

auf der einen und der Wissenschaftler auf der anderen Seite wesentliche Reformen leichter umgangen werden können. Der Autor zeigt auch die Mängel der herrschenden Theorie bei der Erklärung neuerer Phänomene auf. Daraus leitet er Forderungen an die Entwicklungstheorie ab, die zu einer realistischeren und politikrelevanten Ausbildung führen sollen: Interdisziplinarität, vergleichende Studien und die Beibehaltung des Bemühens um soziale und wirtschaftliche Gerechtigkeit.

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THE CRISES IN DEVELOPMENT THEORY AND IN THE WORLD

Just as the progress of a disease shows a doctor the secret life of a body, so to the historian the progress of a great calamity yields valuable information about the nature of the society so stricken. (Marc Bloch)

Preface

This paper focusses on the rather elusive phenomenon of crisis: the crisis in development theory, the theoretical status of the concept itself, crises in the real world (or rather worlds) and, finally, the institutional crisis of the nation state, which in my view is the core of the whole crisis complex. Some may find this crisis terminology somewhat tiresome after quite a substantial amount of crisis-analyses in the past decade. I, however, think that the phenomenon of crisis - whatever we mean by that - could be an entry point to fresh insights into the development process, as well as to new approaches in social science.

In this paper the modest ambition is to identify entry-points, raise questions and initiate a discussion on issues such as:

- Why is it that a feeling of gloom and cynicism has spread among theorists and practitioners of development? How does this relate to the optimistic pioneering years in the field?
- Is the crisis in development theory related to the unpreparedness to deal with the phenomenon of crisis in the real world?
- What shall we mean by the word 'crisis'; what is the theoretical significance of the concept in different schools of thought?
- Is the present world crisis a homogenous phenomenon, reflecting a single world system dynamics, or are the crises in the 'three worlds' expressions of more or less autonomous regional dynamics?
- What does the crisis in particular regions tell about the specificity of the development problem in these regions?
- Could a focussing upon a specific institution, such as the state, give us more generalizable knowledge about the crisis phenomenon?
- What is the future of development theory as a specialized academic field?

The paper will not even attempt to answer these questions. It will fulfill its purpose if some of them can be more fully explored.

Crisis and Theory

The contemporary development crisis is a challenge for development theory in many respects, one of them being that we do not really have a theory of the crisis (1). This is not to say that a special 'crisis theory' is needed. The incapacity to correctly understand the phenomenon of crisis in the context of the development process is rather an indictment of the social sciences in general and 'development studies' in particular. What shall we then mean by 'development studies'?

The delimitation of 'development studies' from the rest of the social sciences is problematic, since the subject area has been institutionalized in so many different ways in different academic environments. Development studies can be conceived of as a problem-oriented, applied and interdisciplinary field, analyzing social change in a world context, but with due consideration to the specificity of different societies in terms of history, ecology, culture, etc. This 'internationalist' approach I see as one of the greatest assets in the development research tradition.

At present development studies is being challenged by a fundamentalist, monodisciplinary trend in the academic world, and a neo-conservative trend in politics. Both trends reduce the 'development problem' in a highly simplistic way neglecting the insight achieved in the field so far. To this should be added persistent suspicions in the Third World about the good intentions of Western development research, suspicions that can only be reinforced by the two trends just mentioned. Thus the discipline faces certain external challenges.

Development studies experiences a crisis internally as well, because many established truths and conventional wisdoms have been questioned and abandoned in the course of its development (2). To quote Robert Chambers 'it is alarming how wrong we were, and how sure we were that we were right' (Chambers, 1985). In another retrospective essay John Toye has made the observation that real development, compared to the expectations a rather strong element of surprise not at all accounted for in development theory (Toye, 1987). Unpredictability is of course a fact of life, but at least this much should be acknowledged by any social science which wants to be taken seriously. In general the actual experience, as compared to ex ante expectations, has been dismal.

Put differently, the pioneering years were thus also a time of optimism, as Paul Streeten observes: "It is not easy to convey, in the present atmosphere of gloom, boredom and indifference, surrounding discussions of

development problems, what an exciting time of fervent these early years were." (Streeten, 1981, p. 61 - 62) Many examples can be given of this atmosphere of gloom, most of them referring specifically to development economics. In an essay entitled 'The Rise and Fall of Development Economics' Albert Hirschman complains: "Articles and books are still being produced. But as an observer and longtime participant I cannot help feeling that the old liveliness is no longer there, that new ideas are ever harder to come by and that the field is not adequately reproducing itself." (Hirschman, 1981) Undoubtedly a certain amount of cynicism is creeping into the field. Any rethinking, however, is in itself a healthy phenomenon, if established concepts and theories are found to be deceptive and irrelevant. I personally think that the debate in development studies during the last decade has been fruitful and vital from the point of view of breaking through deceptive concepts and theories. This is a precondition for a relevant analysis of the crisis in the 'real' world, outside the research institutes. Thus the difficulty to deal with the different manifestations of the crisis conceptually, and to understand how they relate, is in itself a crisis; a crisis in theory, or perhaps even a paradigm crisis. In the words of Stefan Musto, "we have lost the navigational aid which a clearly defined paradigm would have afforded us" (Musto, 1985).

The current crisis in Europe provides an opportunity to reconsider the means and ends of development also in the North. As will be further discussed below crisis means that a certain arrangement no longer works. Therefore a crisis also implies the opening up of new opportunities. The multidimensionality of the crisis forces us to take a new look at development theory, both in terms of content and relevance.

The relevance of a discipline is of course partly dependent on its quality (theoretical relevance), but also on its relations with the centres of power (policy relevance). In the latter sense development studies have been increasingly marginalized due to the intellectual and political changes in the real world referred to above, although it is questionable whether it ever has had a very strong position in political terms. Anyhow, the marginalization continues and development studies may end up as a fighting church. It is of course difficult to generalize but this is at least one significant trend that cannot be easily disregarded.

We should not, however, disregard the existence of an emerging 'development fatigue' among development researchers themselves. Theoretical struggles, of which we have seen quite a lot, are tiresome. The lack of

political impact necessarily breeds apathy. To this comes the obvious policy failure of many of those 'adopted' developing countries, which tried to implement some of the favourite ideas held by development theorists in the 1960s. In contrast some less admired countries have achieved unexpected breakthroughs in industrialization and economic growth. There is an awkward silence, occasionally disturbed by extremely orthodox diagnoses - as if the development theory tradition never existed. Development theory may not have come up with the correct solutions, but on the other hand, the problems that were identified and analyzed have not disappeared either.

As was initially observed, one theoretical problem not sufficiently penetrated by development theory is the function of 'crisis' in the development process and the actual theoretical status of the concept as such. Today's Europe is commonly considered to be in the midst of a deep crisis. The era of sustained and more or less automatic economic growth seems to be over, unemployment is stabilizing on a fairly high level (between ten and fifteen per cent in many countries) and there is a frantic search for alternative life styles, as if people began to feel they missed the road somewhere. Perhaps the deepest meaning of the crisis, therefore, is doubt, doubt about the sustainability of the European model of development. The question is now raised whether this model in the longer perspective is at all possible.

Thus Europe is experiencing a crisis of identity, an economic crisis, a social crisis, a security crisis. Can we then speak of one crisis or should we distinguish between different kinds of crises? Are the various crisis manifestations related or are there distinct changes in different fields that happen to coincide? Obviously the crisis, if there is one, is defined and understood in different ways in different parts of Europe.

An official Polish Encyclopedia gives the definition of 'crisis': "... a serious breakdown in the process of economic growth in capitalism. Crisis is a phenomenon solely connected with the capitalist economies and does not occur in other socio-economic systems ..." (Quoted from Garton Ash, 1985, p. 1). This is obviously a narrow definition of crisis, since it excludes from the term important aspects of present day social reality in Poland. On the other hand there are, as noted above, in the current European situation very few things that are not considered to be in a state of crisis. A certain precaution when using the term is therefore called for.

A distinction must first be made between the vernacular use of the term 'crisis' and different attempts to give the concept of theoretical status. In

the first sense, amply reflected in commercial book titles, the term can be substituted by 'problem' without losing its meaning. In the second sense 'crisis' normally means a critical juncture in an irreversible process at which a radical change is considered necessary. Crisis is then a period of transformation or transition. This still raises the problem of delimitating the system supposedly in crisis, and, of course, reaching a consensus on the diagnosis. Unless this is achieved, the 'solving' of the crisis will occur without conscious human action to influence the outcome.

The problem of delimitation can of course be seen as part of the problem of reaching consensus. Is the crisis primarily a 'global' or 'world' crisis? Or does it make more sense (theoretically) to identify specific crises in different sectors (economy, security, ecology) in individual nation-state?

If we by 'crisis' refer to systemic crisis the concept will lose its meaning if the system we are talking about does not have a dynamics of its own. The 'interdependence' of the world of today makes it hard to grant this autonomy to sectors or individual countries. But even theorists more or less associated with the world-system approach have different views about the existence of a single world system dynamics (Amin, Arrighi, Frank, Wallerstein, 1982).

The more conventional Marxist tradition treats crises in the capitalist mode of production as basically economic phenomena recurring in a cyclical pattern. Usually this mode is identified with a specific national economy. During a capitalist crisis there will be a structural adaptation of the productive system, paving the way for a new period of expansion, until the autonomous dynamics within capitalism is completely exhausted. This in turn constitutes the crisis, which paves the way for socialism. In this tradition the phenomenon of crisis is situated in the system of production, or more specifically in the unavoidable contradiction between productive forces and social relations.

The more culturally oriented Frankfurt school thus provides an important complement, since 'crisis' obviously also involves important subjective dimensions. To Jürgen Habermas a crisis can be both a crisis of efficiency and rationality on the level of the system, a crisis of legitimacy on the sociocultural level, and a crisis of motivation on the individual level (Habermas, 1976). A society experiencing crises on all three levels is actually facing a process of disintegration which may result in a ultimate breakdown. Obviously something has to emerge from this breakdown but the shape of what is to come is probably more complicated than Marx' famous

birth metaphor indicates.

In general the European states have problems with system rationality and efficiency, searching for ways out of the crisis that will enable them to maintain a sufficient level of legitimacy and motivation. In other parts of the world the crisis may have a different pattern and a different focus, but the Habermas scheme may nevertheless be valid as a general framework because of its multidimensionality. The problem to which systemic level a theoretical concept of crisis should be applied still remains, however. In what follows we shall look into the specificity of the three 'worlds' of development as well as one particular institution, namely the nation-state.

Three Worlds of Crises

The world crisis started in the late sixties of early seventies depending upon what indicators we use. But do we have sufficient evidence to speak of one single world crisis? That would imply that the present world is operating in accordance with some common basic logic and that to understand the crisis we have to understand that particular logic, whatever it is.

Recently Louis Emmerij exclaimed: "There is no World crisis! There is a European, a Latin American, and an African crisis!" (3) I am inclined to agree to a certain extent. Obviously the financial mess in Latin America, the starvation in Africa and the deindustrialization of Europe are different phenomena and even if they can be seen as varying manifestations of the crisis they can hardly be derived from or satisfactorily explained by a single world system logic. 'Crisis of accumulation' may sound impressive as a concept but as an explanation it resides on a metaphysical level.

In order to find more tangible explanations, one could relate the various crisis phenomena to systemic features in the three 'worlds' of industrial capitalism, socialism, and underdevelopment, each of which have at least some common underlying dynamics. The least systemic of the three worlds is of course the Third World, where we have to look for distinct regional problems in Latin America, Asia and Africa. The 'single basic cause' approach to underdevelopment disappeared with the decline of the dependency school, as did the unilinear approach with the decline of the modernization paradigm.

Let's start with the crisis in Europe. The illusion that Europe somehow had 'arrived'; that it had reached a final stage of development, was shattered by the world crisis, now at least a decade old as far as Europe is

concerned. It is becoming more and more clear that there is no state of 'being developed', only continuous processes of change which may appear as 'development' or not, depending on one's point of view. The solution to one problem only leads to a new one, and thus there will always be much for development theorists to argue about. The European crisis defies definition, and yet it is evident in so many fields: trade, industrial development, employment and social welfare, integration, domestic politics, environment, security and defence, cultural values and life-styles. To what extent are these manifestations parts of a single crisis and to what extent do they reflect autonomous and largely unrelated problems in European development? The answer to this question is dependent on our conceptual tools, since the crisis as such cannot be distinguished from our perception of the crisis.

Western Europe

If we want to find an angle from which to approach the specificity of the West European crisis, the welfare state is an appropriate choice. It was a significant achievement, actually born or at least conceived in the midst of the previous major economic crisis, but long prepared by ideological currents such as Christian humanism, Liberalism (of the J. S. Mill brand), Conservatism (of the Bismarck brand) and Socialism. The major figure in recent times was of course Keynes, who proved that the welfare state also made sense in economic terms. Sweden, where social democracy for decades has been the only serious political option, appeared as the most successful welfare state.

Thus, to a large extent, the European crisis is a crisis for the welfare state. The stagnating sectors create unemployment, not made up for by the expansion of dynamic sectors, at the same time as the fiscal crisis for the state reduces the means whereby the employment crisis could be tackled. Furthermore, a strong political movement opposing the welfare state is emerging (Mishra, 1984).

In countries where the welfare state is being more or less dismantled a wave of criminality, political violence, racism and neo-fascism has become the worry of increasingly feeble and confused governments. Apart from these challenges, frightfully familiar to those who know some history, the European states also face new social movements which are more concerned about peace and ecology in a longer perspective than election politics of short duration and with little substance. The consensus on the welfare state (in its heyday far from being an exclusively social democratic concept) is

breaking up without any clear indication of what it is going to be replaced with.

This is of course precisely what a crisis is all about. Some crisis managers want to strengthen the state further, others want to leave all decisions to the market, and a third current looks for the solution in a revival of (local) community. Since the first line seems to be the weakest we can speak of a crisis not only for the welfare state but for the state as such. Both market and community approaches contradict the logic of statism. This analysis may not do justice to the complexity of the crisis but in my view it concerns one of the most basic dimensions of the crisis as far as western Europe is concerned.

The case of England may serve as an illustration. From a diplomatic point of view it is of course always a bit sensitive to point out 'sick' countries. On the other hand we need to concretize the crisis (or the different crises) in order to assess the proposed remedies in a systematic way. I believe that a closer look at Great Britain is illuminating from the particular point of view.

The problem of deindustrialization in Great Britain is only one example of the general phenomenon of the decline of the traditional industries in Western Europe and the structural incapacity of the rather inflexible social system (the welfare state) to adapt to a dramatically changed world economy, shifting its centre from the Atlantic to the Pacific. The neo-liberal response, to blame welfarism (now termed 'socialism') and dismantle the social service sector, together with monetarist measures against inflation, thus increasing unemployment, is obviously raising the level of domestic social unrest. In Britain this is characteristically manifested in soccer violence and racist clashes. The dynamics involved here are dangerous since the Tory analysis (judging from the party congress in Blackpool in October 1985) clearly separates the issue of social violence from the issue of unemployment (now directly affecting 3.3 millions). Thus, the unemployment-creating economic policy will continue, at the same time as the police force will be provided with whatever is deemed necessary to control the increasing social unrest.

Eastern Europe

What about socialism then? In the eighties the concept of socialism seems to have little attraction in the West, compared to the thirties, forties and sixties. There are now strong indications of a rejection of socialism in the

socialist countries as well. This is obviously a different crisis, a crisis for the credibility of the socialist project.

We could follow Bahro and make a distinction between the original idea of socialism and the 'actually existing socialism', suggesting a perversion of the socialist project but also leaving open the option of a return to the original idea (4). This implies, of course, a belief that the original idea of socialism was realizable in the first place. As Alec Nove puts the question: "Does it make sense to 'blame' Stalin and his successors for not having achieved what cannot be achieved in the real world?" (Nove, 1983, p. IX). However, as I will argue further on, there is a utopian vision behind each social project and this navigational aid will give to the social project its general direction. The crisis for a social project is a matter of the degree of diversion from this course. To speak of a 'social project' instead of, for instance, 'the historical mission of the proletariat' implies that a project, such as the one of building socialism, may fail. No historicism is thus involved.

Poland may be taken as a sad example of project failure since the standard of living is going down. The people at large has lost faith in the project, and the legitimacy of the state is eroded by the fact that the military has taken over the leading role of the party. Two questions are crucial: How could this happen? How representative is the Polish case for the socialist project at large?

The Polish crisis has been long in the making. In 1956 the first outburst produced the nationalist regime of Gomulka. In 1970 it became the victim of the contradictions between consumerist demands and the need for a tightening up of the economy. Gomulka was replaced by Gierek, who organized the bankruptcy by simultaneously increasing both investment and consumption, financing it by foreign loans. In 1976 the third crisis was a fact but now stern action was politically impossible. Poland had experienced a revolution of rising expectations. Political authority came to be shared between the church, the party and the independent labour unions (Solidarity) but there was no shared responsibility. The following years consequently were a drift towards disaster (Nove, 1983, p. 146).

The Polish crisis undoubtedly has its unique features but these should not be exaggerated. To a large extent it is possible to speak of a general crisis for socialism: diseconomies of scale, the 'new' class phenomenon, lack of participation, and above all the utopian attachment to a non-viable growth model. The hierarchical structure of the socialist societies in conjunction with their partly imposed, partly conscious and politically motivated isolationism makes the problem of change of direction (i.e.

successful crisis management) rather difficult. It is unfortunate that the New Cold War coincided (perhaps not accidentally) with a growing need for internal reform in the socialist countries, because this made it possible for defenders of status quo to accuse the reformists of undermining socialism in the interest of imperialism. A major economic reform in the Soviet Union, which now seems to be on its way, may break the ice, because that could hardly be interpreted as imperialist manipulations.

This problem is an illustration to the point I am trying to make later on, that development must always be analyzed in a political context. The economic logic of a situation does not always coincide with the political logic and it has been a strong bias in development theory to abstract from all other concerns than the pure developmental problematique, as if this was what running a state is all about. In particular the issue of security has been neglected as an imperative in the mainstream pattern of development and as a limitation as far as alternative strategies are concerned.

The Third World

If we turn to the Third World it is true that the financial debt problem is fairly widespread in all the regions, but it is also true that this crisis has reached staggering proportions particularly in some countries in Latin America. The debt issue is by some considered as a time bomb. This grave situation grew out of unprecedented international lending by private banks in the latter part of the 1970s. By the early '80s the three largest debtors to the international banks were Mexico, Brazil and Argentina. During the period 1975 to 1981 loans to Argentina had increased by 615 per cent (Ferrer, 1985). This foreign credit did not result in any increase in the country's productive capacity, rather it was wasted in the import of weapons, luxury goods and speculation. Hence the crisis.

The individual national histories of the huge Latin American debt accumulation vary somewhat, but the result is more or less the same. According to the latest World Bank report average per capita real incomes in much of Latin America are back to the levels of the mid-1970s. Thus many of these countries have lost a decade or more of development while putting huge obstacles in the way of their future development.

What gives the debt crisis its dramatic character is the way it relates to the intensification of social tensions and how this in turn affects the feeble democratization process recently initiated in Argentina, Brazil and Uruguay but still blocked in Chile. Due to the debt crisis the capacity of the Latin

American countries to design alternative policies is being reduced. In order to be able to pay their debts, they are forced to implement the stern policies imposed on them by the IMF. The IMF, which during the sudden flow of commercial bank credit in the 1970s was thought of as rather marginalized, is now back in the saddle and its conditionalities more politically controversial than ever (Payer, 1985).

The debt crisis is assuming dangerous proportions in Africa as well but here the starvation crisis has become front-page news instead. No less than thirty-six African countries face famine and drought. It may be argued that the very survival of the continent is at stake. This, if something, is a failure of development which should make the development theorist think. A few observations on food crisis and development theory can be made here.

Few theories take basic development problems such as nutrition as their point of departure and those theories that explicitly deal with the issue of food are normative, i.e. they deal with the development as it ought to be rather than how it is. The problem of how to transform what is into what ought to be is rarely dealt with in development theory.

In problem-oriented research, of which development theory is one example, there must be three necessary elements: the analysis of the problem, the exploration of alternatives and the identification of social carriers of alternative development paths. Growth and modernization theory was the most inadequate from the point of view of the food problem, since it dealt with societal development in abstracto, as a process inherent in all societies and with a similar logic, regardless of the nature and structural position of the societies in question. Dependency theory was at least more explicit in dealing with the political dimension of underdevelopment. Still, the recommendations regarding development strategy were not concrete and specific enough, in particular as far as the food problem was concerned. However, we learned a lot from the dependencistas about how dependency structures forces countries away from the natural state of food self-reliance towards excessive specialization which led to the divorce of agriculture from nutrition.

The most important constraint at present seems to be the politically motivated discouragement or outright prevention of self-reliant strategies in an increasingly militarized and conflict-ridden world-system (5). The concept of national security, therefore, should be redefined to include, among other things, food security. At present the conventional approach to

security reinforces conventional growth and modernization strategies with excessive emphasis on industrialization and corresponding neglect of agricultural development. To the extent that this will increase external security by increasing the military capacity (which is in itself highly open to question), the very same policy will create an internal security problem through the consequent urban/rural polarization and the now wide-spread phenomenon of food riots.

Referring back to the Habermas framework for analyzing crises, there are in the Third World few crisis manifestations which threaten legitimacy of established states more than food shortages and starvation. With admirable lucidity Amartya Sen has clarified that starvations are typically not direct consequences of food shortages but rather what he calls 'entitlement failures' (Sen, 1981). This means that when people lose their food self-sufficiency through the process of modernization, they have to exchange their own labour power for food. If they fail in this respect they have nothing to hope for but a state sufficiently pre-occupied with its own legitimacy to allocate money for food subventions. This is precisely what a sensible state usually does, unless it detects more serious dangers elsewhere, for instance, internal rebellions and external invasions. Unfortunately, these types of threats to state survival seem to be on the increase.

The process of militarization, both on the global level and with respect to national societies in the Third World and Africa in particular, is a serious obstacle to the achievement of food self-reliance, not only because of an unproductive use of scarce resources, but also because the military reinforces an unacceptable pattern of development, from the point of view of the food problem. For all these reasons the food problem is basically a political problem. To quote Susan George, "if powerlessness is the problem, then empowerment is the solution" (George, 1985).

In Asia neither the financial crisis nor the food crisis are absent - Bangladesh has a permanent food crisis and South Korea has a substantial foreign debt - but the imminent crisis phenomenon today seems to be the ethnic challenge to the state, particularly in South Asia but also, and increasingly so, in South East Asia. Thus another neglected dimension in development theory of which we are now reminded by reality, is what Rodolfo Stavenhagen has called 'ethnodevelopment' (Stavenhagen, 1986). In fact it is a completely new approach in development theory, challenging a lot of previous theorizing.

In modernization theory ethnic identity belonged to the traditional obstacles to development which were supposed to disappear in the course of development. Dependency theory looked for the external factors, and had nothing to say about ethnic problems. For Marxists this problem has traditionally been discussed in terms of 'the national question' which typically has been outside and beyond Marxist theorizing. This is precisely what made it a 'question'. Thus it is easy to agree with Stavenhagen that development theory has ignored the ethnic question and has not been able to integrate it meaningfully into any analytical framework. One obvious reason for this is that development theory and social science theorizing in general is concerned with 'states' and 'national economies' as basic units, which precludes a serious treatment of the ethnic factor. Consequently the sudden rise of this factor has taken the social sciences by surprise. The ugly manifestations of the ethnic factor in South Asia and South East Asia are particularly disturbing as South Asia has been one of the more stable Third World regions in political terms, whereas South East Asia has been one of the more successful in economic terms.

With some risk of committing the sin of over-generalization, my argument so far is that a common feature of the crises in the different 'worlds' with their different systemic features is the crisis of the nation-state as the 'normal' form of political organisation:

- In the world of industrial capitalism there is a crisis of capitalist management (Keynesianism), which has led to the rise of a fundamentalist ideology, according to which there should be no management at all, i.e. the market should decide about investments, production and consumption.
- In the world where the project of building socialism is carried out there is a legitimacy crisis, since the living standards are decreasing, or at least not increasing with sufficient speed relative to the consumerist expectations that the socialist project unwisely has chosen as its basis of legitimation.
- In the Third World the state apparatus has been in the hands of westernized elites, and in most cases no legitimacy whatsoever was created while some sort of development sill took place. In the present debt and food crisis it is hard to see how the prospects for nation-building could be any brighter in the future.
- Finally there is a security crisis involving the whole world, organized as an inter-state system without any overall political authority and therefore

by definition insecure. The dysfunctional way of increasing security in each single state, i.e. rearmament, diverts resources away from development and into completely unproductive sectors, thus speeding up the economic decline and making the scope for economic reforms and alternative development strategies extremely limited.

All this makes it necessary to look a little more closely at the crisis for the nation-state.

The Nation-State Crisis

The crisis in development theory to my mind is not resulting from theory having reached a dead end, which the present fatigue shown by the profession seems to suggest, but rather from the failure to answer the old question: Whose development? From the very start development theorists - and development economists in particular - were addressing governments on the assumption that development was to be given the highest political priority. Five year plans now have become outmoded and the market for development economists has shrunk drastically. In fact, very few governments in the Third World are concerned with development as a priority area. They are busy keeping themselves in power, fighting neighbours or suppressing rebellions. The nation-state - the thing that development was all about - is in a process of disintegration in many parts of the world. Beyond the state we can begin to see the contours of a real but still somewhat indistinct world of people, struggling for human rights, livelihood and peace - in short the politics of survival. This must be recognized by development theorists or the field will face its final demise.

Thus a basic weakness in development theory has been the erroneous assumption that development is a goal that can be distinguished from other political goals and given an exceptional position among them. For some reason we have assumed that the poorer and more backward a country is, the more its government will emphasize the role of development policy. If development is defined as a general improvement in the standard of living such an assumption is obviously wrong, and in retrospect perhaps also rather naive. 'Development' has really meant a strengthening of the material base of the state, mainly through industrialization, adhering to a pattern that has been remarkably similar from one country to another. This mainstream model has been enforced by the security interests of the ruling elite. In the mainstream model there is consequently a political conflict, primarily between competing states, and secondly between state power on

the one hand, and subnational groups that do not accept the legitimacy of the state on the other. Thus, the concept of the nation-building project is a key to understanding what mainstream development has been all about - as well as its present crisis.

Any nation-building project contains as its basic elements:

- the exclusive political/military control over a certain territory
- the defence of this territory against possible claims from outside
- the creation of legitimacy within this territory.

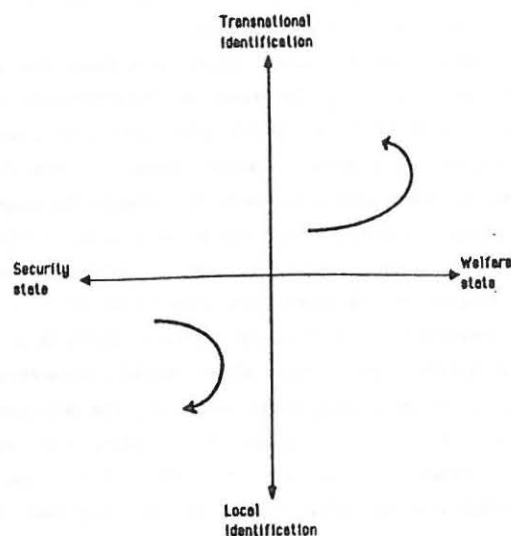
In order to succeed with such a project there is a need for an economic surplus. In terms of nation-building functions we could divide this surplus into three funds: a security fund, an investment fund and a welfare fund. The allocation of existing resources between these various funds differ according to the phase of nation-building and the various challenges facing it during a particular phase. A continuous neglect of any one of these funds, however, will weaken the very project of nation-building (Hettne, 1984). That is why I call it a 'project'. It might not succeed at all.

Only through the creation and use of the welfare fund is it possible to achieve an integrated nation-state, which above all is characterized by the degree of legitimacy. In many Third World countries the movement towards the welfare state seems to have been interrupted and neither the investment, nor the welfare funds can be maintained. Instead these countries are developing towards police states. In the long run, however, it is unlikely that even a substantial welfare fund can guarantee the legitimacy of the nation-state. Precisely because of the high level of welfare and consciousness (which comes from improved education and increasing possibilities for cultural development) the people will start to develop identifications that transcend the nation-state, which must be understood in historically relative terms and not as the final achievement in political organization.

Thus types of predominant identification and types of state are related in complex ways. We can distinguish between two qualitatively different legitimacy crises for the nation-state: one where the two development funds (investment and welfare) are exhausted and the state degenerates into a police state; the other where the high level of education and welfare - the results of a successful nation-building project - are transformed into transnational identifications and concerns embraced by a reasonably large segment of the population. The latter type of identifications are expressed for instance through the new social movements. In the first case local

identifications will be strengthened, in the second global or transnational, but combinations of the two should not be excluded. In both cases the state will react by repression since the contradiction represents a fundamental threat to the nation-state as the dominant form of political organisation.

The relation between 'type of predominant identification' and 'type of state'



In the development of nation-states is a necessary path to progress, the African people in particular are paying a heavy price. According to South (Jan 1985) 25 states of the 51 members of the OAU are under military rule, 90 coups have taken place since 1960, the armed forces comprise 6.2 per 1,000 (to be compared with a Third World average of 3.4), the imports of arms 1976 - 80 amounted to 55.5 billion dollars (26.5 billion in the rest of the Third World) and more than 3.5 million people have been killed in uprisings, civil wars and massacres. In spite of all this suffering, the nation-states do not seem to be on firmer ground today than when they emerged after decolonization.

As we pointed out above, the nation-states in Asia as well are facing serious problems of disintegration. Pakistan split up once - and it could happen again. Lebanon for all practical purposes has ceased to exist as a state. Sri Lanka seems to face division or civil war. In India Prime Minister Indira Gandhi fell prey to 'communalism', mainly due to her desperate

efforts to save an overcentralized nation-state ruled from Delhi. Are these events merely temporary obstacles in the way of the modernization project, or could it be that the era of demodernization has arrived?

All this adds up to the question of the nation-state is an adequate political organization for taking the societies in the three 'worlds' out of the crisis. My answer to this question is no. Development in the form of industrialization, the dominant factor in world development, is patterned by the politico-military imperatives implied in the process of nation-building. Due to the imitative pattern of this process, industrialization results in a homogenization of world development creating national centre-periphery structures (where the structural positions of some countries may change over time). Due to the repetitive character of the industrialization process, there will be an excess capacity leading to periodical crises and a struggle for markets and resources (external conflicts). Due to the unavoidable social marginalization, enforced labour discipline, and misallocation of resources that accompany so many cases of Third World industrialization, there will also be repression and dictatorships (internal conflicts). The comparative advantage will be with the most aggressive and repressive nation-states, at least until disintegration sets in. This fate should not be generalized but depends very much on the degree of original social cohesion within the respective countries.

The alternatives, which must respond both to the security problem and the development problem, can be found in what is referred to - perhaps somewhat vaguely - as Another Development and Alternative Security. It is obvious that a consistently and effectively applied development strategy informed by these principles would create the base for an alternative security that has more to do with low vulnerability in general terms, rather than security in purely military terms.

Thus, development strategies based on this approach would be more 'peace intensive' than mainstream strategies. Basic needs strategies would reduce the need for internal repression, self-reliance strategies the need for international competition, endogenous development would create conditions for the cultural survival of aboriginal peoples, and ecologically sound development would eliminate tensions generated by resource scarcity. It could further be argued that Another Development would lead to a more secure society, not only in terms of less vulnerability, but also more creativity, confidence and consciousness, and a higher mobilizational potential (Hettne, 1984).

The main problem is of course how such as society will come about. In his book *Development and Underdevelopment* Gavin Kitching made the following pertinent observation: "An attractive utopian vision is not an adequate basis for a theory of development, nor does the desirability of state of affairs guarantee its possibility." (Kitching, 1982, p. 180) On this point I would, however, like to point out that utopianism, defined as an emotional or opportunistic attachment to an unrealistic project, may characterize conventional as well as alternative models. The mainstream model is in reality utopian because of its long term unviability, as indicated by the current crisis and threatening holocaust. This is more due to inherent contradictions of the model than to lack of political support. On the other hand the alternatives may be more viable in ecological or social terms but here the accusation for utopianism rests on the lack of political support. The non-viability of the mainstream model does of course not mean that all alternatives are equally realistic.

This is where the 'rediscovery of politics' comes in. This concept must be further qualified, since studies of the political dimensions of underdevelopment are far from new. However, they have largely been focussed on the role of the state in development and have neglected other actors. As Rajni Kothari points out: "The assumption soon after the Second World War, by both elites and radicals, that the state would be a liberator and equalizer, is no longer avidly held and there is a creative reconsideration of the relationship between the state and civil society. There is a rediscovery of civil society as an autonomous expression of human and social will." (Kothari, 1984) Kothari holds that there is certainly a need for new theories but he doubts whether they would be of much help since "the new actors on the scene will decide what their future will be".

I, too, believe that a clear break with the view of development as a predetermined evolutionary process, immanent in the nation-state or the world-system, is necessary and that the future must be conceived as much more open. This necessitates an analysis of actors and their strategies or 'social projects' in a long historical perspective (Friberg/Hettne, 1985).

A handy framework for the categorization of various types of actors has been suggested by Marc Nerfin who associates the 'new politics' referred to by Kothari above, with what he calls the Third System (6). Thus we can speak of the new political movements as 'Third System Politics'.

To summarize, the alternative solutions are anti-statist and usually have

two, not necessarily contradictory, points of reference: the local community and humanity. Therefore it is difficult to see how the state (which is part of the problem rather than the solution) can be of much help. The relevant actor would not be the state but the new social movements whose aspirations transcend the nation-state as the dominant mode of political organization.

Development theorists cannot be satisfied with only analyzing ends and means in development as if there were a free choice between them. More attention should be given to the identification of development projects related to different groups and interests and the analysis of the foundations of these projects in local, national and global power structures. From such an analysis we can draw certain conclusions about the future of development, about which development theory, regrettably, has very little to say. It should therefore be transcended.

Some Conclusions

What conclusions can be drawn from a paper that merely has raised questions rather than answering them? The major theme of the paper is that the present world crisis is a crisis for development theory, for the simple reason that the theory did not really prepare us for the crisis, neither is it of much help in understanding the crisis, or the various manifestations of it in the three 'worlds'.

Is development theory then useless? At least to this writer the development of development thinking in the last three decades is a fascinating piece of intellectual history which, in spite of its shortcomings, will tell more about the intellectual climate of these past decades to future generations than intellectual histories of other social science specializations. In fact, I believe that development theory must be understood as a rediscovery of the concerns of classical social science; that this process of rediscovery has only just started; and that the ultimate outcome may be a more unified social science. It will differ from classical social science in two important respects: the evolutionist bias will have been replaced by a non-deterministic multi-linear approach to development; and the eurocentric bias by a true universalism, reflecting a global development experience.

There is still some work to be done before we get there. Therefore the crisis in development theory is not an end but a transition. Whether development theory will be called development theory, or simply social science, after that transition is not important. The debate about how

development theory relates to development economics, and whether development economics is a distinct branch of economics or simply economics applied to a certain category of countries, is not very interesting. To a large extent it is academic politics without much epistemological relevance.

This is not to say that academic politics is unimportant. On the contrary. The relative autonomy of development studies, legitimized by the claim to be distinct and separate, has provided the discipline with a certain institutional base from which conventional approaches could be attacked and theoretical innovations elaborated. This base has rarely been very strong and the achievements could have been more impressive, but:

Right or Wrong - Our Development Studies!

Notes

- (1) At the Development Studies Association Conference in September 1983 Robin Cohen stated: "There is a crisis in development theory because we have no theory of the crisis"; quoted from Faber, M., "Development Studies in the UK", EADI Bulletin, 1984, p. 2 (special issue on European Development Studies).
- (2) See the special issue of the EADI Bulletin, referred to in note 1. Actually the rationale for this special issue was a feeling that European development studies were facing difficulties.
- (3) At the UNU Seminar on "Europe's Role in Other Regions' Peace and Security", in Austria, May 1985.
- (4) "The term 'actually existing socialism' (realexistierender Sozialismus) was coined to justify the contrast between what Marx and Lenin had said and what had actually developed." Bahro, R., *From Red to Green*, London, Verso/NLB, 1984.
- (5) What Food Self-Reliance (FSR) implies has been clearly spelt out by Joseph Collins and Frances Moore Lappé (1977). Firstly, FSR requires a control over agricultural resources by local units. At present agricultural production in many countries is diverted towards low nutrition crops for local élites and foreign markets. Secondly, FSR necessitates mass initiative rather than government managed 'development'. Thirdly, trade must be an expression of domestic need rather than foreign demand. Fourthly, the role of agriculture must change from being a means to becoming an end. Fifthly, industry will have to serve agriculture rather than the other way around. Finally, self-reliance requires coordinated social planning, which is not the same as authoritarian rule from the top.
- (6) This terminology was suggested by Marc Nerfin (president of the IFDA) in a lecture in Gothenburg, November 1983.

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