the century. If on the one hand those in power perceived that opportunities for fair exchange existed, on the other hand the United States felt increasingly justified in intervening in Latin American affairs. From the interventionist big stick policy of the early part of the century to the good neighbor principle of the 1930s, these two tendencies coexisted in U.S. foreign policy toward Latin America, the latter having much more important repercussions than the former.

Robert Bacon, former U.S. secretary of state, exemplified the "fair ex-

change" position. "The day has gone," he stated in his 1916 report of a trip to South America, "when the majority of these countries, laboriously building up a governmental structure under tremendous difficulties, were unstable, tottering and likely to fall from one month to another. . . . They 'have passed,' to use the words of Mr. Root, 'out of the condition of militarism, out of the condition of revolution, into the condition of industrialism, into the path of successful commerce, and are becoming great and powerful nations'" (Bacon 1916, 20). Elihu Root, whom Bacon mentioned in a positive light, actually represented the side of active interventionism. A prominent statesman and an expert in international law, Root was a major force in shaping U.S. foreign policy and took active part in the interventionist policy of the earlier part of the century, when the U.S. military occupied most Central American countries. Root, who was awarded the Nobel Peace Prize in 1912, played a very active role in the separation of Colombia from Panama. "With or without the consent of Colombia," he wrote on that occasion, "we will dig the canal, not for selfish reasons, not for greed or gain, but for the world's commerce, benefiting Colombia most of all. . . . We shall unite our Atlantic and Pacific coasts, we shall render inestimable service to mankind, and we shall grow in greatness and honor and in the strength that comes from difficult tasks accomplished and from the exercise of the power that strives in the nature of a great constructive people" (Root 1916, 190).

Root's position embodied the conception of international relations then prevailing in the United States.<sup>2</sup> The readiness for military intervention in the pursuit of U.S. strategic self-interest was tempered from Wilson to Hoover. With Wilson, intervention was accompanied by the goal of promoting "republican" democracies, meaning elite, aristocratic regimes. Often these attempts were fueled by ethnocentric and racist positions. Attitudes of superiority "convinced the United States it had the right and ability to intervene politically in weaker, darker, poorer countries" (Drake 1991, 7). For Wilson, the promotion of democracy was the moral duty of the U.S. and of "good men" in Latin America. "I am going to teach the South American republics to elect good men," he summed up (quoted in Drake 1991, 13). As Latin American nationalism mounted after World War I, the United States reduced open interventionism and proclaimed instead the principles of the open door and the good neighbor, especially after the mid-twenties. Attempts were made to provide some assistance, particularly regarding financial institutions, the infrastructure, and sanitation. During this period the Rockefeller Foundation became active for the first time in the region (Brown 1976). On the whole, however, the 1912–1932 period was ruled by a desire on the part of the United States to achieve "ideological as well as military and economic hegemony and conformity, without having to pay the price of permanent conquest" (Drake 1991, 34).

Although this state of relations revealed an increasing U.S. interest in Latin America, it did not constitute an explicit, overall strategy for dealing with Latin American countries. This situation was profoundly altered during the subsequent decades and especially after the Second World War. Three inter-American conferences—held at Chapultepec in Mexico (February 21–March 8, 1945), Rio de Janeiro (August 1947), and Bogotá (March 30–April 30, 1948)—were crucial in articulating new rules of the game. As the terrain for the cold war was being fertilized, however, these conferences made evident the serious divergence of interests between Latin America and the United States, marking the demise of the good neighbor policy. For while the United States insisted on its military and security objectives, Latin American countries emphasized more than ever economic and social goals (López Maya 1993).<sup>3</sup>

At Chapultepec, several Latin American presidents made clear the importance of industrialization in the consolidation of democracy and asked the United States to help with a program of economic transition from war production of raw materials to industrial production. The United States, however, insisted on questions of hemispheric defense, reducing economic policy to a warning to Latin American countries to abandon “economic nationalism.” These disagreements grew at the Rio Conference on Peace and Security. Like the Bogotá conference of 1948—which marked the birth of the Organization of American States—the Rio conference was dominated by the growing anti-Communist crusade. As U.S. foreign policy became more militarized, the need for appropriate economic policies, including the protection of the nascent industries, became more and more central to the Latin American agenda. The United States to some extent finally acknowledged this agenda in Bogotá. Yet then secretary of state General Marshall also made clear that Latin America could in no way expect something similar to the Marshall Plan for Europe (López Maya 1993).

In contrast, the United States insisted on its open door policy of free access of resources to all countries and on the encouragement of private enterprise and the “fair” treatment of foreign capital. U.S. experts on the area completely misread the Latin American situation. A student of U.S. foreign policy toward Latin America during the late 1940s put it thus:

Latin America was closest to the United States and of far greater economic importance than any other Third World region, but senior U.S. officials increasingly dismissed it as an aberrant, benighted area inhabited by helpless, essentially childish peoples. When George Kennan [head of State Department policy planning] was sent to review what he described as the “unhappy and hopeless” background there, he penned the most acerbic dispatch of his entire career. Not even the Communists seem viable “because their Latin American character inclines them to individualism [and] to undiscipline.” . . . Pursuing the motif of

the "childish" nature of the area, he condescendingly argued that if the United States treated the Latin Americans like adults, then perhaps they would have to behave like them (Kolko 1988, 39, 40).<sup>4</sup>

Like Currie's image of "salvation," the representation of the Third World as a child in need of adult guidance was not an uncommon metaphor and lent itself perfectly to the development discourse. The infantilization of the Third World was integral to development as a "secular theory of salvation" (Nandy 1987).

It must be pointed out that the economic demands Latin American countries made were the reflection of changes that had been taking place for several decades and that also prepared the ground for development—for instance, the beginning of industrialization in some countries and the perceived need to expand domestic markets; urbanization and the rise of professional classes; the secularization of political institutions and the modernization of the state; the growth of organized labor and social movements, which disputed and shared the industrialization process; increased attention to positivist sciences; and various types of modernist movements. Some of these factors were becoming salient in the 1920s and accelerated after 1930.<sup>5</sup> But it was not until the World War II years that they began to coalesce into a clearer momentum for national economic models. In Colombia, talk of industrial development and, occasionally, the economic development of the country appeared in the early to mid-1940s, linked to a perceived threat by the popular classes. State interventionism became more noticeable, even if within a general model of economic liberalism, as an increase in production began to be seen as the necessary route to social progress. This awareness was accompanied by a medicalization of the political gaze, to the extent that the popular classes began to be perceived not in racial terms, as until recently, but as diseased, underfed, uneducated, and physiologically weak masses, thus calling for unprecedented social action (Pécaut 1987, 273–352).<sup>6</sup>

Despite the importance of these historical processes, it is possible to speak of the invention of development in the early post-World War II period. In the climate of the great postwar transformations, and in scarcely one decade, relations between rich and poor countries underwent a drastic change. The conceptualization of these relations, the form they took, the scope they acquired, the mechanisms by which they operated, all of these were subject to a substantial mutation. Within the span of a few years, an entirely new strategy for dealing with the problems of the poorer countries emerged and took definite shape. All that was important in the cultural, social, economic, and political life of these countries—their population, the cultural character of their people, their processes of capital accumulation, their agriculture and trade, and so on—entered into this new strategy. In the

next section, we look in detail at the set of historical conditions that made the creation of development possible, and then I undertake an analysis of the discourse itself, that is, of the nexus of power, knowledge, and domination which defines it.

#### HISTORICAL CONDITIONS, 1945–1955

If during World War II the dominant image of what was to become the Third World was shaped by strategic considerations and access to its raw materials, the integration of these parts of the world into the economic and political structure that emerged at the end of the war grew more complicated. From the founding conference of the United Nations held in San Francisco in 1945 and throughout the late 1940s, the fate of the nonindustrialized world was the subject of intense negotiations. Moreover, the notions of underdevelopment and Third World were the discursive products of the post-World War II climate. These concepts did not exist before 1945. They emerged as working principles within the process by which the West—and, in different ways, the East—redefined itself and the rest of the world. By the early 1950s, the notion of three worlds—the free industrialized nations, the Communist industrialized nations, and the poor, nonindustrialized nations, constituting the First, Second, and Third World respectively—was firmly in place. Even after the demise of the Second, the notions of First and Third worlds (and North and South) continue to articulate a regime of geopolitical representation.<sup>7</sup>

For the United States, the dominant concern was the reconstruction of Europe. This entailed the defense of the colonial systems, because the continued access by European powers to the raw materials of their colonies was seen as crucial to their recovery. Struggles for national independence in Asia and Africa were on the increase: these struggles led to the leftist nationalism of the Bandung Conference of 1955 and the strategy of nonalignment. During the late 1940s, in other words, the United States supported European efforts to maintain control of the colonies, although with an eye to increasing its influence over the resources of the colonial areas, most clearly perhaps in the case of Middle East oil.<sup>8</sup>

As far as Latin America was concerned, the major force to contend with for the United States was growing nationalism. Since the Great Depression a number of Latin American countries had begun efforts to build their national economies in a more autonomous fashion than ever before, through state-sponsored industrialization. Middle-class participation in social and political life was on the rise, organized labor was also entering political life, and even the Communist Left had made important gains. In general terms, democracy was emerging as a fundamental component of national life in the sense of a recognized need for the wider participation of popular classes,



particularly the working class, and a growing sense of the importance of social justice and the strengthening of the domestic economies. In fact, in the period 1945–1947 many democracies seemed to be in the process of consolidation, and previously dictatorial regimes were undergoing transitions to democracy (Bethell 1991). As already mentioned, the United States completely misread this situation.

Besides the anticolonial struggles in Asia and Africa and growing nationalism in Latin America, other factors shaped the development discourse; these included the cold war, the need to find new markets, the fear of communism and overpopulation, and faith in science and technology.

### *Finding New Markets and Safe Battlefields*

In the fall of 1939, the Inter-American Conference of Foreign Ministers, which met in Panama, proclaimed the neutrality of the American republics. The U.S. government recognized, however, that if this continental unity was to endure, it would have to apply special economic measures to help Latin American nations face the period of distress that was expected to follow the loss of peacetime markets. The first step in this direction was the establishment of the Inter-American Development Commission, set up in January 1940 to encourage Latin American production geared toward the U.S. market. Although financial assistance to Latin America was relatively modest during the war period, nevertheless it was of some significance. The two main sources of assistance, the Export-Import Bank and the Reconstruction Finance Corporation, funded programs for the production and procurement of strategic materials. These activities often involved large-scale technical aid and the mobilization of capital resources to Latin America. The character of these relations also served to focus attention on the need to help the Latin American economies in a more systematic manner.<sup>9</sup>

The year 1945 marked a profound transformation in world affairs. It brought the United States to an undisputable position of economic and military preeminence, placing under its tutelage the whole Western system. This privileged position did not go unchallenged. There was the rising influence of socialist regimes in Eastern Europe and the successful march of Chinese Communists to power. Old colonies in Asia and Africa were claiming independence. The old colonial systems of exploitation and control were no longer tenable. In sum, a reorganization of the structure of world power was taking place.

The period 1945–1955, then, saw the consolidation of U.S. hegemony in the world capitalist system. The need to expand and deepen the market for U.S. products abroad, as well as the need to find new sites for the investment of U.S. surplus capital, became pressing during these years. The expansion

of the U.S. economy also required access to cheap raw materials to support the growing capacity of its industries, especially of the nascent multinational corporations. One economic factor that became more noticeable during the period was the change in the relation of industrial production to the production of foods and raw materials, to the detriment of the latter, which pointed toward the need for an effective program to foster primary production in underdeveloped areas. Yet the fundamental preoccupation of the period was the revitalization of the European economy. A massive program of economic aid to Western Europe was established, which culminated in the formulation of the Marshall Plan in 1948.<sup>10</sup>

The Marshall Plan can be seen as "an exceptional event of historical importance" (Bataille 1991, 173). As Georges Bataille, following French economist François Perroux's 1948 analysis of the plan argued, with the Marshall Plan, and for the first time in the history of capitalism, the general interest of society seemed to have taken primacy over the interest of particular investors or nations. It was, Bataille writes borrowing Perroux's expression, "an investment in the [Western?] world's interest" (177). The mobilization of capital that accompanied the plan (\$19 billion in U.S. foreign assistance to Western Europe in the period 1945-1950) was exempt from the law of profit, in what constituted, according to Bataille, a clear reversal of the principles of classical economics. It was "the only way to transfer to Europe the products without which the world's fever would rise" (175). For a short time at least, the United States gave up "the rule on which the capitalist world was based. It was necessary to deliver the goods without payment. It was necessary to *give away* the product of labor" (175).<sup>11</sup>

The Third World was not deserving of the same treatment. Compared with the \$19 billion received by Europe, less than 2 percent of total U.S. aid, for instance, went to Latin America during the same period (Bethell 1991, 58); only \$150 million for the Third World as a whole were spent in 1953 under the Point Four Program (Kolko 1988, 42). The Third World was instructed to look at private capital, both domestic and foreign, which meant that the "right climate" had to be created, including a commitment to capitalist development; the curbing of nationalism; and the control of the Left, the working class, and the peasantry. The creation of the International Bank for Reconstruction and Development (most commonly known as the World Bank) and the International Monetary Fund did not represent a departure from this law. To this extent, "the inadequacy of the International Bank and the Monetary Fund presented a negative version of the Marshall Plan's positive initiative" (Bataille 1991, 177). Development, in this way, fell short from the outset. The fate of the Third World was seen as part of the "general interest" of humankind only in a very a limited manner.<sup>12</sup>

The cold war was undoubtedly one of the single most important factors at

play in the conformation of the strategy of development. The historical roots of development and those of East-West politics lie in one and the same process: the political rearrangements that occurred after World War II. In the late 1940s, the real struggle between East and West had already moved to the Third World, and development became the grand strategy for advancing such rivalry and, at the same time, the designs of industrial civilization. The confrontation between the United States and the Soviet Union thus lent legitimacy to the enterprise of modernization and development; to extend the sphere of political and cultural influence became an end in itself.

The relationship between military concerns and the origins of development has scarcely been studied. Pacts of military assistance, for example, were signed at the Rio conference of 1947 between the United States and all Latin American countries (Varas 1985). In time, they would give way to doctrines of national security intimately linked to development strategies. It is no coincidence that the vast majority of the approximately 150 wars of the last four decades were fought in the Third World, many of them with the direct or indirect participation of powers external to the Third World (Soedjatmoko 1985). The Third World, far from being peripheral, was central to superpower rivalry and the possibility of nuclear confrontation. The system that generates conflict and instability and the system that generates underdevelopment are inextricably bound. Although the end of the cold war and the rise of the New World Order have changed the configuration of power, the Third World is still the most important arena of confrontation (as the Gulf War, the bombing of Libya, and the invasions of Grenada and Panama indicate). Although increasingly differentiated, the South is still, perhaps more clearly than ever, the opposite camp to a growingly unified North, despite the latter's localized ethnic wars.

Anti-Fascist sentiment easily gave way to anti-Communist crusades after the war. The fear of communism became one of the most compelling arguments for development. It was commonly accepted in the early 1950s that if poor countries were not rescued from their poverty, they would succumb to communism. To a greater or lesser extent, most early writings on development reflect this preoccupation. The espousal of economic development as a means of combating communism was not confined to military or academic circles. It found an even more welcoming niche in the offices of the U.S. government, in numerous smaller organizations, and among the American public. The control of communism, the ambivalent acceptance of the independence of former European colonies as a concession to preventing their falling into the Soviet camp, and the continued access to crucial Third World raw materials, on which the U.S. economy was growing increasingly dependent, were part of the United States's reassessment of the Third World in the period that ended with the Korean War.

*Poor and Ignorant Masses*

The war on poverty was justified on additional grounds, particularly the urgency believed to characterize the "population problem." Statements and positions regarding population began to proliferate. In many instances, a crude form of empiricism was followed, making Malthusian views and prescriptions inevitable, although economists and demographers made serious attempts to conceptualize the effect of demographic factors on development.<sup>13</sup> Models and theories were formulated seeking to relate the various variables and to provide a basis for policy and program formulation. As the experience of the West suggested, it was hoped that growth rates would begin to fall as the countries developed; but, as many warned, countries could not wait for this process to occur and should speed up the reduction of fertility by more direct means.<sup>14</sup>

To be sure, this preoccupation with population had existed for several decades, especially in relation to Asia.<sup>15</sup> It was a central topic in discussions on race and racism. But the scale and form that the discussion took were new. As one author stated, "It is probable that in the last five years more copies have been published of discussions related to population than in all the previous centuries" (Pendell 1951, 377). The discussions held in academic circles or in the ambit of the nascent international organizations also had a new tone; they focused on topics such as the relationship between economic growth and population growth; between population, resources, and output; between cultural factors and birth control. They also took on topics such as the demographic experience of the rich countries and its possible extrapolation to the poor ones; the factors affecting human fertility and mortality; population trends and projections for the future; the conditions necessary for successful population control programs; and so on. In other words, in much the same way that was happening with race and racism during the same period<sup>16</sup>—and in spite of the persistence of blatant racist views—the discourses on population were being redeployed within the "scientific" realm provided by demography, public health, and population biology. A new view of population, and of scientific and technological instruments to manage it, was taking shape.<sup>17</sup>

*The Promise of Science and Technology*

The faith in science and technology, invigorated by the new sciences arising from the war effort, such as nuclear physics and operations research, played an important role in the elaboration and justification of the new discourse of development. In 1948, a well-known UN official expressed this faith in the following way: "I still think that human progress depends on the develop-

ment and application of the greatest possible extent of scientific research. . . . The development of a country depends primarily on a material factor: first, the knowledge, and then the exploitation of all its natural resources" (Laugier 1948, 256).

Science and technology had been the markers of civilization par excellence since the nineteenth century, when machines became the index of civilization, "the measure of men" (Adas 1989). This modern trait was rekindled with the advent of the development age. By 1949, the Marshall Plan was showing great success in the restoration of the European economy, and increasingly attention was shifted to the longer-range problems of assistance for economic development in underdeveloped areas. Out of this shift of attention came the famous Point Four Program of President Truman, with which I opened this book. The Point Four Program involved the application to the poor areas of the world what were considered to be two vital forces: modern technology and capital. However, it relied much more heavily on technical assistance than on capital, in the belief that the former would provide progress at a lower price. An Act for International Development was approved by Congress in May 1950, which provided authority to finance and carry out a variety of international technical cooperation activities. In October of the same year, the Technical Cooperation Administration (TCA) was established within the Department of State with the task of implementing the new policies. By 1952, these agencies were conducting operations in nearly every country in Latin America, as well as in several countries in Asia and Africa (Brown and Opie 1953).

Technology, it was believed, would not only amplify material progress, it would also confer upon it a sense of direction and significance. In the vast literature on the sociology of modernization, technology was theorized as a sort of moral force that would operate by creating an ethics of innovation, yield, and result. Technology thus contributed to the planetary extension of modernist ideals. The concept of the transfer of technology in time would become an important component of development projects. It was never realized that such a transfer would depend not merely on technical elements but on social and cultural factors as well. Technology was seen as neutral and inevitably beneficial, not as an instrument for the creation of cultural and social orders (Morandé 1984; García de la Huerta 1992).

The new awareness of the importance of the Third World in global economy and politics, coupled with the beginning of field activities in the Third World, brought with it a recognition of the need to obtain more accurate knowledge about the Third World. Nowhere was this need perceived more acutely than in the case of Latin America. As a prominent Latin Americanist put it, "The war years witnessed a remarkable growth of interest in Latin America. What once had been an area which only diplomats and pioneering scholars ventured to explore, became almost overnight the center of attrac-

tion to government officials, as well as to scholars and teachers" (Burgin [1947] 1967, 466). This called for "detailed knowledge of the economic potential of Latin America as well as of the geographic, social and political environment in which that potential was to be realized" (466). Only in "history, literature and ethnology" was the status of knowledge considered adequate. What was needed now was the kind of precise knowledge that could be obtained through the application of the new "scientific" social sciences that were experiencing remarkable growth on U.S. campuses (such as Parsonian sociology, Keynesian macroeconomics, systems analysis and operations research, demography, and statistics). In 1949, an illustrious Peruvian scholar described the "mission of Latin American Studies" as, "through study and research, [to] provide a background which will assist in interpreting and evaluating objectively the problems and events of the day from the perspective of history, geography, economics, sociology, anthropology, social psychology and political science" (Basadre [1949] 1967, 434).

Basadre's was a progressive call for social change as well, even if it became captive to the development mode. The earlier model for the generation of knowledge, organized around the classical professions according to nineteenth-century usage, was replaced by the North American model. Sociology and economics were the disciplines most affected by this change, which involved most natural and social sciences. Development had to rely on the production of knowledge that could provide a scientific picture of a country's social and economic problems and resources. This entailed the establishment of institutions capable of generating such a knowledge. The "tree of research" of the North was transplanted to the South, and Latin America thus became part of a transnational system of research. As some maintain, although this transformation created new knowledge capabilities, it also implied a further loss of autonomy and the blocking of different modes of knowing (Fuenzalida 1983; Morandé 1984; Escobar 1989).

Gone were the days, so most scholars thought in the wake of empirical social science, when science was contaminated by prejudice and error. The new objectivity ensured accuracy and fairness of representation. Little by little, older ways of thinking would yield to the new spirit. Economists were quick to join this wave of enthusiasm. Latin America was suddenly discovered to be "a *tabula rasa* to the economic historian" (Burgin [1947] 1967, 474), and economic thinking in Latin America was found to be devoid of any connection with local conditions, a mere appendage of European classical economics. The new scholars realized that "the starting point of research must be the area itself, for it is only in terms of its historical development and objectives that the organization and functioning of the economy can be fully understood" (469). The terrain was prepared for the emergence of economic development as a legitimate theoretical endeavor.

The better and more widespread understanding of the workings of the

economic system strengthened the hope of bringing material prosperity to the rest of the world. The unquestioned desirability of economic growth was, in this way, closely linked to the revitalized faith in science and technology. Economic growth presupposed the existence of a continuum stretching from poor to rich countries, which would allow for the replication in the poor countries of those conditions characteristic of mature capitalist ones (including industrialization, urbanization, agricultural modernization, infrastructure, increased provision of social services, and high levels of literacy). Development was seen as the process of transition from one situation to the other. This notion conferred upon the processes of accumulation and development a progressive, orderly, and stable character that would culminate, in the late 1950s and early 1960s, in modernization and "stages of economic growth" theories (Rostow 1960).<sup>18</sup>

Finally, there was another factor that influenced the formation of the new strategy of development: the increased experience with public intervention in the economy. Although the desirability of this intervention, as opposed to a more *laissez-faire* approach, was still a matter of controversy,<sup>19</sup> the recognition of the need for some sort of planning or government action was becoming generalized. The experience of social planning during the New Deal, legitimized by Keynesianism, as well as the "planned communities" envisaged and partly implemented in Native American communities and Japanese American internment camps in the United States (James 1984), represented significant approaches to social intervention in this regard; so were the statutory corporations and public utility companies established in industrialized countries by government enterprise—for instance, the British Broadcasting Commission (BBC) and the Tennessee Valley Authority (TVA). Following the TVA model, a number of regional development corporations were set up in Latin America and other parts of the Third World.<sup>20</sup> Models for national, regional, and sectoral planning became essential for the spread and functioning of development.

These, very broadly stated, were the most important conditions that made possible and shaped the new discourse of development. There was a reorganization of power at the world level, the final result of which was still far from clear; important changes had occurred in the structure of production, which had to be brought to fit the requirements of expansion of a capitalist system in which the underdeveloped countries played an increasingly important role, if yet not thoroughly defined. These countries could forge alliances with any pole of power. In the light of expanding communism, the steady deterioration of living conditions, and the alarming increase in their populations, the direction in which they would decide to go would largely depend on a type of action of an urgent nature and unprecedented level.

Rich countries, however, were believed to have the financial and technological capacity to secure progress the world over. A look at their own past instilled in them the firm conviction that this was not only possible—let alone desirable—but perhaps even inevitable. Sooner or later the poor countries would become rich, and the underdeveloped world would be developed. A new type of economic knowledge and an enriched experience with the design and management of social systems made this goal look even more plausible. Now it was a matter of an appropriate strategy to do it, of setting in motion the right forces to ensure progress and world happiness.

Behind the humanitarian concern and the positive outlook of the new strategy, new forms of power and control, more subtle and refined, were put in operation. Poor people's ability to define and take care of their own lives was eroded in a deeper manner than perhaps ever before. The poor became the target of more sophisticated practices, of a variety of programs that seemed inescapable. From the new institutions of power in the United States and Europe; from the offices of the International Bank for Reconstruction and Development and the United Nations; from North American and European campuses, research centers, and foundations; and from the new planning offices in the big capitals of the underdeveloped world, this was the type of development that was actively promoted and that in a few years was to extend its reach to all aspects of society. Let us now see how this set of historical factors resulted in the new discourse of development.

## THE DISCOURSE OF DEVELOPMENT

### *The Space of Development*

What does it mean to say that development started to function as a discourse, that is, that it created a space in which only certain things could be said and even imagined? If discourse is the process through which social reality comes into being—if it is the articulation of knowledge and power, of the visible and the expressible—how can the development discourse be individualized and related to ongoing technical, political, and economic events? How did development become a space for the systematic creation of concepts, theories, and practices?

An entry point for this inquiry on the nature of development as discourse is its basic premises as they were formulated in the 1940s and 1950s. The organizing premise was the belief in the role of modernization as the only force capable of destroying archaic superstitions and relations, at whatever social, cultural, and political cost. Industrialization and urbanization were seen as the inevitable and necessarily progressive routes to modernization. Only through material advancement could social, cultural, and political



progress be achieved. This view determined the belief that capital investment was the most important ingredient in economic growth and development. The advance of poor countries was thus seen from the outset as depending on ample supplies of capital to provide for infrastructure, industrialization, and the overall modernization of society. Where was this capital to come from? One possible answer was domestic savings. But these countries were seen as trapped in a "vicious circle" of poverty and lack of capital, so that a good part of the "badly needed" capital would have to come from abroad (see chapter 3). Moreover, it was absolutely necessary that governments and international organizations take an active role in promoting and orchestrating the necessary efforts to overcome general backwardness and economic underdevelopment.

What, then, were the most important elements that went into the formulation of development theory, as gleaned from the earlier description? There was the process of capital formation, and the various factors associated with it: technology, population and resources, monetary and fiscal policies, industrialization and agricultural development, commerce and trade. There were also a series of factors linked to cultural considerations, such as education and the need to foster modern cultural values. Finally, there was the need to create adequate institutions for carrying out the complex task ahead: international organizations (such as the World Bank and the International Monetary Fund, created in 1944, and most of the United Nations technical agencies, also a product of the mid- 1940s); national planning agencies (which proliferated in Latin America, especially after the inauguration of the Alliance for Progress in the early 1960s); and technical agencies of various kinds.

Development was not merely the result of the combination, study, or gradual elaboration of these elements (some of these topics had existed for some time); nor the product of the introduction of new ideas (some of which were already appearing or perhaps were bound to appear); nor the effect of the new international organizations or financial institutions (which had some predecessors, such as the League of Nations). It was rather the result of the establishment of a set of relations among these elements, institutions, and practices and of the systematization of these relations to form a whole. The development discourse was constituted not by the array of possible objects under its domain but by the way in which, thanks to this set of relations, it was able to form systematically the objects of which it spoke, to group them and arrange them in certain ways, and to give them a unity of their own.<sup>21</sup>

To understand development as a discourse, one must look not at the elements themselves but at the system of relations established among them. It is this system that allows the systematic creation of objects, concepts, and strategies; it determines what can be thought and said. These relations—established between institutions, socioeconomic processes, forms of knowl-

edge, technological factors, and so on—define the conditions under which objects, concepts, theories, and strategies can be incorporated into the discourse. In sum, the system of relations establishes a discursive practice that sets the rules of the game: who can speak, from what points of view, with what authority, and according to what criteria of expertise; it sets the rules that must be followed for this or that problem, theory, or object to emerge and be named, analyzed, and eventually transformed into a policy or a plan.

The objects with which development began to deal after 1945 were numerous and varied. Some of them stood out clearly (poverty, insufficient technology and capital, rapid population growth, inadequate public services, archaic agricultural practices, and so on), whereas others were introduced with more caution or even in surreptitious ways (such as cultural attitudes and values and the existence of racial, religious, geographic, or ethnic factors believed to be associated with backwardness). These elements emerged from a multiplicity of points: the newly formed international organizations, government offices in distant capitals, old and new institutions, universities and research centers in developed countries, and, increasingly with the passing of time, institutions in the Third World. Everything was subjected to the eye of the new experts: the poor dwellings of the rural masses, the vast agricultural fields, cities, households, factories, hospitals, schools, public offices, towns and regions, and, in the last instance, the world as a whole. The vast surface over which the discourse moved at ease practically covered the entire cultural, economic, and political geography of the Third World.

However, not all the actors distributed throughout this surface could identify objects to be studied and have their problems considered. Some clear principles of authority were in operation. They concerned the role of experts, from whom certain criteria of knowledge and competence were asked; institutions such as the United Nations, which had the moral, professional, and legal authority to name subjects and define strategies; and the international lending organizations, which carried the symbols of capital and power. These principles of authority also concerned the governments of poor countries, which commanded the legal political authority over the lives of their subjects, and the position of leadership of the rich countries, who had the power, knowledge, and experience to decide on what was to be done.

Economists, demographers, educators, and experts in agriculture, public health, and nutrition elaborated their theories, made their assessments and observations, and designed their programs from these institutional sites. Problems were continually identified, and client categories brought into existence. Development proceeded by creating "abnormalities" (such as the "illiterate," the "underdeveloped," the "malnourished," "small farmers," or "landless peasants"), which it would later treat and reform. Approaches that could have had positive effects in terms of easing material constraints be-

came, linked to this type of rationality, instruments of power and control. As time went by, new problems were progressively and selectively incorporated; once a problem was incorporated into the discourse, it had to be categorized and further specified. Some problems were specified at a given level (such as local or regional), or at various of these levels (for instance, a nutritional deficiency identified at the level of the household could be further specified as a regional production shortage or as affecting a given population group), or in relation to a particular institution. But these refined specifications did not seek so much to illuminate possible solutions as to give "problems" a visible reality amenable to particular treatments.

This seemingly endless specification of problems required detailed observations in villages, regions, and countries in the Third World. Complete dossiers of countries were elaborated, and techniques of information were designed and constantly refined. This feature of the discourse allowed for the mapping of the economic and social life of countries, constituting a true political anatomy of the Third World.<sup>22</sup> The end result was the creation of a space of thought and action the expansion of which was dictated in advance by the very same rules introduced during its formative stages. The development discourse defined a perceptual field structured by grids of observation, modes of inquiry and registration of problems, and forms of intervention; in short, it brought into existence a space defined not so much by the ensemble of objects with which it dealt but by a set of relations and a discursive practice that systematically produced interrelated objects, concepts, theories, strategies, and the like.

To be sure, new objects have been included, new modes of operation introduced, and a number of variables modified (for instance, in relation to strategies to combat hunger, knowledge about nutritional requirements, the types of crops given priority, and the choices of technology have changed); yet the same set of relations among these elements continues to be established by the discursive practices of the institutions involved. Moreover, seemingly opposed options can easily coexist within the same discursive field (for instance, in development economics, the structuralist school and the monetarist school seem to be in open contradiction; yet they belong to the same discursive formation and originate in the same set of relations, as will be shown in the next chapter; it can also be shown that agrarian reform, green revolution, and integrated rural development are strategies through which the same unity, "hunger," is constructed, as I will do in chapter 4). In other words, although the discourse has gone through a series of structural changes, the architecture of the discursive formation laid down in the period 1945–1955 has remained unchanged, allowing the discourse to adapt to new conditions. The result has been the succession of development strategies and substrategies up to the present, always within the confines of the same discursive space.

It is also clear that other historical discourses influenced particular representations of development. The discourse of communism, for instance, influenced the promotion of those choices which emphasized the role of the individual in society and, in particular, those approaches which relied on private initiative and private property. So much emphasis on this issue in the context of development, so strong a moralizing attitude probably would not have existed without the persistent anti-Communist preaching that originated in the cold war. Similarly, the fact that economic development relied so much on the need for foreign exchange influenced the promotion of cash crops for export, to the detriment of food crops for domestic consumption. Yet the ways in which the discourse organized these elements cannot be reduced to causal relations, as I will show in later chapters.

In a similar vein, patriarchy and ethnocentrism influenced the form development took. Indigenous populations had to be "modernized," where modernization meant the adoption of the "right" values, namely, those held by the white minority or a mestizo majority and, in general, those embodied in the ideal of the cultivated European; programs for industrialization and agricultural development, however, not only have made women invisible in their role as producers but also have tended to perpetuate their subordination (see chapter 5). Forms of power in terms of class, gender, race, and nationality thus found their way into development theory and practice. The former do not determine the latter in a direct causal relation; rather they are the development discourse's formative elements.

The examination of any given object should be done within the context of the discourse as a whole. The emphasis on capital accumulation, for instance, emerged as part of a complex set of relations in which technology, new financial institutions, systems of classification (GNP per capita), decision-making systems (such as new mechanisms for national accounting and the allocation of public resources), modes of knowledge, and international factors all played a role. What made development economists privileged figures was their position in this complex system. Options privileged or excluded must also be seen in light of the dynamics of the entire discourse—why, for instance, the discourse privileged the promotion of cash crops (to secure foreign exchange, according to capital and technological imperatives) and not food crops; centralized planning (to satisfy economic and knowledge requirements) but not participatory and decentralized approaches; agricultural development based on large mechanized farms and the use of chemical inputs but not alternative agricultural systems, based on smaller farms, ecological considerations, and integrated cropping and pest management; rapid economic growth but not the articulation of internal markets to satisfy the needs of the majority of the people; and capital-intensive but not labor-intensive solutions. With the deepening of the crisis, some of the previously excluded choices are being considered, although most often within a devel-

omentalist perspective, as in the case of the sustainable development strategy, to be discussed in later chapters.

Finally, what is included as legitimate development issues may depend on specific relations established in the midst of the discourse; relations, for instance, between what experts say and what international politics allows as feasible (this may determine, for instance, what an international organization may prescribe out of the recommendation of a group of experts); between one power segment and another (say, industry versus agriculture); or between two or more forms of authority (for instance, the balance between nutritionists and public health specialists, on the one hand, and the medical profession, on the other, which may determine the adoption of particular approaches to rural health care). Other types of relations to be considered are those between sites from which objects appear (for instance, between rural and urban areas); between procedures of assessment of needs (such as the use of "empirical data" by World Bank missions) and the position of authority of those carrying the assessment (this may determine the proposals made and the possibility of their implementation).

Relations of this type regulate development practice. Although this practice is not static, it continues to reproduce the same relations between the elements with which it deals. It was this systematization of relations that conferred upon development its great dynamic quality: its immanent adaptability to changing conditions, which allowed it to survive, indeed to thrive, up to the present. By 1955 a discourse had emerged which was characterized not by a unified object but by the formation of a vast number of objects and strategies; not by new knowledge but by the systematic inclusion of new objects under its domain. The most important exclusion, however, was and continues to be what development was supposed to be all about: people. Development was—and continues to be for the most part—a top-down, ethnocentric, and technocratic approach, which treated people and cultures as abstract concepts, statistical figures to be moved up and down in the charts of "progress." Development was conceived not as a cultural process (culture was a residual variable, to disappear with the advance of modernization) but instead as a system of more or less universally applicable technical interventions intended to deliver some "badly needed" goods to a "target" population. It comes as no surprise that development became a force so destructive to Third World cultures, ironically in the name of people's interests.

### *The Professionalization and Institutionalization of Development*

Development was a response to the problematization of poverty that took place in the years following World War II and not a natural process of knowledge that gradually uncovered problems and dealt with them; as such,

it must be seen as a historical construct that provides a space in which poor countries are known, specified, and intervened upon. To speak of development as a historical construct requires an analysis of the mechanisms through which it becomes an active, real force. These mechanisms are structured by forms of knowledge and power and can be studied in terms of processes of institutionalization and professionalization.

The concept of professionalization refers mainly to the process that brings the Third World into the politics of expert knowledge and Western science in general. This is accomplished through a set of techniques, strategies, and disciplinary practices that organize the generation, validation, and diffusion of development knowledge, including the academic disciplines, methods of research and teaching, criteria of expertise, and manifold professional practices; in other words, those mechanisms through which a politics of truth is created and maintained, through which certain forms of knowledge are given the status of truth. This professionalization was effected through the proliferation of development sciences and subdisciplines. It made possible the progressive incorporation of problems into the space of development, bringing problems to light in ways congruent with the established system of knowledge and power.

The professionalization of development also made it possible to remove all problems from the political and cultural realms and to recast them in terms of the apparently more neutral realm of science. It resulted in the establishment of development studies programs in most major universities in the developed world and conditioned the creation or restructuring of Third World universities to suit the needs of development. The empirical social sciences, on the rise since the late 1940s, especially in the United States and England, were instrumental in this regard. So were the area studies programs, which became fashionable after the war in academic and policy-making circles. As already mentioned, the increasingly professionalized character of development caused a radical reorganization of knowledge institutions in Latin America and other parts of the Third World. Professionalized development required the production of knowledge that could allow experts and planners "scientifically [to] ascertain social requirements," to recall Currie's words (Fuenzalida 1983, 1987).<sup>23</sup>

An unprecedented will to know everything about the Third World flourished unhindered, growing like a virus. Like the landing of the Allies in Normandy, the Third World witnessed a massive landing of experts, each in charge of investigating, measuring, and theorizing about this or that little aspect of Third World societies.<sup>24</sup> The policies and programs that originated from this vast field of knowledge inevitably carried with them strong normalizing components. At stake was a politics of knowledge that allowed experts to classify problems and formulate policies, to pass judgment on entire

social groups and forecast their future—to produce, in short, a regime of truth and norms about them. The consequences for these groups and countries cannot be emphasized enough.

Another important consequence of the professionalization of development was the inevitable translation of Third World people and their interests into research data within Western capitalist paradigms. There is a further paradox in this situation. As an African scholar put it, “Our own history, culture and practices, good or bad, are discovered and translated in the journals of the North and come back to us re-conceptualized, couched in languages and paradigms which make it all sound new and novel” (Namuddu 1989, 28; quoted in Mueller 1991, 5). The magnitude and consequences of this apparently neutral but profoundly ideological operation is fully explored in subsequent chapters.

The invention of development necessarily involved the creation of an institutional field from which discourses are produced, recorded, stabilized, modified, and put into circulation. This field is intimately imbricated with processes of professionalization; together they constitute an apparatus that organizes the production of forms of knowledge and the deployment of forms of power, relating one to the other. The institutionalization of development took place at all levels, from the international organizations and national planning agencies in the Third World to local development agencies, community development committees, private voluntary agencies, and non-governmental organizations. Starting in the mid-1940s with the creation of the great international organizations, this process has not ceased to spread, resulting in the consolidation of an effective network of power. It is through the action of this network that people and communities are bound to specific cycles of cultural and economic production and through which certain behaviors and rationalities are promoted. This field of intervention relies on myriad local centers of power, in turn supported by forms of knowledge that circulate at the local level.

The knowledge produced about the Third World is utilized and circulated by these institutions through applied programs, conferences, international consultant services, local extension practices, and so on. A corollary of this process is the establishment of an ever-expanding development business; as John Kenneth Galbraith wrote, referring to the climate in U.S. universities in the early 1950s, “No economic subject more quickly captured the attention of so many as the rescue of the people of the poor countries from their poverty” (1979, 29). Poverty, illiteracy, and even hunger became the basis of a lucrative industry for planners, experts, and civil servants (Rahnema 1986). This is not to deny that the work of these institutions might have benefited people at times. It is to emphasize that the work of development institutions has not been an innocent effort on behalf of the poor. Rather, development

has been successful to the extent that it has been able to integrate, manage, and control countries and populations in increasingly detailed and encompassing ways. If it has failed to solve the basic problems of underdevelopment, it can be said—perhaps with greater pertinence—that it has succeeded well in creating a type of underdevelopment that has been, for the most part, politically and technically manageable. The discord between institutionalized development and the situation of popular groups in the Third World has only grown with each development decade, as popular groups themselves are becoming apt at demonstrating.

THE INVENTION OF "THE VILLAGE":  
DEVELOPMENT AT THE LOCAL LEVEL

James Ferguson (1990) has shown that the construction in development literature of Third World societies as less developed countries—similar to the World Bank mission's construction of Colombia as underdeveloped in 1949—is an essential feature of the development apparatus. In the case of Lesotho, for instance, this construction relied on three main features: portraying the country as an aboriginal economy, cut off from world markets; picturing its population as peasant and its agricultural production as traditional; and assuming that the country is a national economy and that it is the task of the national government to develop the country. Tropes such as "less developed country" repeat themselves in an endless number of situations and with many variations. Mitchell's (1991) analysis of the portrayal of Egypt in terms of the trope "the overcrowded Nile River valley" is another case in point. As he points out, development reports on Egypt invariably start with a description of 98 percent of the population crammed onto 4 percent of the land along the Nile River. The result of this description is an understanding of "the problem" in terms of natural limits, topography, physical space, and social reproduction, calling for solutions such as improved management, new technologies, and population control.

Mitchell's deconstruction of this simple but powerful trope starts by recognizing that "objects of analysis do not occur as natural phenomena, but are partly constructed by the discourse that describes them. The more natural the object appears, the less obvious this discursive construction is. . . . The naturalness of the topographic image sets up the object of development as just that—an object, out there, not a part of the study but external to it" (1991, 19). Moreover, a more subtle ideological operation is at play:

Development discourse wishes to present itself as a detached center of rationality and intelligence. The relationship between West and non-West will be constructed in these terms. The West possesses the expertise, technology and management skills that the non-West is lacking. This lack is what has caused the



problems of the non-West. Questions of power and inequality . . . will nowhere be discussed. To remain silent on such questions, in which its own existence is involved, development discourse needs an object that appears to stand outside itself. What more natural object could there be, for such a purpose, than the image of a narrow river valley, hemmed in by the desert, crowded with rapidly multiplying millions of inhabitants? (1991, 33)

The tropes of the discourse repeat themselves at all levels, even if few studies exist to date of the effect and modes of operation of development discourses at the local level. There are already indications, however, of how development images and languages circulate at the local level, for instance, in Malaysian villages where educated villagers and party officials have become adept at using the language of development promoted by the national and regional governments (Ong 1987). A rich texture of resistance to the practices and symbols of development technologies, such as the green revolution, has also been highlighted (Taussig 1980; Fals Borda 1984; Scott 1985). Yet local-level ethnographic studies that focus on development discourses and practices—how they are introduced in community settings, their modes of operation, the ways in which they are transformed or utilized, their effects on community identity formation and structures, and so on—are just beginning to be conducted.

Stacy Leigh Pigg's excellent study of the introduction of images of development in communities in Nepal is perhaps the first study of this kind. Pigg (1992) centers her analysis on the construction of another trope, "the village," as an effect of the introduction of the development discourse. Her interest is to show how ideologies of modernization and development become effective in local culture, even if, as she warns, the process cannot be reduced to simple assimilation or appropriation of Western models. On the contrary, a complex Nepalization of development concepts occurs, peculiar to Nepal's history and culture. The Nepalized concept of development (*bikas*) becomes an important social organizing force through a variety of means, including its participation in scales of social progress structured according to place of residence (rural versus urban), mode of livelihood (from nomadic herding to office work), religion (Buddhist to more orthodox Hindu), and race (Central Asian to Aryan). In these scales, *bikas* pertains more to one pole than to the other, as villagers incorporate the ideology of modernization into local social identity to become *bikasi*.

*Bikas* thus transforms what it means to be a villager. This effect is a result of how the village is constructed by the *bikas* discourse. As in the case of the trope of the "less developed country," a generic village is produced by the discourse:

It follows that the generic village should be inhabited by generic villagers. . . . People in development planning "know" that villagers have certain habits, goals, motivations and beliefs. . . . The "ignorance" of villagers is not an absence

of knowledge. Quite the contrary. It is the presence of too much locally-instilled belief. . . . The problem, people working in development will tell each other and a foreign visitor, is that villagers "don't understand things." To speak of "people who don't understand" is a way of identifying people as "villagers." As long as development aims to transform people's thinking, the villager must be someone who doesn't understand. (Pigg 1992, 17, 20)

More often than not, Nepalese development workers understand the discord between the attitudes and habits they are supposed to promote and those that exist in the villages; they are aware of the diversity of local situations in opposition to the homogenized village. Yet because what they know about real villages cannot be translated upward into the language of development, they fall back into the construct of "villagers" who "don't understand things." Pigg, however, states that social categories of development are not simply imposed; they circulate at the village level in complex ways, changing the way villagers orient themselves in local and national society. Places are arranged according to how much bikas they have achieved (water pipes, electricity, new breeds of goats, health posts, roads, videos, bus stops); and although people know that bikas comes from the outside, they endorse bikas thinking as a way to become bikasi. People thus move between two systems for framing local identity: one marked by local distinctions in terms of age, caste/ethnicity, gender, patronage, and the like; and the other the national society, with its centers, peripheries, and degrees of development.

As the bikas apparatus becomes more important in terms of providing jobs and other means of social wealth and power, more and more people want a piece of the bikas pie. Indeed, it is not so much to be a beneficiary of development programs that people want—they know they do not get much out of these programs—but to become a salaried worker in the implementation of bikas. Pigg, in sum, shows how the culture of development works within and through local cultures. The development encounter, she adds, should be seen not so much as the clash of two cultural systems but as an intersection that creates situations in which people come to see each other in certain ways. In the process, social differences come to be represented in new ways, even if the prevailing forms (in terms of caste, class, and gender, for instance) do not disappear; they are given new meaning, and new forms of social positioning appear.

The general question this case study raises is the circulation and effects of languages of development and modernity in different parts of the Third World. The answer to this question is specific to each locality—its history of immersion in the world economy, colonial heritage, patterns of insertion into development, and the like. Three additional brief examples will bring this point home. What is bikas in Nepalese villages is *kamap* ("coming up") in Gapun, a small village in Papua New Guinea in which the quest for development has become a way of life. In Gapun, the reservoir of images of

development comes from the village's history, marked by the steady influence of Catholic missionaries, Australian colonial administrators, and Japanese and American soldiers. It is also shaped by cargo cults, particularly the villagers' belief that their ancestors will return from the dead, bringing with them all the cargo that white people had. With the advent of cash crops, the symbols of development have multiplied as people's economic activities diversified. Today, prestige foods like packaged white rice and Nescafé top the list as signs of development. As in Nepal, lack of development is identified with features such as the persistence of traditional ways and carrying heavy loads. Children now go to school to learn about white people and their ways.

Yet this does not mean that Gapun is just becoming "modernized." In fact, much of the cash obtained is spent in traditional ways such as feasts, although to the customary yams and pigs are added rice and Nescafé for festive occasions. And although *kamap* signifies a transformation of the Gapuners' ways of existence into those beyond their shores, "coming up" is not envisaged so much as a process, but rather as a sudden metamorphosis, a miraculous transformation—of their houses into corrugated iron, of their swampy land into a tarred web of highways, or their food into rice and *tinpis* [canned mackerel] and Nescafé, and of their skins, most significantly, into white" (Kulick 1992, 23). This metamorphosis is religious in nature rather than a scientific or economic enterprise. Development in Gapun is, in fact, a sort of sophisticated cargo cult; literacy, schooling, and politics are evaluated in terms of cargo, even as the vernacular language is displaced by the introduction of schooling in the 1960s. Gapuners, in short, have a clear idea about what development means and where it leads, even if couched in a strikingly different language and different cultural practices.

Another study of the nature of development at the local level concerns women's notions of development and modernity in the town of Lamu, Kenya. In this community, the models of development are even more diversified; besides the Western sources, they include Islamic movements (revivalist or revisionist), cultural productions brought by migrants returning from affluent Arab states, and Indian music, films, and soap operas transmitted through videocassettes and the mass media. The crux of the matter is women's evolving understanding of what it means to be developed and modern while retaining their identity as Muslim. Female identity is at the center of this process, including questions such as whether to use the veil, schooling for girls, access to modern commodities, greater mobility, and the like. As young women wish to achieve *maisha mazuri* (the good life), they look to European and other foreign products for sources of change and seek to take distance from traditional practices such as veiling, which they nevertheless see not as a sign of inferior status or of control but as impractical or unmodern (Fuglesang 1992).

Fashion, Indian popular films, and access to modern appliances constitute some of the most important indicators of modernity and the avenues toward crafting new identities and conceptions of womanhood. Again, the process is not a simple modernization, although this is clearly happening as well. Pictures of Indian film stars might appear on the walls of women's rooms together with pictures of Michael Jackson and Khomeini. The call of the muezzin frequently means freezing the image in the latest video brought from Saudi Arabia or Dubai by returning migrant workers so that five or ten minutes of prayer can take place. Life and gender relations are definitely changing—women no longer want to be “ghosts”; yet what they mean by modern womanhood does not equate with the language of liberation of the West.

Technical knowledge often becomes an important marker of development, as the recent introduction of rural development schemes in the Pacific Coast region of Colombia indicates. Afro-Colombian peasants of this rainforest region, recently introduced by government extension agents into the world of accounting, farm planning methodologies, commercialization cooperatives, and the use of modern inputs such as pesticides, almost invariably list the acquisition of *conocimiento técnico* (technical knowledge) as an important transformation in the quality of their lives. Technical knowledge is imparted to most farmers on location, although a handful of them are regularly flown to cities of the interior to be *capacitados* (trained) in new farming and planning practices. The chosen farmers tend to become ardent advocates of development.

These farmers, moreover, begin to interpret their lives before the program as filled with ignorance and apathy. Before the program, they say, they knew nothing about why their crops died; now they know that the coconut trees are killed by a particular pest that can be combated with chemicals. They also learned that it is better to dedicate the family labor to one plot and plan well the activities to be performed on it day by day and month by month, instead of simultaneously working two or three plots that are often several hours' walking distance from each other, as they used to do. That was not really work, they now say. They have adapted, in sum, the vocabulary of “efficiency.” Yet, as in the other examples already discussed, the farmers retain many of the beliefs and practices from former times. Next to the language of efficiency, for instance, one hears them say that the land needs to be “caressed” and “spoken to,” and they still devote some time to the distant, “untechnified” plots. In short, they have developed a hybrid model of sorts, ruled neither by the logic of modern farming nor by traditional practices. I will return to the notion of hybrid models in the concluding chapter.<sup>25</sup>

The impact of development representations is thus profound at the local level. At this level, the concepts of development and modernity are resisted, hybridized with local forms, transformed, or what have you; they have, in short, a cultural productivity that needs to be better understood. More re-

search on the languages of development at the local level needs to be done if our understanding of the discourse's modes of operation is to be satisfactory. This project requires in-depth ethnographies of development situations such as those exemplified earlier. For the anthropologists, Pigg concludes, the task is to trace the contours and cultural effects of development without endorsing or replicating its terms. I will come back to this principle in my discussion of Third World cultures as hybrid products of modern and traditional cultural practices and the many forms in between.

### CONCLUSION

The crucial threshold and transformation that took place in the early post-World War II period discussed in this chapter were the result not of a radical epistemological or political breakthrough but of the reorganization of a number of factors that allowed the Third World to display a new visibility and to irrupt into a new realm of language. This new space was carved out of the vast and dense surface of the Third World, placing it in a field of power. Underdevelopment became the subject of political technologies that sought to erase it from the face of the Earth but that ended up, instead, multiplying it to infinity.

Development fostered a way of conceiving of social life as a technical problem, as a matter of rational decision and management to be entrusted to that group of people—the development professionals—whose specialized knowledge allegedly qualified them for the task. Instead of seeing change as a process rooted in the interpretation of each society's history and cultural tradition—as a number of intellectuals in various parts of the Third World had attempted to do in the 1920s and 1930s (Gandhi being the best known of them)—these professionals sought to devise mechanisms and procedures to make societies fit a preexisting model that embodied the structures and functions of modernity. Like sorcerers' apprentices, the development professionals awakened once again the dream of reason that, in their hands, as in earlier instances, produced a troubling reality.

At times, development grew to be so important for Third World countries that it became acceptable for their rulers to subject their populations to an infinite variety of interventions, to more encompassing forms of power and systems of control; so important that First and Third World elites accepted the price of massive impoverishment, of selling Third World resources to the most convenient bidder, of degrading their physical and human ecologies, of killing and torturing, of condemning their indigenous populations to near extinction; so important that many in the Third World began to think of themselves as inferior, underdeveloped, and ignorant and to doubt the value of their own culture, deciding instead to pledge allegiance to the banners of reason and progress; so important, finally, that the achievement of

development clouded the awareness of the impossibility of fulfilling the promises that development seemed to be making.

After four decades of this discourse, most forms of understanding and representing the Third World are still dictated by the same basic tenets. The forms of power that have appeared act not so much by repression but by normalization; not by ignorance but by controlled knowledge; not by humanitarian concern but by the bureaucratization of social action. As the conditions that gave rise to development became more pressing, it could only increase its hold, refine its methods, and extend its reach even further. That the materiality of these conditions is not conjured up by an "objective" body of knowledge but is charted out by the rational discourses of economists, politicians, and development experts of all types should already be clear. What has been achieved is a specific configuration of factors and forces in which the new language of development finds support. As a discourse, development is thus a very real historical formation, albeit articulated around an artificial construct (underdevelopment) and upon a certain materiality (the conditions baptized as underdevelopment), which must be conceptualized in different ways if the power of the development discourse is to be challenged or displaced.

To be sure, there is a situation of economic exploitation that must be recognized and dealt with. Power is too cynical at the level of exploitation and should be resisted on its own terms. There is also a certain materiality of life conditions that is extremely preoccupying and that requires great effort and attention. But those seeking to understand the Third World through development have long lost sight of this materiality by building upon it a reality that like a castle in the air has haunted us for decades. Understanding the history of the investment of the Third World by Western forms of knowledge and power is a way to shift the ground somewhat so that we can start to look at that materiality with different eyes and in different categories.

The coherence of effects that the development discourse achieved is the key to its success as a hegemonic form of representation: the construction of the poor and underdeveloped as universal, preconstituted subjects, based on the privilege of the representers; the exercise of power over the Third World made possible by this discursive homogenization (which entails the erasure of the complexity and diversity of Third World peoples, so that a squatter in Mexico City, a Nepalese peasant, and a Tuareg nomad become equivalent to each other as poor and underdeveloped); and the colonization and domination of the natural and human ecologies and economies of the Third World.<sup>26</sup>

Development assumes a teleology to the extent that it proposes that the "natives" will sooner or later be reformed; at the same time, however, it reproduces endlessly the separation between reformers and those to be re-

formed by keeping alive the premise of the Third World as different and inferior, as having a limited humanity in relation to the accomplished European. Development relies on this perpetual recognition and disavowal of difference, a feature identified by Bhabha (1990) as inherent to discrimination. The signifiers of "poverty", "illiteracy," "hunger," and so forth have already achieved a fixity as signifieds of "underdevelopment" which seems impossible to sunder. Perhaps no other factor has contributed to cementing the association of "poverty" with "underdevelopment" as the discourse of economists. To them I dedicate the coming chapter.

ECONOMICS AND THE  
SPACE OF DEVELOPMENT:  
TALES OF GROWTH AND CAPITAL

All types of societies are limited by economic factors. Nineteenth century civilization alone was economic in a different and distinctive sense, for it chose to base itself in a motive rarely acknowledged as valid in the history of human societies, and certainly never before raised to the level of a justification of action and behavior in everyday life, namely, gain. The self-regulating market system was uniquely derived from this principle. The mechanism which the motive of gain set in motion was comparable in effectiveness only to the most violent outburst of religious fervor in history. Within a generation the whole human world was subjected to its undiluted influence.

—Karl Polanyi, *The Great Transformation*, 1944

THE ARRIVAL OF DEVELOPMENT ECONOMICS

LAUCHLIN CURRIE, a former Harvard economist and official in the Roosevelt administration, evoked in the following way, at a testimonial dinner party in Bogotá in 1979, the first World Bank mission, which thirty years earlier had taken him to that same country:

I don't know where in my conservative Canadian background I acquired a reformer's zeal, but I must admit that I had it. I just happen to be one of those tiresome people who can't encounter a problem without wanting to do something about it. So you can imagine how Colombia affected me. Such a marvelous number of practically insoluble problems! Truly an economic missionary's paradise. I had no idea before I came what the problems were but that did not dull for a moment my enthusiasm nor shake my conviction that if only the Bank and the country would listen to me I could come up with a solution of sorts to most. I had my baptism of fire in the Great Depression. I had played some role in working out the economic recovery program in the New Deal for the worst depression the United States had ever experienced. I had been very active in government during the Second World War. (Quoted in Meier 1984, 130)



This candid recollection reveals a number of features that are at the root of many enterprises undertaken by North Americans in colonial and post-colonial contexts: the “reformer’s zeal” and the drive toward reform and pedagogy; the utopian posture that finds a “missionary’s paradise” in those lands riddled with “a marvelous number of practically insoluble problems”; the belief that all wrongs can be corrected and all manifestations of human conflict eradicated. In Currie’s case, these traits had been rekindled by the recovery from the Great Depression and the reconstruction of Europe; the same traits were shared by many of the “pioneers of development”—economists like Currie, who later became a leading figure in the field—who disembarked in the Third World some time after the war full of good intentions, armed with the tools of their profession, sometimes even with a progressive agenda, and invigorated by the fact that their science had just been subjected to the fine-tuning of the Keynesian mind.

But we are getting somewhat ahead in the story, for at the time of Currie’s arrival in Colombia, there was nothing resembling development economics. Let us listen to an earlier recollection of his, again referring to the Colombia mission discussed in chapter 2:

When, in 1949, I was asked to organize and direct the first study mission of the World Bank there were no precedents for a mission of this sort and indeed nothing called development economics. I just assumed that it was a case of applying various branches of economics to the problems of a specific country, and accordingly I recruited a group of specialists in public finance, foreign exchange, transport, agriculture, and so on. I did, however, include some engineers and public health technicians. What emerged was a series of recommendations in a variety of fields. I was at pains to entitle it “the basis of a program” rather than a socioeconomic plan. (Currie 1967, 31; quoted in Meier 1984, 131)

Currie’s remembrance also reminds us of one of the quintessential aspects of modernity: the need to compose the world as a picture. If upon his arrival in Colombia all he could perceive was problems, darkness, and chaos, it was because Colombia refused to compose itself as a picture he could read. Development relies on setting up the world as a picture, so that the whole can be grasped in some orderly fashion as forming a structure or system. In the case of the economist, the picture is provided by economic theory. Currie’s ensemble of experts needed to compose Colombia as a picture; paradoxically, all they were left with was another representation, Colombia’s “underdeveloped” economy, while the “real” Colombia forever receded into the background. The need to compose the world as a picture is central to all theories of economic development.<sup>1</sup>

The lack of economic theories specific to development commented on by Currie gave way to a proliferation of theories in the 1950s. Writing in 1979, John Kenneth Galbraith captured well the remarkable character of this

transformation. When, in 1949, he began instruction "in the economics of poverty and economic development" at Harvard University, he was confronted with the fact that

as a different field of study, the special economics of the poor countries was held not to exist. In the next fifteen years in the United States these attitudes were decisively reversed. . . . Over a somewhat longer period, the Ford Foundation contributed well over a billion dollars between 1950 and 1975, and the Rockefeller, Carnegie, and some CIA-supported foundations added smaller amounts. . . . Intellectual interest in the problem of mass poverty had also greatly expanded. Seminars and courses on economic development had proliferated in universities and colleges across the land. . . . *No economic subject more quickly captured the attention of so many as the rescue of the poor countries from their poverty.* . . . To be involved with the poor countries provided the scholar with a foothold in the field of study that would assuredly expand and endure. (1979, 26, 30; emphasis added).

As we will see, the 1980s saw a number of encompassing analyses on the origins and evolution of development economics by its leading pioneer figures, who, almost forty years later, looked at their record with a critical eye. From their entrenched positions in prestigious institutions, these now-senior economists declared the demise of the old field. "Development economics is dead. May it rest in peace. It was quite exciting while it lasted, and—in spite of the many serious problems that remain to be solved—it fared reasonably well in the real world. Let us now be more realistic about our expectations, recognize the limits of our discipline, and leave behind the naive dreams of solving the world's problems once and for all. Let us turn to the theory that we already know well." These are the sentences that like a nostalgic epitaph seem to emerge from the recent books of the pioneers of the field.

The death and recasting of development economics are undoubtedly linked to the demise of neo-Keynesianism and the rise of neoliberalism. At issue are the draconian economic reforms introduced in the Third World during the 1980s under pressure from the International Monetary Fund, particularly monetary and exchange controls, privatization of public enterprises and government services, reduction of imports, and opening to world markets. The same approach underwrites the strategy of "market friendly development" hailed by the World Bank in its 1991 *World Development Report* as the leading theme for the 1990s. This occurrence symbolizes the return of neoliberal orthodoxy in development economics, paralleling the advance of the free market in Eastern Europe. Never mind that as a supposedly temporary casualty of the necessary adjustment people's living standards have fallen to unprecedented levels. "The essential is to press on with structural reforms," or so the litany goes. People's welfare

can be bracketed for a while, even if hundreds of thousands might die. Hail the market.

The discourse of development economics gave us successive promises of affluence for the Third World through active intervention in the economy in the 1950s and 1960s, planning throughout the development era, stabilization and adjustment policies in the 1980s, and anti-interventionist "market friendly development" for the 1990s. This chapter examines how this discourse could have taken place within the order of economic discourse as a whole; how it was articulated upon a domain of institutions, economic processes, and social relations; how the historical problematization of poverty gave rise to this peculiar discourse, which developed its own kind of historicity; how, finally, development economics effected development through the techniques of planning to which it gave rise. The aim of the chapter is not to decide whether the early development economists were right or wrong, but to develop a historical, epistemological, and cultural awareness of the conditions under which they made their choices. Even if the economists operated in a domain of discourse that had been created not as a result of individual acts of cognition but through the active participation of many in a historical context, the choices they made embodied commitments that had social and cultural consequences.

The first part of the chapter suggests an approach to examining both the economy and its science as cultural constructions, a task for which few guideposts exist at this time.<sup>2</sup> The second part looks at some of the notions central to the articulation of classical and neoclassical economic discourse before the advent of development, particularly those notions which provided the building blocks of development economics. The third section analyzes in detail the elaboration of economic development theories in the 1940s, 1950s, and 1960s; it also addresses the rise of planning as the practical side of development economics. The fourth section builds upon recent literature on economic anthropology that posits the existence of marginal models of the economy harbored in the practice of popular groups in the Third World today; it discusses the need for a cultural politics that takes seriously the existence of both mainstream economics as a dominant discourse and the manifold local models implicitly maintained by Third World groups. The chapter concludes by suggesting ways of shifting economic discourse within the context of global political economy as a strategy to pursue alternatives to economics and development.

#### ECONOMICS AS CULTURE

Needless to say, economists do not see their science as a cultural discourse. In their long and illustrious realist tradition, their knowledge is taken to be a neutral representation of the world and a truth about it. Theirs is not, as

Patricia Williams writes referring to the law in ways that are equally applicable to economics, "an imposition of an order—the ironclad imposition of a world view" (1991, 28). "At issue," Williams continues, "is a structure in which a cultural code has been inscribed" (1991, 19; my emphasis). This inscription of the economic onto the cultural took a long time to develop, as the philosopher Charles Taylor explains:

There are certain regularities which attend our economic behaviour, and which change only very slowly. . . . But it took a vast development of civilization before the culture developed in which people do so behave, in which it became a cultural possibility to act like this; and in which the discipline involved in so acting became widespread enough for this behaviour to be generalized. . . . Economics can aspire to the status of a science, and sometimes appear to approach it, because there has developed a culture in which a certain form of rationality is a (if not the) dominant value. (Taylor 1985, 103).

What is the cultural code that has been inscribed into the structure of economics? What vast development of civilization resulted in the present conception and practice of the economy? The answer to this question is complex and can only be hinted at here. Indeed, the development and consolidation of a dominant view and practice of the economy in European history is one of the most fundamental chapters in the history of modernity. An anthropology of modernity centered on the economy leads us to question the tales of the market, production, and labor which are at the root of what might be called the Western economy. These tales are rarely questioned; they are taken as normal and natural ways of seeing life, "the way things are." Yet the notions of economy, market, and production are historical contingencies. Their histories can be traced, their genealogies demarcated, and their mechanisms of truth and power revealed. In short, the Western economy can be anthropologized and shown to be made up of a peculiar set of discourses and practices—very peculiar at that in the history of cultures.

The Western economy is generally thought of as a production system. From the perspective of the anthropology of modernity, however, the Western economy must be seen as an institution composed of systems of production, power, and signification. The three systems, which coalesced at the end of the eighteenth century, are inextricably linked to the development of capitalism and modernity. They should be seen as cultural forms through which human beings are made into producing subjects. The economy is not only, or even principally, a material entity. It is above all a cultural production, a way of producing human subjects and social orders of a certain kind. Although at the level of production the history of the Western economy is well known—the rise of the market, changes in the productive forces and the social relations of production, demographic changes, the transformation of everyday material life, and the commodification of land, labor, and

money—analyses of power and signification have been incorporated much less into the cultural history of the Western economy.

How does power enter into the history of the economy? Very briefly, the institutionalization of the market system in the eighteenth and nineteenth centuries also required a transformation at the level of the individual—the production of what Foucault (1979) has called docile bodies—and the regulation of populations in ways consistent with the movements of capital. People did not go into the factories gladly and of their own accord; an entire regime of discipline and normalization was necessary. Besides the expulsion of peasants and serfs from the land and the creation of a proletarian class, the modern economy necessitated a profound restructuring of bodies, individuals, and social forms. This restructuring of the individual and society was achieved through manifold forms of discipline, on the one hand, and through the set of interventions that made up the domain of the social, to which I have alluded, on the other. The result of this process—*Homo oeconomicus*—was a normalized subject that produces under certain physical and cultural conditions. To accumulate capital, spread education and health, and regulate the movement of people and wealth required no less than the establishment of a disciplinary society (Foucault 1979).<sup>3</sup>

At the level of signification, the first important historical aspect to consider is the invention of the economy as an autonomous domain. It is well known that one of the quintessential aspects of modernity is the separation of social life into functional spheres (the economy, the polity, society, culture, and the like), each with laws of its own. This is, strictly speaking, a modern development. As a separate domain, the economy had to be given expression by a proper science; this science, which emerged at the end of the eighteenth century, was called political economy. In its classical formulation by Smith, Ricardo, and Marx, political economy was structured around the notions of production and labor. In addition to rationalizing capitalist production, however, political economy succeeded in imposing production and labor as a code of signification on social life as a whole. Simply put, modern people came to see life in general through the lens of production. Many aspects of life became increasingly economized, including human biology, the nonhuman natural world, relations among people, and relations between people and nature. The languages of everyday life became entirely pervaded by the discourses of production and the market.

The fact that Marx borrowed the language of political economy he was criticizing, some argue (Reddy 1987; Baudrillard 1975), defeated his ultimate purpose of doing away with it. Yet the achievements of historical materialism cannot be overlooked: the formulation of an anthropology of use value in lieu of the abstraction of exchange value; the displacement of the notion of absolute surplus by that of surplus value and, consequently, the

replacement of the notion of progress based on the increase of surplus by that based on the appropriation of surplus value by the bourgeoisie (exploitation); the emphasis on the social character of knowledge, as opposed to the dominant epistemology, which placed truth on the side of the individual's mind; the contrast between a unilinear conception of history, in which the individual is the all-powerful actor, and a materialist one, in which social classes appear as the motor of history; a denunciation of the natural character of the market economy and a conceptualization, instead, of the capitalist mode of production, in which the market appears as the product of history; and finally the crucial insight of commodity fetishism as a paradigmatic feature of capitalist society.

Marx's philosophy, however, faced limits at the level of the code.<sup>4</sup> The hegemony of the code of signification of political economy is the underside of the hegemony of the market as a social model and a model of thought. Market culture elicits commitments not only from economists but also from all those living with prices and commodities. "Economic" men and women are positioned in civil societies in ways that are inevitably mediated, at the symbolic level, by the constructs of markets, production, and commodities. People and nature are separated into parts (individuals and resources), to be recombined into market commodities and objects of exchange and knowledge. Hence the call by critical analysts of market culture to remove political economy from the centrality that it has been accorded in the history of modernity and to supersede the market as a generalized frame of reference by developing a wider frame of reference to which the market itself might be referred (Polanyi 1957b, 270; Procacci 1991, 151; Reddy 1987).<sup>5</sup> I suggest that this wider frame of reference should be the anthropology of modernity.

Anthropologists have been complicit with the rationalization of modern economics, to the extent that they have contributed to naturalizing the constructs of economy, politics, religion, kinship, and the like as the fundamental building blocks of all societies. The existence of these domains as presocial and universal must be rejected. Instead, "we must ask what symbolic and social processes make these domains appear self-evident, and perhaps even 'natural,' fields of activity in any society" (Yanagisako and Collier 1989, 41). The analysis of economics as culture must thus start by subjecting to scrutiny the apparent organization of societies into seemingly natural domains. It must reverse the "spontaneous impulse to look in every society for 'economic' institutions and relations separate from other social relations, comparable to those of Western capitalist society" (Godelier 1986, 18).

This task of cultural critique must begin with the clear recognition that economics is a discourse that constructs a particular picture of the economy. To use Stephen Gudeman's metaphor (1986; Gudeman and Rivera 1990),

what we usually recognize as economics is only one "conversation" among many regarding the economy; this conversation became dominant throughout the centuries, thanks to the historical processes already sketched. Gudeman's unveiling of the use in anthropology of allegedly universal economic models is instructive:

Those who construct universal models . . . propose that within ethnographic data there exists an objectively given reality which may be captured and explained by an observer's formal model. They utilize a "reconstructive" methodology by which observed economic practices and beliefs are first restated in the formal language and then deduced or assessed with respect to core criteria such as utility, labor or exploitation. Although the particular theories used in economic anthropology are quite diverse, they share the assumption that one or another universal model exists and can be used to explain a given field data. According to this perspective, a local model usually is a rationalization, mystification or ideology; at most, it only represents the underlying reality to which the observer has privileged access. (1986, 28)

Any model, however, whether local or universal, is a construction of the world and not an indisputable, objective truth about it. This is the basic insight guiding the analysis of economics as culture. The coming into dominance of modern economics meant that many other existing conversations or models were appropriated, suppressed, or overlooked. At the margins of the capitalist world economy, Gudeman and Rivera insist, there existed and continue to exist other models of the economy, other conversations, no less scientific because they are not couched in equations or produced by Nobel laureates. In the Latin American countryside, for instance, these models are still alive, the result of overlapping conversations that have been carried out for a long time. I will come back to the notion of local models in the last section of the chapter.

There is, then, an orientalism in economics that has to be unveiled—that is, a hegemonic effect achieved through representations that enshrine one view of the economy while suppressing others. The critique of economics as culture, finally, must be distinguished from the better-known analysis of economics as "rhetoric" advocated by McCloskey (1985). McCloskey's work is intended to show the literary character of economic science and the price economics has paid for its blind adherence to the scientific attitude of modernism. This author shows how literary devices systematically and inevitably pervade the science of economics. His aim is to improve economics by bringing it into the realm of rhetoric. The aim of this chapter is quite different. Although some rhetorical analysis is used, particularly in the reading of the economic development theories of the 1950s and 1960s, the analysis of economics as culture goes well beyond the formal aspect of the rhetoric of

economics. How did particular constructions of the economy come to exist? How do they operate as cultural forces? What practices do these constructions create, and what are the resulting cultural orders? What are the consequences of seeing life in terms of such constructions?

THE WORLD OF ECONOMICS AND THE ECONOMICS OF THE  
WORLD: THEORETICAL AND PRACTICAL ANTECEDENTS  
OF DEVELOPMENT ECONOMICS

*"The Static Interlude" and the World of Economics*

The opening paragraph of what was perhaps the most celebrated article on economic development, written in 1954, entitled "Economic Development with Unlimited Supplies of Labour," and authored by W. Arthur Lewis, reads as follows:

This essay is written in the classical tradition, making the classical assumption, and asking the classical question. The classics, from Smith to Marx, all assumed, or argued, that an unlimited supply of labour was available at subsistence wages. They then enquired how production grows through time. They found the answer in capital accumulation, which they explained in terms of their analysis of the distribution of income. Classical systems thus determined simultaneously income distribution and income growth, with the relative prices of commodities as a minor by-product. (Lewis [1954] 1958, 400)

Let us pause for a moment to recall some of the pertinent aspects of the "classical tradition." The cornerstone of the classical theory of growth was capital accumulation (understood in its "bourgeois" sense, that is, not as a dialectical process), associated with an increasingly specialized labor force. Changes in capital and labor productivity were considered of paramount importance, whereas natural resources and institutions were regarded as constant and technical change as an exogenous variable (treated as such by all classical economists except Marx). Classical economists also believed that natural resources are limited; scarcity became an inescapable imperative. The corollaries of this premise were progressive impoverishment, the stunting of growth (the theory of diminishing returns), and the possibility of reaching a stationary state.<sup>6</sup> This retarding effect could be offset only by technical progress. According to the classical theory, the economy would reach a point at which wages would rise above the subsistence minimum, thus squeezing profits down to a point where investment would stop; average wages would then drop again, technological progress would make labor more productive, and growth would resume, only to be once again subjected to forces that pulled it toward a stationary state, and so forth.<sup>7</sup>



For Ricardo, the laws that regulate the distribution of the national product among rents, profits, and wages was the main problem of political economy. The level of profits was crucial, because it determined the level of capital accumulation and economic growth. His economic theory thus consisted of a theory of rent, a subsistence theory of wages, an explanation of the impact of diminishing returns in agriculture on the profit rate, and a labor theory of value. One of the most important contributions of the Ricardian formulation was precisely this theory of value. Labor became a unit common to all merchandise and the source of value because it embodied the producing activity (Dobb 1973). Labor, in fact, appeared as a transcendental that made possible the objective knowledge of the laws of production. The economy became a system of successive productions based on labor (the product of labor of one process went into another). This economic concept fostered a view of accumulation according to temporal sequences and, generally speaking, made possible the articulation of economics with history. Production and accumulation began to shape indelibly the modern notion and experience of history (Foucault 1973).<sup>8</sup>

The notion that labor is the basis of all value did not survive for long. The “marginal revolution” of the 1870s sought to debunk the Ricardian formulation by introducing a different theory of value and distribution. Interestingly, the search for an absolute determinant of value was abandoned. “Prevailing opinions make labor rather than utility the origin of value,” wrote Jevons, the father of the conceptual revolution. “Repeated reflection and inquiry have led me to the somewhat novel opinion, that value depends entirely upon utility” (quoted in Dobb 1973, 168). Jevons defined utility as “the abstract quality whereby an object serves our purposes, and becomes entitled to rank as a commodity,” and the problem of the economy as the satisfaction of “our wants to the utmost with the least effort . . . to maximize comfort and pleasure.” As the supply of a given commodity is increased, its utility starts to decrease until “satisfaction or satiety” is approached (Dobb 1973, 166–210).<sup>9</sup>

A whole new sphere of economic analysis—usually referred to as neoclassical economics—was built on this peculiar law. The idea that the economy could reach a state of general equilibrium became the centerpiece of economic theory. This idea was originally postulated by the French economist Leon Walras as a series of simultaneous equations relating a number of economic variables (prices and quantities of goods and services, either products or factors of production to be bought by households and firms). According to this theory, the free play of forces of supply and demand would tend to establish, under competitive conditions, an equilibrium pattern in the prices of commodities in such a way that all markets would be “cleared.” This is so because there is a “concatenation and mutual dependence” of economic acts

among all producers and consumers, a certain "circular flow of economic life." Schumpeter (1934, 8) defines this circular flow of the self-regulating market in a revealing manner:

Hence it follows that somewhere in the economic system a demand is, so to say, ready awaiting every supply, and nowhere in the system are there commodities without complements, that is other commodities in the possession of people who will exchange them under empirically determined conditions for the former goods. It follows, again from the fact that all goods find a market, that the circular flow of economic life is closed, in other words that the sellers of all commodities appear again as buyers in sufficient measure to acquire those goods which will maintain their consumption and their productive equipment in the next economic period at the level so far attained, and vice versa.<sup>10</sup>

It was an extremely harmonious view of the economy, without politics, power, or history; an utterly rational world, made even more abstract with the passing of time by the increasing use of mathematical tools. Why did the neoclassical economists abandon classical concerns such as growth and distribution? A commonsense explanation is usually put forward: Because capitalism became consolidated in the second half of the nineteenth century—having achieved remarkable rates of economic growth, elevated the living standards of the masses, and dispelled the old fears of getting to a point where growth would no longer be possible—the analytical preoccupation with growth seemed superfluous. The turn in analysis toward static and short-term theoretical interests, such as the optimization of resource allocation and the decision behavior of individuals and firms, was a logical step to follow.<sup>11</sup> Once capitalism was decidedly working, the interest of economists shifted to the fine-tuning of the operations of the system, including the rationalization of decisions and the coordinated performance of markets toward an optimum equilibrium. The dynamic aspects of the economy thus gave way to static considerations. It was what a development economist aptly called the static interlude (Meier 1984, 125–28).

Progress had not been without vicissitudes, especially toward the end of the century (falling prices, unemployment, business losses, class struggles, and workers' organizations); but these problems would fade away as the process of continued growth was not in doubt. And in spite of the fact that by the end of the century the faith in the virtues of *laissez-faire* had been shaken (especially in relation to the need to control business monopoly), in 1870 most observers believed that universal and perfect trade would reign unhindered. It was as if, the economy having achieved some degree of apparent stability, economists busied themselves with the more mundane but theoretically exciting realm of the quotidian. This confidence was to be torn to pieces with the Great Depression. But by the time this happened, the

great "neoclassical edifice," built in the 1870s and furnished with impeccable precision in the next one hundred years, was firmly in place, shaping the discursive firmament of the discipline.

For Schumpeter (1954, 891–909), however, the neoclassical revolution left untouched many of the elements of the classical theory, including "its sociological framework." The general vision of the economic process was still pretty much the same as in Mill's time. In short, despite its rejection of the labor theory of value, neoclassical economics inherited, and functioned within, the basic discursive organization laid down during the classical period. The emphasis on individual satisfaction reinforced the atomistic bias of the discipline; more than in classical thought, the economic system was irremediably identified with the market, and economic inquiry with market conditions (especially prices) under which exchange takes place. The problem of distribution was removed completely from the sphere of politics and social relations and reduced to the pricing of inputs and outputs (the marginal productivity theory of distribution). By further isolating the economic system, questions of class and property relations fell outside the scope of economic analysis; analytical efforts were directed instead to the question of optimization (Dobb 1973, 172–83). The focus on particular static equilibriums, finally, militated against the analysis of macro relations and questions of economic development from a more holistic (for example, Marxist or Schumpeterian) perspective.

The great "neoclassical edifice" rested on two basic assumptions: perfect competition and perfect rationality. Perfect and universal knowledge ensured that existing resources would be optimally utilized, guaranteeing full employment. "Economic man" could go about his business in peace because he could be confident that there was a corpus of theory, namely, marginal utility and general equilibrium, which, because it had recourse to a perfect knowledge of things, would provide him with the information he needed to maximize the use of his scarce resources. The underlying picture of the neoclassical world was that of order and tranquillity, of a self-regulating, self-optimizing economic system, a view undoubtedly related to the pomposity of the Pax Britannica then prevailing.

This was, then, the neoclassical world at the turn of the century. A world, it was believed, where theory resembled the real economy as a clock resembles time; where the fundamental "niggardliness of nature" was held at bay by those rugged individuals who were able to extract from nature the most precious products; where the invisible hand that ensured the smooth operation of the economy and the welfare of the majority had not yet been burdened with the cumbersome strings of protectionism. The crisis that hit the capitalist world economy from 1914 to about 1948 was to add a number of important components to that edifice. Among them was a new interest in growth. It might be worth recalling these events in some

detail, because it was this situation that development economists found at their doorstep when, with great excitement, they decided to build a home for themselves.

*"The Years of High Theory" and the Economics of the World*

We have seen how classical political economy underwent a significant change with the marginalist revolution. After almost one century of Pax Britannica, the capitalist world economy entered a period of deep crisis, which motivated a second important transformation in economic discourse. Let us summarize the argument to be developed in this regard. Between the First and Second World wars, a new social system began to take shape. It rested on the dissolution of the old distinction between the state and the economy (so dear to the neoclassical economists), the development of unprecedented institutional arrangements, and an important reformulation of the neoclassical understanding of the economy. Historians argue that in the 1920s there occurred a recasting of bourgeois Europe through the development of corporatist forms of control of the polity and the economy and a restructuring of the relationship between private and public power. A recentering of the world economy also took place, shifting the center of the capitalist system to the United States. The styles and forms of intervention in the economy developed during this period were retained and extended during the 1930s, 1940s, and 1950s, before blossoming during the development era.

Keynesianism and a revitalized growth economics provided the understanding and rationalization of these processes. All these changes not only prepared the ground for a new scale of integration of the peripheral countries (those parts of the world later known as the Third World) under Pax Americana but provided the building blocks of a theory of economic development which guided and justified such integration. Classical theories of growth, improved upon by a new macroeconomics and a new mathematics of growth, were ready to provide the fundamental elements of the new discourse. So were the new forms of management and planning developed in the 1920s. After 1945, the underdeveloped world acquired a position of importance in the capitalist world economy it had never had before. Neither had there ever existed a discourse so refined to deal with it.

The depth of the economic and social transformation that started to take place in the first decade of the twentieth century—which saw not only the collapse of nineteenth-century economic organization but also unprecedented wars and fascism—has been most forcefully and insightfully discussed by Karl Polanyi (1957a). Polanyi finds the origins of this transformation "in the utopian endeavor of economic liberalism to set up a self-regulating system" (1957a, 29). The demise of the assumption of the self-regulating market was thus the first victim of the changes. The First World

War opened the way for new methods of management and planning of economic and social affairs. Out of the smoke and destruction of the battlefield emerged forms of organization of industry and labor that provided the foundations for a new economy after the war. This new economy was based on the belief that the economic process could not be left to the private market alone; the division between economic and political power became blurred. As the state's influence on the control of prices, labor, and resources became greater, new mechanisms of administration and bargaining were developed. In some countries (France, Germany, and Italy) the various interests (industry, agriculture, labor, and the military) became organized into corporate forms (Maier 1975)

A technocratic vision of the economy emerged out of the offices of the new engineers and professional businessmen. Taylorism, Americanism, and Fordism took deeper roots as scientific management extended its reach in its attempt to make the use of labor and capital ever more efficient. The introduction of all of these techniques cannot be underestimated. Gramsci characterized the transformation that Americanism and Fordism fostered "the biggest collective effort to date to create, with unprecedented speed, and with a consciousness of purpose unmatched in history, a new type of worker and a new type of man" (quoted in Harvey 1989, 126). This was achieved in the span of several decades, despite resistance by workers to Fordist and Taylorist work practices in the early years. The Left's demands for democratization in the factory became entangled with the Right's emphasis on rationalization through scientific management. In sum, the twilight of the nineteenth-century order saw, after the dark night of the war, the birth of a new order in which, despite many a great transformation, the old one still breathed at ease. "Rescuing bourgeois Europe meant recasting bourgeois Europe: dealing with unions (or creating pseudo-unions as in Italy), giving state agencies control over the market, building interest-group spokesmen into the structure of the state" (Maier 1975, 594).<sup>12</sup>

With the demise of the self-regulating market, the assumption of perfect knowledge was also discarded, especially in the late 1920s and early 1930s, when economic theory "had to come to terms with the restless anarchy of the world of fact." "Until the 1930s," wrote a student of the economic theory of the period, "economics was the science of coping with basic scarcity. After the 1930s, it was the account of how men cope with scarcity and uncertainty. This was by far the greatest of the achievements of the 1930s in economic theory" (Shackle 1967, 7). Pax Britannica had instilled in many people the sense of a natural, irrefutable order. To continue with Shackle's account:

"There was," as John Maynard Keynes says, "nothing to be afraid of." . . . The most essential and powerful difference between this world and the world of the 1930s was the loss of tranquility itself. Problems of "the price of a cup of tea" as Professor Joan Robinson put it, no longer counted much against the problem of

unemployment arising, so Keynes explained, from the failure of the incentive to invest, which failure itself was due to the sudden oppression of business minds by the world's incalculable uncertainties. There was no longer equilibrium in fact, and there could no longer be equilibrium in theory. (1967, 289)

Keynes was the hero of the new revolution. He demonstrated that there could be equilibrium at levels lower than full employment—indeed, at any level of output and employment. The theories of employment and growth produced during “the years of high theory” (1926 to 1939, by economists such as Keynes, Kahn, Robinson, Harrod, Myrdal, Hicks, Kalecky, Samuelson, and Kaldor) arose from the realization of the fundamental lack of information that decision makers had to confront. Perfect competition became imperfect (writing in 1926, Piero Sraffa demonstrated the existence of factors internal to the firm, called economies of scale, which made the assumption of perfect competition illusory); perfect knowledge became muddled, giving way to uncertainty; and the empty space left by the disappearance of the concern with static conditions was soon filled by inquiry into the dynamics of growth, now enshrined in the altar of theory. Because of the limitations of knowledge, the tools to manage reality had to be sharpened; hence a new emphasis on public policy and planning arose to fill the need for mechanisms of order and control.

The innovations in question reflected closely the events of the period: deflation, wage reductions, and unemployment in the 1920s, economic crisis and aggravated unemployment in the 1930s. Keynes's prescription was for government to propend for full employment through appropriate state spending and through investment, fiscal, and budgetary policy. Economists consider the theoretical achievements of this period extremely important. For Dobb (1973, 211–27), however, the new theory did not challenge the neoclassical theory of value; it moved within its general framework (Keynes considered the neoclassical theory a “special case” of his *General Theory*). Its radical challenge to existing views was restricted to the assumption of a unique position of static equilibrium, which in turn entailed full employment of resources. Yet it must be admitted that Keynes's disruption of the terribly rational and smooth neoclassical world was important. Keynes's successors, however, soon summoned to their aid rationality and the mathematization of economics, thus overlooking what could have been the most radical lessons of Keynes's work (Gutman 1994).<sup>13</sup>

Growth economics lent credence to this mode of theory construction according to conventional rationality and model building. In the late 1930s, and in the wake of Keynes's *General Theory*, a number of economists (Harrod in 1939 and Domar in 1946) focused their attention on the rates of growth of output (national production) and income as the fundamental variables to be explained by a truly dynamic theory. The mood set in for elaborating a theory of growth that was as abstract and general in application as

that of general equilibrium. The key to such a theory was the relation between investment and general output—how the pace of investment governs the level of general output, and how the acceleration of general output in turn affects the pace of investment. Investment, it was noted, not only accelerates income but also generates increased productive capacity. A net addition to the capital stock brings about a corresponding increase in national output (gross national product, or GNP); this correspondence is expressed by what economists of the period called the capital-output ratio, which Harrod defined as the value of capital goods required for the production of a unit increment of output.

Capital for new investment must come from somewhere, and the answer was savings. Part of the national income must be saved to replace worn-out capital goods (equipment, buildings, materials, and so on) and to create new ones. What mattered then was to establish the necessary “savings ratio” (proportion of national output to be saved), which, coupled with a given capital-output ratio, would produce the desired rate of growth of GNP. Every economy would have a “natural rate of growth,” defined as the maximum rate allowed by the increase of population, capital accumulation, and technological progress; because these variables could not be controlled accurately, the process of growth was seen as necessarily unstable. This theory was thus clearly consistent not only with the “classical question” and “the classical assumption” but also with the Keynesian innovation, which related the expansion or contraction of the economy to savings and investment. Although significant variations were introduced to the original Harrod-Domar theory, this formulation shaped the nascent development economics. The consequences of the adoption of this theory, as we will see in the next section, were enormous.

Let us return for a moment to the economics of the world. The stability allegedly achieved in the most powerful countries in the late 1920s and, again, in the late 1930s was not without its contradictions. As a distinctive regime of accumulation, Fordism did not reach maturity until after 1945, when it became the basis for the postwar boom that lasted until the early 1970s. By the time Fordism started to decline, it had already become “less a mere system of mass production and more a total way of life” (Harvey 1989, 135). It had introduced not only a new culture of work and consumption but a new aesthetic, which built upon and contributed to the aesthetic of modernism, with its concern with functionality and efficiency.

Let us see how Marxist-inspired political economists explain the capitalist dynamics of the period. Fordist accumulation determined the incorporation of the periphery in novel ways.<sup>14</sup> The horizontal (geographic) integration of the capitalist world economy had been largely completed by 1910, and a process of vertical integration—for the periphery, an increase in the rate of extraction of surplus value through means other than geographic expan-

sion—began to take place. By 1913, the major core nations (England, the United States, France, and Germany) owned about 85 percent of all capital invested in the semiperiphery (at that point composed of Spain, Portugal, Russia, Japan, Australia, and parts of Eastern Europe) and the periphery (most of Latin America, Asia, and Africa). However, certain factors created instability: increased competition from the semiperiphery (especially Russia and Japan); increased anticore ideologies and social movements in the periphery (as the pace of foreign investment and direct military intervention augmented); internal changes in the class structure of the core nations; and competition among the core nations for control of the increasingly important natural resources of the periphery.<sup>15</sup>

The growing importance of the United States in the capitalist world economy had important repercussions for the periphery. In the case of Latin America, trade with the United States increased dramatically, and so did direct U.S. investment. A large borrowing program, mainly from U.S. bankers, was initiated, especially during the 1920s. The 1920s marked the first decade of "modernization" of the Latin American continent, and the period in general (1910–1930) saw an important transition in the social and economic structure of the larger countries of the region. The Great Depression hit hard the Latin American economies. Imports by core nations from Latin America were severely reduced. The large debt obligations that many countries contracted during the 1920s became an unbearable burden (a situation not unlike that of the 1980s) and, indeed, by 1935 most of the debt was in default. The euphoric mood the boom of the 1920s created turned somber, out of which came the need either to adapt to depressed international conditions in the best possible way (the course of action most countries of the region took) or to proceed with the industrialization process through a strategy of import substitution—that is, to produce at home what was previously imported (the larger countries, such as Brazil, Argentina, Mexico, and Colombia, took this route). The countries of the periphery were obliged to abandon the old liberalism and implement active state policies to protect and develop their national economies.<sup>16</sup>

The free enterprise system was in peril after the Second World War. To save such a system, the United States was faced with various imperatives: to keep the existing core nations of the capitalist system together and going, which required continuous expansion and efforts to avoid the spread of communism; to find ways to invest U.S. surplus capital that had accumulated during the war (particularly abroad, where the largest profits could be made); to find markets overseas for American goods, given that the productive capacity of American industry had doubled during the war; to secure control over the sources of raw materials in order to meet world competition; and to establish a global network of unchallenged military power as a way to secure access to raw materials, markets, and consumers (Amin 1976;



Borrego 1981; Murphy and Augelli 1993). The pact signed at Bretton Woods, establishing the International Monetary Fund and the World Bank, inaugurated the new era. Keynesian theory provided guidelines to strengthen the private sector, expand domestic and foreign markets, and revitalize international trade under the aegis of multinational corporations. The production process of the core states was thus newly integrated with their political apparatuses as well as with the emerging international financial organizations.

"The Great Transformation," so admirably described by Polanyi, thus marked the collapse of some of the most cherished economic principles of the nineteenth century. *Laissez-faire* and old-fashioned liberalism gave way to more efficient ways of managing economies and populations, more pervasive perhaps if only because they were carried out under the legitimizing wing of science and increasingly (especially with the development of welfare economics in the 1950s) for the "good of the people." The "static interlude" was over, but the new economics did little to alter the boundaries of classical and neoclassical discourse. Theoretical refinements and sophisticated mathematical techniques—such as Leontieff's input-output analysis, in gestation since the 1930s—were developed, but they did not depart significantly from the basic discursive organization of classical economics. The imperatives the United States faced at the end of the war placed Latin America and the rest of the periphery in a well-demarcated space within the capitalist world economy.

To conclude this section, let us return to the introduction of the chapter. I referred to a certain reformist ethos in the attitude of the pioneers of development. This ethos was partly linked to the experience of the Great Depression. Indeed, as the progressive Harvard economist Stephen Marglin maintains, this experience changed economics for a generation, both in terms of the people it attracted and the problems it sought to address. Between 1935 and 1960, some economists even thought that the end of capitalism was a possibility. Scholars such as Galbraith, Kuznets, Currie, and, at the tail end of the period, Marglin acquired a political disposition toward their subject matter and the problems they wished to confront. (One also thinks of Latin American economists such as Raúl Prebisch, Antonio García, Celso Furtado, and Fernando Henrique Cardoso in a similar way). Macroeconomic theory of the period also arose in the context of decolonization, which for these economists meant the final destruction of empires. Although the needs of empire were to bring the colonized into the market, the well-being of the people suggested that they would be better off if left alone.<sup>17</sup>

For a moment then there was a contradiction in the mind of some economists between the welfare of the people and interventionist policies. Only after the Second World War would welfare and development join ranks as compatible goals. But, Marglin insists, many of the early development econ-

omists espoused a progressive agenda in the beginning years of their work. Without disputing this perception, it is important to emphasize, as this section has shown, that it was the whole movement of many decades that prepared the ground for the final arrival of development economics. Fueled by this momentum, development economists arrived in the Third World full of hopes and aspirations, eager to apply the best of their knowledge to a complex but exciting task. Their discourse, discussed in the next section, was extremely influential; it continues to be an important chapter in the cultural history of the Third World.

### THE DEVELOPMENT OF DEVELOPMENT ECONOMICS

#### *The Early Theories: Structuring the Discourse*

The ten years between 1948 and 1958 saw the rise and consolidation of development economics as a practice concerned with certain questions, performed by particular individuals, and entrusted with given social tasks. During those years, development economics constructed its object, the “underdeveloped economy,” out of the historical and theoretical processes reviewed in the previous section. How this construction actually happened needs to be analyzed in detail for our analysis of the politics of discourse and regimes of representation.

There were important precursors to the post-World War II concept of economic development. As Arndt (1978, 1981) has noted, when the term *development* was used before the 1930s, it was usually understood in a naturalistic sense, as the emergence of something over time. Two exceptions were Schumpeter, whose work on economic development, to be discussed later, was published in German in 1911, and a number of historians of the British Empire. A third exception was Marx, who derived his concept of development from the inexorable Hegelian dialectics. The clearest forerunner of the current use, mentioned in chapter 2, was the 1929 British Colonial Development Act. In the colonial context, economic development was not an inevitable historical process but an activity that had to be fostered by the government. The economic system did not develop; resources had to be developed. “Economic development in Marx’s sense derives from the intransitive verb, in [the colonial] sense from the transitive verb” (Arndt 1981, 460).

Arndt traces the use of economic development in the transitive sense to Australia and to a lesser extent Canada, where economic development did not happen spontaneously. He also mentions in passing a 1922 study by Sun Yat-sen, a Chinese nationalist leader, proposing a massive program for the economic development of China. But not until the middle of the 1940s was the term applied to the economic development of “underdeveloped areas.”

The Depression and World War II had brought to the fore the questions of full employment and growth. There was, as Arndt (1978) put it in his study of the rise and fall of the concept of economic growth, a "return to scarcity" and to the "general problem of poverty." Growth started to be seen as a remedy for poverty and unemployment rather than as an end in itself.

The classical concern with capital accumulation became central, via contemporary growth theories, to the first attempts at applying known tools of economic analysis to poor countries. The emphasis on investment implied a focus on savings and opened the way for foreign aid and foreign investment, because it was soon recognized that poor countries seldom possessed sufficient amounts of capital to meet the investment required for rapid growth. This conclusion was reinforced by the consideration that the growth of GNP had to be greater than the growth of population, which was relatively high in most countries. Moreover, a privileged arena for investment, one in which the benefits of capital accumulation would be larger than in any other realm, was discovered: industrialization. Industrialization would pave the way for the modernization of the backward economies and for spreading among the natives the proper rationality—"training labour and accustoming it to factory discipline," as W. Arthur Lewis wrote in 1946 referring to Jamaica's industrialization (quoted in Meier 1984, 143); it would also be the most efficient way of putting to productive use the large pool of the unemployed and underemployed who inhabited the countryside.

Similarly, industrialization would be the only way in which the poor countries could undo the structural disadvantage that they faced in the domain of international trade as predominantly primary producers confronted with the higher prices and productivity of goods coming from industrialized countries. Through industrialization, poor countries would stop producing "the wrong things" and start producing items with a higher exchange value. That industrialization was the key to development was as "clear as daylight," to quote again from Lewis's report on Jamaica (in Meier 1984, 143). The actual way in which industrialization was to take place constituted the core of most development models of the 1950s. It was clear that industrialization was not going to happen spontaneously. Deliberate efforts were required if the perceived obstacles to industrialization were going to be overcome. This called for a type of planning that ensured the right allocation of scarce resources, corrected market prices, maximized savings, oriented foreign investment in the right direction, and in general orchestrated the economy in terms of a well-balanced program. Development planning was thus from the outset the twin of development economics; this was already clear at the time of the 1949 World Bank mission to Colombia.

In sum, the major ingredients of the economic development strategy commonly advocated in the 1950s were these: (1) capital accumulation; (2) deliberate industrialization; (3) development planning; and (4) external aid. The underdeveloped economies, however, were thought to be characterized by

a number of features that set them apart from the economies studied by orthodox economics, which then called for modifying existing theory—what Hirschman calls the rejection of the “monoeconomic claim” (1981). Among these features were high levels of rural underemployment, a low level of industrialization, a set of obstacles to industrial development, and a disadvantage in international trade. The first three of these captured the attention of most theorists building their models. Initially, attention focused on the “obstacles” that lay in the way of development, as well as in the “missing components” that would have to be supplied to make the models work. The models proposed characterized the effort that would have to be made to remove obstacles and provide missing components in such a manner that industrialization would take off with vigor and celerity.<sup>18</sup>

Classical and neoclassical theories of growth provided the building blocks for these models. The milestones of classical growth theory, let us remember, were capital accumulation, greater division of labor, technological progress, and trade. As we saw, postwar growth theory was influenced as well by Keynes’s analysis of the interaction of savings and investments. It is useful to recall the thrust of the growth argument as postulated by Harrod and Domar. In order to grow, economies must save and invest a certain proportion of their gross national product. Given a specific level of savings and investment, the actual rate of growth will depend on how productive the new investment is; and the productivity of investment can be measured by the capital-output ratio. Investment creates new capacity to produce, which must be matched, in turn, by new demand. Income thus must rise by an equivalent proportion to ensure no idle capacity of capital goods.

The model assumed a number of features that held reasonably well for industrialized countries but not for underdeveloped economies. It assumed a constant capital-output ratio, did not analyze the effect of price changes (they were models in real terms), and presupposed constant terms of trade. But the underdeveloped economies were found to be characterized by deteriorating terms of trade for their primary products (*vis-à-vis* manufactured products from the industrialized countries), they were seen in need of rapid technological change, and their prices changed continually due to the inflationary bias of their economies. They also had a much lower level of savings. The main obstacle to development was thus low capital availability; moreover, although domestic savings could be increased, there would still be a “savings gap,” which had to be filled with foreign aid, loans, or private foreign investment. Despite these differences, growth theories that had developed in the context of industrialized economies shaped economic development models to a significant extent.

Let us look in detail at some of the most important models. Rosenstein-Rodan, coming from his experience with relatively depressed Eastern European economies in the 1920s and 1930s, argued for a “big push” in investment to mobilize the rural underemployed for the task of industrialization.

For this author, industrialization required a large, carefully planned initial effort in order to be successful; small, isolated efforts were very likely to fail.<sup>19</sup> Other models had the same thrust: either a “critical minimum effort” was needed (Liebenstein 1957), or countries were seen as caught in a “low-level equilibrium trap,” out which only an effort of a certain magnitude would get them (Richard Nelson). Rostow’s historicoeconomic model (1960, 1952), which assumed that all countries went through a linear path of stages in their transition to modernity, with one of these stages being the “take-off” into self-sustained growth, became well known in the late 1950s and early 1960s. So did Nurkse’s “balanced growth” conception—which predicted that a country would escape the “vicious circle of poverty” only through a concerted application of capital to a wide range of industries—and Hirschman’s (1958) notion of “backward and forward linkages” for rationalizing the industrialization process. All of these conceptions soon found their way into the voluminous literature coming out of the United Nations and international lending organizations, and in the poor countries themselves, either because theorists visited the Third World—often for long periods of time—or through the education of Third World students in North American and British universities, a practice that became widespread in the 1960s.<sup>20</sup>

The models Nurkse and Lewis developed in the early 1950s were among the most influential, and it is appropriate to examine them briefly, not from the point of view of their economic rationality, but as cultural constructs and central pieces in the politics of the development discourse. Nurkse’s book (1953), written in 1952 and based on a series of lectures delivered by the author in Rio de Janeiro a year earlier, is dedicated to analyzing the factors associated with “the vicious circle of poverty” and the possible ways to “break the deadlock” of such a circle. In his conception, poverty is produced by a circular constellation of forces that links lack of food and ill health with low work capacity, low income, and back to lack of food. This vicious circle is paralleled by a circular relationship in the realm of the economy.

A circular relationship exists on both sides of the problems of capital formation in the poverty-ridden areas of the world. On the supply side, there is the small capacity to save, resulting from the low level of real income. The low real income is a reflection of low productivity, which in turn is due largely to the lack of capital. The lack of capital is a result of the small capacity to save, and so the circle is complete. On the demand side, the inducement to invest may be low because of the small buying power of the people, which is due to their small real income, which again is due to low productivity. The low level of productivity, however, is a result of the small amount of capital used in production, which in its turn may be caused at least partly by the small inducement to invest. (Nurkse 1953, 5)

Behind this “vicious” economic circle lies implicitly the “proper” circular view that was held to underlie a sound economy. The goal of balanced

growth was innocuously stated as "enlarging the size of the market and creating inducements to invest," for which capital was obviously essential. To increase production of one commodity (shoes is the example Nurkse uses) was not enough; the increase had to take place simultaneously in a wide range of consumer goods if demand was to be sufficiently augmented. Commercial policy should then seek to direct properly the additional savings and external sources of capital in order to expand the domestic market to the degree needed for the takeoff into self-sustained development.

Interestingly, for Nurkse the problem of capital formation was not restricted to low savings capacity; it was also due to small inducement to invest. In this he was closer to Schumpeter, whom he explicitly invoked. But neither Nurkse nor any other development economist adopted a Schumpeterian view; the reasons for this are revealing in terms of the politics of discourse. Schumpeter's *Theory of Economic Development* had been available in English since 1934. This book, as most of Schumpeter's works, is tight and unifying, with an emphasis on processual aspects. ("The argument of the book forms one connected whole," he writes in the introduction.) The surprisingly small influence of this book on postwar development thinking may have been due to several factors. To begin with, Western economists saw this book as a theory of business cycles, not as a theory of development; moreover, Schumpeter's emphasis on the role of the private entrepreneur seemed to rule out its application to poor countries, where entrepreneurship was thought to be almost nonexistent, in spite of some allegations to the contrary (Bauer and Yamcy 1957). The alleged lack of entrepreneurship was influenced by the perception of Third World people as backward and even lazy.

Schumpeter's theory seemed pertinent to the concerns of the early development economists. He was concerned not with small changes in economic life but precisely with those revolutionary changes cherished by development economists with their "big push" and "takeoff" theories. To adhere to Schumpeter's framework, however, would have required taking seriously a number of aspects that would have posed uncomfortable problems to most economists of the period—for instance, the fact that for Schumpeter mere growth was not development but just "changes in data," or that "the economic state of a people does not emerge simply from the preceding economic conditions, but only from the preceding total situation" (Schumpeter 1934, 58). How could these views be translated into manageable models and planning schemes?<sup>21</sup>

W. Arthur Lewis's model of the dual economy, as influential as Nurkse's model, if not more so, was originally published in 1954. The pivotal discursive operation of this model was the division of a country's economy and social life into two sectors: one modern, the other traditional. Development would consist of the progressive encroachment of the modern upon the traditional, the steady extension of the money economy on the vast world of

subsistence or near subsistence. This assumption pervaded the development view of most economists and international organizations for several decades (witness, for instance, the quotation that opens the first chapter of this book, excerpted from a report prepared by a committee of which Lewis was one of five participants). From the point of view of a discursive economy, the consequences of such a dualistic construction are enormous. To begin with, Lewis's construction equates tradition with backwardness, a burden to be disposed of as quickly as possible and a part of the economy with nothing to contribute to the process of development. Had a nondualistic view of the underdeveloped economy been adopted (Braudelian, Schumpeterian, or Marxist, not to mention one based on non-Western traditions), the consequences would have been quite different, for development would have had to involve all sectors of social life.

There is another mechanism at work in the modern-traditional dichotomy. This split distances one pole from the other, making remote the second term of the division. This feature of discourse is by no means restricted to economics. It is deeply embedded in the social sciences and in Western culture in general. In his analysis of the use of time in anthropology, Johannes Fabian (1983) found this feature, which he calls denial of coevalness, to be central to the writings about other cultures. In spite of the fact that the ethnographer or researcher/economist is mandated to share the time of the other—the "native," the "underdeveloped"—in the fieldwork experiences or in the economists' missions, this other is nevertheless represented as belonging to another time period (even to the Stone Age in some texts); thus time is used to construct the object of anthropology, or economics, in such a way that a specific power relation is created. By constructing the other as living in another time period, these scientists avoid having to take into account the other seriously; a monologue from the height of power results. These features are borne in Lewis's depiction of the dual economy:

We find a few industries highly capitalized, such as mining or electric power, side by side with the most primitive techniques. . . . We find the same contrast also outside their economic life. There are one or two modern towns, with the finest architecture, water supplies, communications, and the like, into which people drift from other towns and villages which might almost belong to another planet. There is the same contrast even within people; between the few highly westernized, trousered, natives, educated in western universities, speaking western languages, and glorifying Beethoven, Mills, Marx or Einstein, and the great mass of their countrymen which live in quite other worlds. . . . Inevitably what one gets are very heavily developed patches of the economy, surrounded by economic darkness. (Lewis [1954] 1958, 408)

In this discourse, the traditional segment is a world of economic darkness, where new ideas are impossible, architecture is inadequate (despite the fact

that it seems adequate for its dwellers), and there are no communications (because only the airplane, the automobile, and television count as communications)—in short, another planet. It does not matter that those aliens are human beings as well (although those who belong to the modern sector are apparently more human, because they speak prestigious languages, listen to Beethoven, have memorized Einstein's equations, and have mastered Samuelson, Friedman, or Marx) or that they constitute about 80 percent of the world. Their existence can be brushed aside, because they live in quite another age bound to be swept away by the fruits of the Enlightenment and the travails of economists. The rightness of the actions of the harbingers of modernity is corroborated by the fact that the native elite cherishes the modern world—even if their native side might pop up from time to time, for instance, when they become “corrupt” or “uncooperative.”

The economic development conception that comes out of this view is its logical extension. “The central problem in the theory of economic development,” writes Lewis, “is how to understand the process by which a community which was previously saving and investing 4 or 5 per cent of its national income or less, converts itself into an economy where voluntary saving is running at about 12 to 15% of national income or more” (Lewis [1954] 1958, 416). “This is the central problem because the central fact of economic development is rapid capital accumulation (including knowledge and skills with capital),” he adds (416). The means to achieve this feat also follows: to use the traditional sector to fuel the modern one. This would require moving “the rural underemployed,” who, because of their large numbers, can be removed from the countryside without reducing agricultural output (in the economist's jargon, this can be done because the marginal productivity of labor in agriculture is negligible or zero). This “surplus labor” would be hired at near-subsistence wages by the new industries set up with additional savings and foreign capital. Both the historical “record,” as well as economic rationality, attests to the fact that people will move as long as they can be secured higher wages in the modern sector.

What happened to rural people (never mind what they thought) did not matter. From an economic perspective, these people simply did not count.

We are interested not in the people in general, but only say in the 10 per cent of them with the largest incomes, who in countries with surplus labor receive up to 40 per cent of the national income. . . . The remaining 90 per cent of the people never manage to save a significant fraction of their income. The important question is why does the top 10 per cent save more? . . . The explanation is . . . likely to be that saving increases relatively to national income because the incomes of the savers increase relatively to the national income. The central fact of economic development is that the distribution of incomes is altered in favour of the saving class. (Lewis [1954] 1958, 416, 417)



Not surprisingly, theories of this type led to regressive distributions of income that reached embarrassing proportions. Not until the early 1970s did economists fully realize this fact, especially with Albert Fishlow's empirical findings that the "Brazilian miracle" of the late 1960s and early 1970s (growth rates of more than 10 percent per year maintained for a number of years) had not only produced a more unequal distribution of income but left low-income groups worse off in absolute terms. The second important aspect that should be noted is that unemployment was not eased in most cases, nor did wages and living standards rise significantly, as theory predicted; instead a permanent condition of surplus labor was produced, which fitted nicely the needs of multinational corporations. Poverty and unemployment inevitably increased, parallel to increases in the growth of GNP. These "undesirable" consequences, these "painful realizations"—as economists often euphemistically call them when they look at the "development record"—were by no means peripheral to the models used but belonged to their inner architecture.<sup>22</sup>

A third model of economic development, which achieved significant influence, especially in Latin America, was propounded in the late 1940s and 1950s by a group of Latin American economists working within the newly established Economic Commission for Latin America (CEPAL) in Santiago. CEPAL economists based their approach on the empirical demonstration of the historical deterioration of the terms of trade against primary goods from the countries of the periphery. The terms *center* and *periphery* (radicalized into a theory of dependency in the 1960s) were coined by CEPAL as elements of their explanation for this phenomenon. The deterioration of the terms of trade was seen as a reflection of the fact that the advances in technical progress were concentrated in the industrialized center. CEPAL's doctrine was not unrelated to Lewis's. Because output per worker was lower in the periphery, and given surplus labor, the conclusion for CEPAL economists was lower capacity for capital accumulation in the periphery. Ergo, a specific industrialization policy was needed. The lack of industrialization severely curtailed access to foreign exchange—the crucial component for economic growth because it determined the capacity to import capital goods. The answer thus lay in programs of domestic industrialization that would allow countries to manufacture at home goods that were previously imported. Hence the name given to this strategy, "import substitution industrialization," one of CEPAL's trademarks.<sup>23</sup>

CEPAL theorists also paid attention to other salient issues, such as inflation, and to structural obstacles to development, particularly the sluggishness of the agricultural sector and the lack of coordination among sectors of the economy. The assessment of CEPAL theories remains a matter of controversy in Latin America to this date.<sup>24</sup> Albert Fishlow (1985), for instance, has rightly observed the paradoxical fact that CEPAL's strategy of import

substitution industrialization aggravated precisely those factors it sought to correct: it increased the foreign-exchange vulnerability, magnified certain aspects of sectoral disequilibriums, and exacerbated the inflationary bias of the growth process. Yet it is undeniable that CEPAL economists challenged a number of tenets of orthodox economic theory (particularly the theory of international trade), provided a more complex view of development, which included structural considerations, and showed greater concern for the standard of living of the masses. Despite these differences, economic development remained in essence, in the eyes of these economists, a process of capital accumulation and technical progress. In short, as Cardoso (1977) pointedly put it, CEPAL thinking constituted "the originality of a copy."

This is to say that CEPAL's proposals were easily assimilated into the established views, to the extent that they lent themselves to a modernization process that international experts and national elites were eager to undertake. Its fate was to be absorbed into the power grid of the dominant discourse. One may say generally that at the level of discursive regularities, the CEPAL doctrine did not constitute a radical challenge. This does not mean, however, that it did not have important effects. From the point of view of the history of ideas, one should acknowledge, with Sikkink (1991), the impressive contribution of the Latin American economists who articulated a particular view of developmentalism as a model in the 1940s and 1950s. The fact that CEPAL-type developmentalism was adopted among several possible models reflects, for Sikkink, the resourcefulness of Latin American economists and policymakers of the period in the face of rapidly changing international and domestic opportunities and constraints.

Marxist or neo-Marxist theories of development, finally, did not achieve significant visibility until the 1960s, through theories of dependency, peripheral capitalism, and unequal exchange (Cardoso and Faletto 1979; Amin 1976; Emmanuel 1972). Paul Baran's influential article of 1952 and canon-setting book of 1957 was the starting point for most Marxist formulations. His 1952 article (see Baran 1958), entitled "On the Political Economy of Backwardness," contained a diatribe against Western capitalism and the middle and upper classes of the backward countries for having failed to develop these countries. For Baran, the eradication of the feudal order of backward countries and its replacement with market rationality would have been an indication of progress. At this level he was close to the dominant discourse. Nevertheless, his dialectical approach gave him the foresight to denounce the inappropriateness of the policies then being proposed and to pinpoint the need for structural changes in the political framework and the prevailing class alliances.

To what extent did Marxist or neo-Marxist views become circumvented, appropriated, or subverted by the dominant discourse? Many of the concepts these theories used can be described according to the conceptual basis

of classical political economy. Even if concepts such as dependency and unequal exchange were new, the discursive space in which they operated was not. Nevertheless, because they functioned within a system that had a different set of rules (that of Marxist political economy, in which concepts such as profit and capital establish a different discursive practice), they are—at the level of discursive strategies—a challenge to the dominant frameworks. In sum, although they did not constitute an alternative to development, they amounted to a different view of development and an important critique of bourgeois development economics.<sup>25</sup>

Cheryl Payer (1991) has offered a powerful indictment of the early theories of development economics from a contemporary angle, the debt crisis. Payer finds the origins of the debt crisis precisely in these early models. The early theories assumed that developing countries were “natural importers of capital” and that only a flow of external capital could guarantee their development. This myth was based on a number of fallacious assumptions: (1) that foreign capital would always be an addition to domestic savings (in many instances this was not the case: it made more sense to use grants and low-interest loans for investment and divert domestic savings to politically oriented social programs); (2) that external markets would always be available, so that Third World countries could use the foreign exchange earned from exports to pay off loans (more often than not, center countries levied high tariffs against Third World products); (3) that the industrialization that would occur due to added investment would reduce the need for imports (this was hardly the case: countries became more dependent on imports of capital goods—machinery—to produce locally what they previously imported, thus worsening balance-of-payment problems); and (4) that foreign capital would necessarily activate growth (as the historical experience of countries like Norway and Australia shows, the opposite can be the case).

The main factor economists forgot, Payer strongly states, was that loans have to be repaid. The way they solved this predicament was to assume that loans would always be available to pay past debt, *ad infinitum*, or to overlook completely the problem of servicing the debt. Payer refers to this as the Ponzi scheme, a scheme in which original investors are paid off with money supplied by later investors. The underlying premise was that loans would be invested properly and have high rates of return, thus making payment possible. This did not happen in many cases, for reasons such as those cited earlier. It was also assumed that there were balance-of-payments stages—again, as read from the economic history of the U.S. and the U.K.: nations would move from being young debtors (like Third World countries in the 1950s) to mature debtors (when aid is no longer required, countries having developed the capacity to use efficiently commercial loans) to new creditors to, finally, mature creditors (net exporters of capital). For this theory to work, mature creditors would have had to accept imports from debtors at a scale they never did, thus worsening the debt problem.

The main factor these models overlooked, however, was that the historical context of the Third World after World War II and that of the U.S. and England a century earlier were completely different. Although countries of the center became industrialized at a time when they could dictate the rules of the game and extract surpluses from their colonies (albeit not always and not in every colonial possession), Third World countries in the postwar period had to borrow under the opposite conditions: deterioration of the terms of trade against the periphery, extraction of surplus by center countries, and a position of subordination in terms of policy formulation. Said bluntly, whereas Europe was feeding off its colonies in the nineteenth century, the First World today feeds off the Third World, as attested by the fact that Latin America in the 1980s paid an average of \$30 billion more each year than it received in new lending.

To sum up: The pioneers of development economics conceived of development as something to be achieved by the more or less straightforward application of savings, investment, and productivity increases. Their notion of development was not, for the most part, structural or dialectical—not one in which development could be seen as the result of the dialectical interaction of socioeconomic, cultural, and political factors seen as a totality. As Antonio García, a prominent Latin American economist, pointed out, the notion of underdevelopment that these economists assumed was necessarily mechanistic and fragmentary:

It is mechanistic because it is based on the theoretical assumption that development is an effect induced by certain technological innovations and by certain mechanisms that accelerate the equation savings/investment. It is compartmentalizing because it is built on a view of social life as the arithmetic sum of compartments (economic, political, cultural, ethical) that can be isolated at will and treated accordingly. (1972, 16, 17)

The early models had an implicit standard (the prosperous, developed countries), and development was to be measured by the yardstick of Western progress. Their notion of underdevelopment occupied the discursive space in such a manner that it precluded the possibility of alternative discourses. By constructing the underdeveloped economy as characterized by a vicious circle of low productivity, lack of capital, and inadequate industrialization, development economists contributed to a view of reality in which the only things that counted were increased savings, growth rates, attracting foreign capital, developing industrial capacity, and so on. This excluded the possibility of articulating a view of social change as a project that could be conceived of not only in economic terms but as a whole life project, in which the material aspects would be not the goal and the limit but a space of possibilities for broader individual and collective endeavors, culturally defined.

It has often been said that classical political economy was the rationalization of certain hegemonic class interests: those of a capitalist world economy centered in England and its bourgeoisie. The same can be said of development economics in relation to the project of capitalist modernization launched by the core nations after the Second World War. Indeed, the set of imperatives the United States faced after the war—the five imperatives mentioned earlier: to consolidate the core, find higher rates of profit abroad, secure control of raw materials, expand overseas markets for American products, and deploy a system of military tutelage—shaped the constitution of development economics. Yet development economics should not be seen as the ideological or superstructural reflection of this set of imperatives. This interpretation would only relate a certain descriptive discourse (a set of assertions about a given economy: the five imperatives) to another discourse enunciated in the form of theoretical propositions (namely, development economics). That is, one should avoid falling back into the division between the “ideal” (the theory) and the “real” (the economy); instead one should investigate the epistemological and cultural conditions of the production of discourses that command the power of truth, and the specific mode of articulation of these discourses upon a given historical situation.

From this perspective, the emergence of development economics was not due to theoretical, institutional, or methodological advances. It was due to the fact that a certain historical conjuncture transformed the mode of existence of economic discourse, thus making possible the elaboration of new objects, concepts, and methodologies. Economics was called upon to reform societies perceived as underdeveloped, based on a new grid for theoretical interpretation (Keynesian and growth economics) and new technologies for social management (planning and programming). Said differently, the fact that the economic, political, and institutional changes of the period shaped the consciousness and perceptions of the economists was true in a number of ways—for instance, the need for economic expansion influenced the economists’ concern with growth; the rising tide of multinational corporations influenced the economists’ attention to capital accumulation via industrialization, and so on. Those changes, however, exerted their effect on economic discourse through other mechanisms as well: by opening new fields for the construction of economic objects; by conferring a new status on economists and their science; and by multiplying the sites from which the discourse could be produced and from which its associated practices could be set into motion.

Development economics made possible the elaboration of historical events into objects of economic discourse. What we called the economics of the world (the 1914–1948 crisis, the ensuing post–World War II situation, and the imperatives of the world economy) influenced the making up of the world of economics. The interests and struggles that made up those events found their way into the discourse and deployed their strategy

in it. Throughout this period, then, a fundamental structure was laid down which united a theoretical corpus, forms of diffusing it and controlling it, a body of practices—such as planning, discussed in the next section—international organizations (in whose ambit negotiations were conducted for the establishment of a new relation between international capital and the peripheral economies), and decision-making centers in the Third World eager to drink from the cup of economic knowledge so that they could elevate their peoples, once and for all, to the surface of civilization. Beyond the models themselves, it is this system that can be properly called development economics.

The development economist played a special role in this new universe of discourse. To him (he was almost invariably a male)<sup>26</sup> belonged the expertise that was most avidly sought; it was he who knew what was needed, he who decided on the most efficient way to allocate scarce resources, he who presided over the table at which—as if they were his personal entourage—demographers, educators, urban planners, nutritionists, agricultural experts, and so many other development practitioners sat in order to mend the world. Within this configuration, the economist retained for himself the less mundane role of giving overall directions, because it was his truth that circumscribed the task and gave it legitimacy in the name of science, progress, and freedom. To the latter were reserved the daily chores of social supervision and intervention, the detailed programs and projects through which development was carried out. The system as a whole rested on the economist's shoulders; sooner or later, the Third World would yield its secrets to the gaze of the economist; and this gaze, in keeping with the best Cartesian tradition, was undeniably objective and unprejudiced.

As the discourse of development economics became consolidated, so did its associated institutions and practices: economic institutes and faculties and, more important, the planning institutions. The next section introduces briefly the discussion of planning, although a more detailed analysis of its functioning as a field of knowledge and technique of power must await subsequent chapters.

*Managing Social Change:  
The Constitution of Development Planning*

During the 1960s, economic-growth theories occupied "an exalted position" (Arndt 1978, 55). The challenge that growth not be equated with development was still a decade away. The widespread belief that growth could be planned for contributed to solidifying the growth approach. Planning had ceased to be an affair of the socialist Left and the Soviet world. Even in countries like England and France the need for some sort of long-term planning to orchestrate economic growth was recognized. But planning was not just the application of theoretical knowledge; it was the instrument through

which economics became useful, linked in a direct fashion to policy and the state. At the practical level of planning, truth spoke for itself, because it had been previously summoned by the discourse of the economist. What for the planner was a field of application and experimentation, for the economist was the locus of a systematic truth he was obliged to find and bring to everybody's attention.

The first loan the World Bank made to an underdeveloped country was to Chile, in 1948. A World Bank official called Chile's initial loan application, a seven-page proposal, "a completely undigested list of projects." For World Bank economists, this was a clear indication of how far they would have to go to bring Latin American social scientists and government officials to the point where they could prepare a satisfactory project proposal. One of the early World Bank economists put it thus:

We began to discover the problem with our first mission which went to Chile in 1947 to examine a proposal that we finance a power project there. The presentation of this proposal had been made in a book handsomely bound in black Morocco leather. . . . But when we opened the book, we found that what we had really was more of an idea about a project, not a project sufficiently prepared that its needs for finance, equipment, and manpower resources could be accurately forecast. . . . Before the loan was finally made, members of the Bank staff had made suggestions about the financial plan, had contributed to the economic analysis of the scheme, had advised on changes of engineering, and had helped study measures for improving the organization of the company which was to carry out the scheme. When we finally made the loan, the project had been modified and improved, the borrowing organization had been strengthened, and the foundation had been laid for a power expansion program in Chile which has been proceeding steadily ever since. (Quoted in Meier 1984, 25)

This telling anecdote, which Meier cites as an example of the evolving "efforts" of the World Bank and other agencies, reveals "a power expansion program," although not primarily of electric power. It reveals the pressures that Latin American social scientists and government officials faced to transform radically the style and scope of their activities to fit the needs of the development apparatus. Latin American social scientists did not know what World Bank officials meant by *project*, nor were they conversant with the new techniques (such as surveys and statistical analyses) that were becoming part of the empirical social sciences in vogue in the United States. The anecdote also highlights the importance of project preparation and planning in general in the expansion of the development apparatus. More important, it calls attention to the need to form cadres of social technicians who could invent and manage the discourses, practices, and symbols of modernity (Rabinow 1989), this time in the context of the development apparatus.

The case of Colombia exemplifies the route followed by those countries which embraced planning without much reservation. *The Basis of a Devel-*

*opment Program for Colombia*, the report of the World Bank mission to Colombia headed by Lauchlin Currie in 1949, was the first of a long list of plans produced in the country during the last forty years. Since the late 1950s, every national administration has formulated a development plan for the country. The constitutional reform of 1945 introduced for the first time the notion of planning, making possible its institutional development. With the Currie mission, the nascent preoccupation with planning became more visible, and technical organisms for planning were established. The chronology of planning institutions includes the Consejo Nacional de Planeación and the Comité de Desarrollo Económico, established in 1950; the Oficina de Planeación (1951); the Comité Nacional de Planeación (1954); the Consejo Nacional de Política Económica y Planeación and the Departamento Administrativo de Planeación y Servicios Técnicos (1958); the Consejo Nacional de Política Económica y Social and the Departamento Nacional de Planeación (1966). It also includes the creation of a Ministerio de Desarrollo and of planning units within most of the other ministries (agriculture, health, education, and so on).<sup>27</sup>

Planning activities during the 1950s, however, were modest, due to a series of social and political factors that affected the country during that decade and that ended with the signing of the National Front Pact in 1958. The task of the Comité de Desarrollo Económico (September 1950–September 1951), for instance, was to advise the government regarding the recommendations of the Currie report, including provisions for external financing. The lack of qualified Colombian personnel was reflected in the fact that the first development plan was prepared by a foreign mission and that foreign experts advised the planning organisms of the country during the first two decades of the “age of planning,” the 1950s and 1960s (L. Currie and A. Hirschman in the early 1950s; Lebret in 1957, 1958; Watterson, from the World Bank, in 1963–1964; a Harvard mission, 1960–1970; a CEPAL mission, 1959–1962; a World Bank mission, 1970; and an International Labour Organization mission, 1970). Besides the resort to foreign experts and advice, Colombian students were sent to university centers, especially in the United States, where they could develop the knowledge of the new planning techniques and the spirit and frame of mind required for the new enterprise.

Short-term external assistance was also regularly practiced beginning in the early 1950s, sometimes financed by external sources. This type of assistance was not always restricted to national planning advice but often involved the design of specific projects. One such instance was the development of the Autonomous Regional Development Corporation of the Cauca Valley (Corporación Regional Autónoma del Cauca, CVC). An examination of the role that external assistance played in this case reveals a number of practices of advising and planning introduced in the context of development.



In October 1954 the government of Colombia approved the creation of the CVC, following a set of initiatives taken by local industrialists and agricultural entrepreneurs of the Cauca Valley region. The Departmental Planning Commission had been set up a year earlier with the objective of formulating a development plan for the region. In early 1954, David Lilienthal, former chairman of the Tennessee Valley Authority (TVA), visited Colombia on an official invitation. His report of the visit, which reflected closely the TVA's experience, was instrumental in shaping the conception of the CVC, the statutes of which were finally approved in July 1955. In addition, the CVC requested the assistance of the International Bank for Reconstruction and Development (IBRD, better known as the World Bank) in defining the corporation's tasks and in delineating the technical and financial procedures for their implementation.

The IBRD mission, composed of six members, arrived in Colombia in February 1955 and remained there for two months. The chief of the mission returned to Colombia in September of the same year to discuss with CVC officials the contents of the report drafted in Washington. The report (International Bank for Reconstruction and Development 1955) addressed a whole range of technical issues (flood control, electric power, irrigation, present and potential agricultural activities, agricultural programs, transportation, minerals, industry, financial considerations, and so on). It also included provisions for future external technical assistance. Ever since, the CVC became the most important factor in the capitalist transformation of the fertile Cauca River Valley region, to such an extent that it became an international showcase of regional development planning.

The establishment of the CVC exemplifies well the interests and practices of the World Bank and other international lending organizations during the 1950s. The overall goal was dictated by development economics: to promote growth through certain types of investment projects, resorting to foreign financing when possible or necessary. This goal required the rationalization of the productive apparatus, according to the methods developed in industrialized nations—the well-reputed TVA in this case, which served as a model for similar programs in various parts of the Third World, often, as in Colombia, with Lilienthal's direct involvement. This could be done only through new practices concerning the everyday actions of an ever larger number of development technicians and institutions. The importance of these micro practices—replicated by hundreds of technicians at all levels—cannot be overemphasized, because it is through them that development is constituted and advanced.

The new practices concerned many activities and domains, including, among others, technical assessments; institutional arrangements; forms of advice; the generation, transmission, and diffusion of knowledge; the training of personnel; the routine preparation of reports; and the structuring of

bureaucracies. It is through these practices that development is effected, as I will show in the detailed discussion of food and nutrition planning that follows this chapter. Although the state plays a crucial role in this process, it is not through a uniform form of intervention but through a multiplicity of sites of intervention in the economy (economic planning, planning in agriculture, health, education, family planning, and project design and implementation in many arenas). Nevertheless, the progressive encroachment of what was to become the great edifice of planning in the late 1960s cannot be divorced from the emergence of a politics of development as a national problem. Once the basic organization of the discourses of planning and development economics was in place in the early 1950s, it increasingly determined the nature of social policy and thinking—even if it did not become consolidated until a decade later, especially with most Latin American governments' commitment to planning, agrarian reform, and the Alliance for Progress at the Punta del Este meeting in 1961.

Older styles of knowledge and assistance progressively disappeared as development economics and planning became consolidated. Pre-World War II economic inquiry could not fulfill the demands for model building and empirical research placed by the new science (Escobar 1989). Politically, what was at stake was a way of treating poverty and underdevelopment in a new fashion. After 1945, the task of governments was to make poverty useful by fixing it to the apparatus of production that planning sought to deploy. A completely utilitarian and functional conception of poverty emerged, linked inextricably to questions of labor and production. The new institutions of planning were replicated at the level of cities, departments, towns, and rural areas in relation to minute economic and welfare concerns. Through this network of power, the "poor," the "underdeveloped," the "malnourished," and the "illiterate" were brought into the domain of development; it was in them that the political technologies of development were inscribed. Beyond the requirements of capital, development technologies became a mechanism of social production of unprecedented reach. As we will see, the development apparatus succeeded only partly in this task.

#### SHIFTING ECONOMIC DISCOURSE: LOCAL MODELS AND THE GLOBAL ECONOMY

##### *The 1980s: The Lost Decade and the Return to Realism*

The intellectual and political climate that saw the birth of development economics started to change in the 1960s. A number of important changes have taken place within the discipline since then—the abandonment of the early *dirigisme* and the overconcern with growth, and the successive appearance, within the non-Marxist camp, of "growth-plus-distribution" strategies, ex-

port-led growth, international monetarism, neostructuralism, and neoliberalism. A certain degree of innovation and structural mutations has occurred, although always within the confines of established economic discourse, whose laws of formation have not changed. In the mid-1980s, a prominent analyst saw Latin American economics as dominated by pragmatic adaptations: neither a return to *laissez-faire* nor an invigoration of dirigisme but a sort of eclectic practice dictated by the consideration of special problems—particularly the debt, inflation, and the role of the state—which recombined rather than reinvented theoretical perspectives (Fishlow 1985).

The most drastic contextual changes took place in the 1980s, when large parts of Asia, Africa, and Latin America saw, according to observers of many persuasions, their worst crisis in the century. In Latin America, the 1980s are known as the lost decade. In 1982, Mexico's announcement that it could not meet its debt service obligations unleashed the infamous debt crisis. What followed is well known by now: repeated attempts at economic stabilization and adjustment; austerity measures that translated into rapidly declining living standards for the popular and middle classes; industrial decline in many countries in the wake of strong neoliberal and free market economic policies, even negative growth rates in some countries; in sum, a reversal of development (Portes and Kincaid 1989; Dietz and James 1990). The social and political implications of these changes were equally onerous and menacing. Social exclusion and violence increased significantly. What were perceived as transitions to democracy during the first half of the decade became difficult to consolidate as the decade progressed. Even nature seemed to take issue with the region, as tornadoes, erupting volcanoes, earthquakes, and, more recently, the resurgence of cholera brought to the region more than its usual share of nature-related but socially aggravated hardships.

These changes fostered a significant reassessment of development economics. In the first half of the decade, a number of articles by leading development economists appeared which tried to assess the experience of the last four decades in the field.<sup>28</sup> "Few subject areas," read the opening paragraph of one of them, "have undergone so many twists and transformations as has development economics during the past thirty years" (Livingstone 1982, 3). Although a number of initial errors were recognized, the 1980s' assessments emphasized considerable learning at the level of types of empirical research, concreteness and specificity, and theoretical advances in a number of sub-fields. Moreover, a number of competing paradigms (neoclassical, structuralist, and neo-Marxist) were thought to have come into existence.

Trenchant critiques, however, also appeared. One of the most poignant was penned by Raúl Prebisch, CEPAL's first director and originator of the center-periphery conception, in referring to the application of the neoclassical economic theories to the Third World:

In their striving after rigorous consistency . . . these [neoclassical] theories shelved important aspects of social, political and cultural reality, as well as of the historical background of collectivities. In making a tenacious effort at doctrinal asepsis, they evolved their arguments in the void, outside time and space. . . . If the neoclassical economists were to confine themselves with building their castles in the air, without claiming that they represent reality, that would be a respectable intellectual pastime, apt at times to arouse admiration for the virtuosity of some of its eminent exponents overseas. But the position is very different when an attempt is made in these peripheral countries to explain development without taking account of the social structure, of the time-lag in peripheral development, of the surplus, and of all the characteristics of peripheral capitalism. . . . It is worth while to recall this at the present time, when such vigorous offshoots are springing up in some of the Latin American countries. (Prebisch 1979, 168)

It must be borne in mind that those "vigorous offshoots" to which Prebisch referred in 1979 were the neoliberal experiments of the authoritarian regimes of the Southern Cone countries (particularly Chile and Argentina), which were to become the standard approach all over Latin America by the end of the 1980s.<sup>29</sup> A similar critique was put forth by P. T. Bauer from an entirely different position. For Bauer, the development economists of the early 1950s completely misread a number of factors that characterized the economies of the less developed countries (the problem of trade, the alleged lack of capital and entrepreneurship, the vicious circle of poverty, and stagnation). Based on these misreadings, a series of ideas developed which became the core of economic development literature. "Even when some of the elements of the core have disappeared from most academic writings," he concluded, "they have continued to dominate political and public discourse, an instance of the lingering effect of discarded ideas" (1984, 1).

For Dudley Seers, the fact that the early theories allowed economists and policymakers to concentrate on technical issues, leaving aside important social and political questions, contributed to their rapid adoption. An additional factor in this regard were "the professional convenience and career interests especially in the 'developed' countries, where most of the theoretical advances in the field originated" (1979, 709). Albert Hirschman (1981) analyzed the early years of the discipline from a different angle. In its initial stages, according to him, development economics was fueled with "unreasonable hopes," a reflection of the ethnocentric behavior that has characterized Western societies' attempts to deal with other cultures. In his words,

The Western economists who looked at [Asia, Africa, and Latin America] at the end of World War II were convinced that these countries were not at all that complicated: their major problems would be solved if only their income per

capita could be raised adequately. . . . With the new doctrine of economic growth, contempt took a more sophisticated form: suddenly it was taken for granted that progress of these countries would be smoothly linear if only they adopted the right kind of integrated development program! Given what was seen as their overwhelming problem of poverty, the underdeveloped countries were expected to perform as wind-up toys and to "lumber through" the various stages of development single-mindedly. (1981, 24)

These reflections were accompanied by concrete proposals in some cases. Seers (1979), for instance, advocated the incorporation of development economics into a broader field of development studies so that it could deal seriously with social, political, and cultural aspects of development. For Meier, development economics needed to move "beyond neo-classical economics." It is difficult to see what he meant by this, because he—as most economists—continued to uphold the belief that "the laws of logic are the same in Malawi as anywhere else. But the economic problems of Malawi may still be quite different in empirical content from those in another country" (Meier 1984, 208). This same "logic" led him to assert that "the population problem arouses more alarm than any other aspect of development" (211). One might be tempted to read these assertions in the following manner: "The laws of logic that must rule for the type of capitalist development embodied in neoclassical economics have to be the same in Malawi as in the United States. Only then would the problems of population, unemployment, and so on, be solved." Logic, for Meier, is an ahistorical fact. This is why in his discourse the economist is much more "the guardian of rationality" than "the trustee of the poor"; he argues that economists have to balance both roles.

Hollis Chenery, a leading development economist at the World Bank, held that development economics could be recast without significant reformulation. For him, "the neo-classical model has proven to be a useful starting point even though it seems to require more extensive adaptation to fit the developing countries" (1983, 859). His prescription was to adapt the model better by conducting more empirical studies and constructing "computable general equilibrium models" and more complex algorithms (859). Chenery's call for more empirical studies was mandated by the theoretical framework within which such studies would be conducted; they could only reinforce that framework. The hope was that by conducting more empirical studies, economists would finally get it right, avoiding the question of whether the framework itself was adequate. After all, economists such as Prebisch, Seers, and some neo-Marxists had shown that neoclassical economics was an inadequate theoretical apparatus for understanding the situation of poor countries.

A fundamental assumption that persisted in all of these proposals was that there is a reality of underdevelopment that a carefully conducted economic science can grasp progressively, pretty much following the model of the natural sciences. In this view, economic theory was built out of a vast bloc of preexisting reality that is independent of the theorist's observations. This assumption has fueled the sense of progression and growth of economic theory in general and of development economics in particular. In economic theory, this sense has been further legitimized by the canonization of the most important developments—such as the innovations of the 1870s and 1930s—as veritable scientific revolutions. As a prominent economic historian put it, "Appeal to paradigmatic reasoning has quickly become a regular feature in controversies in economics and 'paradigm' is now the by-word of every historian of economic thought" (Blaug 1976, 149; see Hunt 1986 for paradigms in development economics).<sup>30</sup>

In Latin America and most of the Third World (as in the United States and the United Kingdom), a mixture of approaches under the overall label neoliberal economics became dominant at the level of the elite as the 1980s unfolded. Statist and redistributive approaches gave way to the liberalization of trade and investment regimes, the privatization of state-owned enterprises, and policies of restructuring and stabilizing under the control of the ominous International Monetary Fund (IMF). There was, indeed, a noticeable policy reversal. Reagan's "magic of the market" speech, delivered at the North-South conference in Cancún in 1981, publicly announced this turn. A certain reading of the experience of the "newly industrializing countries" of East Asia in terms of the advantages of liberal exchange regimes (opening up to the world economy), as well as the influential Berg Report for Africa (World Bank 1981), plus rational choice critiques of the distortional effects of government intervention, all contributed to the dismantling of the economic development approaches that prevailed until the 1970s (Biersteker 1991). The World Bank's "market friendly development" (1991), the institution's strategy for the 1990s, was the final crystallization of the return of neoliberalism. Most economists see these changes as a return to realism.

Within economics, even the approaches to sustainable development have been permeated by the neoliberal turn. As the 1991 World Bank Annual Conference on Development Economics put it (Summers and Shah 1991), the achievement of "sustainable economic growth" is seen as dependent on the existence of "an undistorted, competitive, and well-functioning market" (358). As before, the allegedly improved economic theory is produced by a small elite of economists entrenched in prestigious universities and backed by the World Bank and the IMF. In Latin America, timid attempts at proposing a certain "neo-structuralism" (Sunkel 1990) have not found much support, even if a number of countries (such as Colombia) continued to make

efforts throughout the 1980s to maintain a type of mixed economic policy, only partly committed to neoliberalism and the free market. In the Colombian case, as in most of Latin America, any resistance to neoliberalism that could have existed had disappeared by the beginning of the 1990s. The total opening of the economy—coupled with a new round of privatization of services and the so-called modernization of the state—has become the order of the day. The policies of *apertura económica*, as the new approach is anachronistically known, is opposed from a number of fronts; yet for now the global elites seem committed to it.<sup>31</sup>

The assessments of development economics conducted during the 1980s, in short, did not lead to a significant recasting of the discipline. What we seem to be witnessing is its progressive dissolution. A break in economic development theory may come not, as the authors of the assessments reviewed here assumed, from the field of economics (for example, from the introduction of new concepts, better models, and algorithms) but from a wider critique of the field of development. Conversely, any strategy to modify development theory and practice will have to consider current economic thought and practices. This process of critique is yet to be done. Recent works in anthropology and political economy provide elements toward a more creative reformulation of economic inquiry than the recasting attempted in the 1980s.

*The Cultural Politics of Economic Discourse:  
Local Models in Global Contexts*

It should be clear by now that development economics, far from being the objective universal science its practitioners assumed it was, is, as “any model, local or universal, a construction of the world” (Gudeman 1986, 28). This chapter has shown in detail the nature of this construction. It is now time to explore the consequences of this analysis in terms of its relation to other possible constructions. If there are other constructions, how are these to be made visible? What is their relation to dominant models? How can this relation be modified, given the global political economy of discourses and power that rules the interaction between the various models and their sociocultural matrices?

Economic historians and anthropologists have investigated different economic models, either in antiquity or in “primitive” societies. Frequently, these efforts have been marred by the epistemological traps and ethnocentricity denounced by Polanyi, Godelier, Gudeman, and others with which we started our discussion of economics as culture. Succinctly stated, universal models—whether neoclassical, substantivist, or Marxist—“continuously reproduce and discover their own assumptions in the exotic materials” (Gudeman 1986, 34). In the process, they deny the capacity of people

to model their own behavior and reproduce forms of discourse that contribute to the social and cultural domination effected through forms of representation.

One way to detect and investigate local constructions is to focus on popular groups' forms of resistance to the introduction of capitalist practices. This was the route followed by the ethnographies of resistance of the 1980s, such as those by Nash (1979), Taussig (1980), Scott (1985), and Ong (1987). One of the most unambiguous expressions of the cultural basis of resistance was given by Taussig in his analysis of the spread of capitalist agriculture in the Cauca River Valley in southwest Colombia. The spread of sugarcane was met by fierce opposition by the mostly Afro-Colombian peasants of the region. There was much more at stake than material resistance. In Taussig's words,

Peasants represent as vividly unnatural, even as evil, practices that most of us in commodity-based societies have come to accept as natural in the everyday workings of our economy, and therefore of the world in general. This representation occurs only when they are proletarianized and refers only to the way of life that is organized by capitalist relations of production. It neither occurs nor refers to peasant ways of life. (1980, 3).

Taussig invites us to see in this type of resistance a response by people "to what they see as an evil and destructive way of ordering economic life" (17). Other authors in disparate contexts derive similar lessons—for instance, Fals Borda (1984) in his analysis of the introduction of barbed wire and other technologies in northern Colombia at the turn of the century; and Scott (1985) in his study of the fate of green revolution technologies in Malaysia. The works of the 1980s, however, used resistance to illuminate practices of power more than the logic of the subaltern. Several authors have paid more attention to this latter aspect in recent years, introducing new ways of thinking about it (Guha 1988; Scott 1990; Comaroff and Comaroff 1991). In their discussion of the colonial encounter in southern Africa, for example, Comaroff and Comaroff emphatically assert that the colonized "did not equate exchange with incorporation, or the learning of new techniques with subordination" (1991, 309); instead, they read their own significance into the colonizers' practices and sought to neutralize their disciplines. Although Africans were certainly transformed by the encounter, the lesson derived by this more subaltern actor-oriented view of resistance is that hegemony is more unstable, vulnerable, and contested than previously thought.

Ranajit Guha has also called on historians to see the history of the subaltern "from another and historically antagonistic universe" (1989, 220). There is a counterappropriation of history by the subaltern that cannot be reduced to something else, such as the logic of capital or modernity. It has to be explained in its own terms. Turning back to local models of the economy, do



they exist in “another and historically antagonistic universe”? One thing is certain in this regard: local models exist not in a pure state but in complex hybridizations with dominant models. This is not to deny, however, that people do model their realities in specific ways; local models are constitutive of a people’s world, which means that they cannot be readily observed by objectifying positivist science.

I already introduced Gudeman and Rivera’s (1990) notion of local models as conversations that take place in the context of dominant conversations. Indeed, what counts most from the perspective of these authors is to investigate the articulation of local and “centric” (dominant) conversations, including the relationship between inscriptions from the past and practices of the present, between centric text and marginal voices, between the “corporation” in the center and the “house” in the margins. Center and periphery thus emerge not as fixed points in space, external to each other, but as a continuously moving zone in which practices of doing conversations and economies get intermingled, always shifting their relative position. Marginality becomes an effect of this dynamic. Gudeman’s earlier work (see especially 1986) provides a view of the importance and coherence of local models of the economy in Panama, a view further refined through work in Colombia. For these anthropologists, the peasant model that exists today in the Colombian Andes “is the outcome of an extensive conversation”—from Aristotle to Smith and Marx—“that occurred over several thousand years and continues to take place in many lands” (1990, 14). These conversations are incorporated into local social practice, producing a local model of the economy.<sup>32</sup>

At the basis of the peasant model is the notion that the Earth “gives” based on its “strength.” Humans, however, must “help” the land to give its products through work. There is a relation of give and take between humans and the earth, modeled in terms of reciprocity and ultimately validated by Providence (God). The land may produce abundance or scarcity; most people agree that the land gives less now, and that there is more scarcity. Scarcity is thus not given a metaphysical character (the way things are) but linked to what happens to the land, the house, and the market. If scarcity persists, it is because the Earth needs more help, although peasants know that chemical products—as opposed to organic manure—“burn the earth” and “take away” its force. Food crops draw their strength from the land; humans, in turn, gain their energy and force from food crops and animal products, and this strength, when applied as work on the land, yields more force. Work, construed as concrete physical activity, is the final “using up” of the land’s strength.

This construction brings the model full circle. There is a flow of strength from the land to crops to food to humans to work that helps the land give more force.

Strength is secured from the earth and used up as humans gather more. Control over this process is established through the house, for by using resources of the house to sustain their work the people gain control over the results of their efforts. (Gudeman and Rivera 1990, 30)

The house has two main purposes: to reproduce itself and to increase its "base" (its stock of land, savings, and implements). The house is not purely a market participant; indeed, peasants in this part of the world try to minimize their interaction with the market, which they see as a concrete place rather than as an abstract mechanism. Peasants, however, are aware that they are being increasingly pushed into the market; they interpret this fact as a diminishing margin for maneuvering. The house model persists at the margins, where the model of the corporation (which epitomizes the market economy) has not become dominant. House and corporation are in a contrapuntal relation, the latter always trying to incorporate the contents of the former.<sup>33</sup> The house economy is based on livelihood; the corporation's, on acquisition. Peasants are aware that they participate in both types of economy. They also have a theory of how they are being drained by those who control the market.

The local model thus includes a view of the circularity and equilibrium of economic life, albeit very different from the classical and neoclassical view. The peasant model can be seen as closer to the land-based model of the Physiocrats, and the use of "force" can be related to the Marxist notion of labor force, although "force" is applied equally to work, land, and food. Beyond these differences, there is a crucial distinction between both models, arising from the fact that the house model is based on daily practice. Local models are experiments in living; the house model "is developed through use . . . it has to do with land, foodstuffs, and everyday life" (Gudeman and Rivera 1990, 14, 15). This does not contradict the assertion that the peasant model is the product of past and present conversations and their adaptation through practice.

More than the house model, in Latin America what one increasingly finds is the house business. As the site of conjunction of forms, "dynamic and multicultural yet fragile and unstable in identity" (Gudeman 1992, 144), the house business can be interpreted in terms of metaphors of "bricolage" (de Certeau 1984; Comaroff and Comaroff 1991) or hybridization (García Canclini 1990). It is composed of partly overlapping domains of practices that must be studied ethnographically. Gudeman and Rivera believe that this general dynamic also marked the development of modern economics, even if the latter became more and more technical with the development of capitalism.<sup>34</sup> The implications of this view are enormous. Not only does the idea of a universal model of the economy have to be abandoned, it becomes necessary to recognize that forms of production are not independent from

the representations (the "models") of social life in which they exist. The remaking of development must thus start by examining local constructions, to the extent that they are the life and history of a people, that is, the conditions of and for change. This brings into consideration the relation between models and power. Gudeman and Rivera advocate a process based on "communities of modelers," in which local and dominant models are accorded a say. But who is to belong to and organize these communities of modelers? Again, what we have here is a confrontation of local and global power, popular and scientific knowledge. At issue is the distribution of global power and its relation to the economy of discourses.

There are then two levels, two vectors, that must be considered in rethinking development from the perspective of the economy. The first refers to the need to make explicit the existence of a plurality of models of the economy. This entails placing oneself in the space of local constructions. But this by itself will not make it. Even if communities of modelers are brought into existence as part of the process of designing development (not inconceivably by the World Bank itself!), the process of inscription will not stop. A second level of concern must be added. One must have a theory of the forces that drive this inscription and that keep the inscribing systems in place. What needs to be studied at these levels is the mechanisms by which local cultural knowledge and economic resources are appropriated by larger forces (mechanisms such as unequal exchange and surplus extraction between center and periphery, country and city, classes, genders, and ethnic groups) and, conversely, the ways in which local innovations and gains can be preserved as part of local economic and cultural power.

Part of this inquiry has been advanced within political economy—particularly theories of imperialism, unequal exchange, world systems, and peripheral capitalism. Yet these theories fall short of the task, especially because they do not deal with the cultural dynamics of the incorporation of local forms by a global system of economic and cultural production. A more adequate political economy must bring to the fore the mediations effected by local cultures on translocal forms of capital. Seen from the local perspective, this means investigating how external forces—capital and modernity, generally speaking—are processed, expressed, and refashioned by local communities. Local-level ethnographies of development (such as those discussed in chapter 1) and theories of hybrid cultures (analyzed in the conclusion) are a step in this direction, although they tend to fall short in their analysis of the capitalist dynamics that circumscribe the local cultural constructions.

A political economy of global economic and cultural production must thus explain both the new forms of capital accumulation and the local discourses and practices through which the global forms are necessarily deployed; it must explain, briefly put, "the production of cultural difference within a structured system of global political economy" (Pred and Watts 1992, 18).

Local communities bring their material and cultural resources to bear in their encounter with development and modernity. The persistence of local and hybrid models of the economy, for instance, reflects cultural contestations that take place as capital attempts to transform the life of communities. Cultural difference partly becomes, indeed, an effect of forms of connectedness that are structured by global systems of economic, cultural, and political production. They are part of what Arjun Appadurai (1991) calls global ethnoscaples.

In fact, global capital—as a global machine, a “worldwide axiomatic” (Deleuze and Guattari 1987)—relies today not so much on homogenization of an exterior Third World as on its ability to consolidate diverse, heterogenous social forms. According to these authors, in the post-Fordist age capital requires a certain “peripheral polymorphy” (436) because it actively repeals its own limit. Here we find an expression of Gudeman and Rivera’s dialectic of folk voice and centric text. Although the centric texts of the global economy steadily exert their influence on manifold folk voices, the latter do not necessarily join in a harmonious Western polyphony. Some of the peripheral forms take on this dissonant role because of their inadequacy in relation to their own national markets. This does not mean that they are less organized by capital. At this level, capital’s task is different: to organize “conjunctions of decoded flows as such” (451). The minority social organizations of the tropical rain-forest areas, for instance, are not entirely coded or territorialized by capital (as are the formal urban economies). Yet to the extent that the economy constitutes a worldwide axiomatic, even these minor forms are the target of social subjections. The global economy must thus be understood as a decentered system with manifold apparatuses of capture—symbolic, economic, and political. It matters to investigate the particular ways in which each local group participates in this complex machinelike process, and how it can avoid the most exploitative mechanisms of capture of the capitalist megamachines.

Let us now see if the contributions of the political economy of development can still provide useful criteria for the two-edged process we envision, that of making visible local constructions side by side with an analysis of global forces. Samir Amin (1976, 1985, 1990), perhaps more eloquently than others, has sought to provide general criteria for constructing alternative development orders within the capitalist world economy. For Amin, the primary criterion for reaching this goal is to encourage autocentric accumulation, defined as an economic model in which external relations to the world markets are subordinated to the needs of internal capital accumulation. Autocentric development supposes a radically different economic, social, and political order. It has a series of requirements which is not the point to analyze here—such as the equalization of income between rural and urban areas and between modern and traditional sectors; priority for agriculture in

many countries; control of production by popular organizations and social movements; a new role for the state; innovations in technology to meet a new demand structure; and significant restrictions or partial delinking in relation to international markets. The obstacles to this type of restructuring of peripheral countries into autocentric economies are, needless to say, enormous. In Amin's vision, some of them might be overcome through new forms of South-South cooperation, including the formation of regional blocs of several countries along socialist lines.<sup>35</sup>

Amin's notions of polycentrism and autocentric accumulation can serve as useful principles for guiding action at the macroeconomic and political levels. It is necessary to emphasize, however, that Amin's prescriptions are written in a universalistic mode and a realist epistemology, precisely the kinds of thinking criticized here. Nevertheless, as a description of the world that seeks to explain a hegemonic order and that relies on a dominant language, realist political economy cannot be overlooked in the imagining of alternatives to that world and that language. Yet it is necessary to insist that if the analysis in terms of political economy needs to be summoned in this context, it must also be continuously destabilized. It has to be accompanied by a strategic repositioning in the domain of representation. Forms of production and forms of representation can be distinguished only for analytical purposes. Modifying political economies involves both material and semiotic resistance, and material and semiotic strengthening of local systems.

To be sure, although the social projection of subaltern languages rests largely with social movements, it calls for strategies to modify local, regional, and international political economies. The primary goal of this modification, however, should be not healthier regimes of accumulation and development, as in Amin's case, but to provide conditions that are more conducive to local and regional experiments based on autonomous (hybrid) models. Moreover, the analysis of political economy must be conducted from the perspective of its integration with local forms, as discussed earlier. It should also contribute to shifting the political economy of discourse production and the multiplication of the centers of discourse. From the classical political economists to today's neoliberals at the World Bank, economists have monopolized the power of speech. The effects of this hegemony and the damaging centrality of economics need to be exposed in novel ways. Making other models visible is a way of advancing this task. "Mediating this communication [among modelers] or formulating a conversational community across cultures is an important project of anthropology" (Gudeman 1992, 152). It is, indeed, one must add, a political project of importance.

The suggestion that we take into account people's own models is not only a politically correct position. On the contrary, it constitutes a sound philosophical and political alternative. Philosophically, it follows the mandate of

interpretive social science (Rabinow and Sullivan 1987; Taylor 1985) that we take subjects as agents of self-definition whose practice is shaped by their self-understanding. This self-understanding may be grasped by the researcher or activist through ethnographic methods. This does not mean that the researcher or activist has to adopt the subjects' view or that the subjects' view is always right. Cultural relativists have often fallen into this double trap. It means that the interpretive social scientist has to take into account people's own descriptions as the starting point of theory, that is, of what has to be explained.<sup>36</sup>

What I have been talking about in this chapter is a kind of social power linked to the economy of goods and discourses. At the level of regimes of representation, this power goes on for the most part unchallenged explicitly, although it is often resisted at various levels. Social power of this kind has an insidious way of encroaching upon the most recondite corners of social life, even if in inconspicuous ways. This is no less true in those arenas in which life itself is at stake, such as in the arena of food and hunger, as the next chapter will show. I will examine in detail how today's practices in nutrition, rural development, and health care came into existence not as a result of improved consciousness, scientific progress, or technological refinements but rather as effects of power brought about by the problematization of hunger in the context of the pervasive economization of subsistence.