
Redistribution with Growth—a reply*

Richard Jolly

Introduction

From his very first sentence, Colin Leys seems to misunderstand or misinterpret the basic purpose and contribution of the IBRD/IDS study **Redistribution with Growth**. It is not, as he claims, to provide analytical tools to explain why the poverty of the poor in the Third World remains in spite of growth over the last 10 or 15 years, and to indicate new kinds of policies which could reduce their poverty in the future. Rather it is to explore the issues and to provide analytical tools for **quantifying** what has happened, which may help to quantify the issues and trade-offs involved in planning for a reduction in poverty in the future. This may seem a small difference in interpretation—but in fact it is crucial. The starting point, the main focus and the main points of any originality as an intellectual contribution in *RwG* are all closely linked to issues of quantification and econometric modelling. It is in no sense a **general** analysis of the issues of poverty and maldistribution of income, let alone a **comprehensive** discussion of what policies might help to deal with them.

The original idea of the study, as explained in the first paragraph of the preface was the “notable inconsistency between the general perception of income distribution and employment as major problems for developing countries on the one hand and the analytical tools available to policy-makers on the other”. More specifically, for some of us in the Institute, our point of departure arose directly from experience with the ILO Employment Missions to Colombia, Sri Lanka and Kenya.

In each of these, we had attempted to develop an appropriate quantitative framework for modelling the elements of new policy which these reports proposed, but we had been frustrated in every case by our inability, given the shortage of time and lack of basic research, to go much beyond a conventional and most inadequate framework of national accountancy. The IBRD/IDS study was an attempt to remedy this deficiency.

The discussion in *RwG* is naturally not entirely confined to technical issues of quantification and modelling—and in a number of chapters the volume explores in more general terms what is involved in the adoption of strategies directed towards the eradication of poverty. This is a

necessary part of the study, both to provide the context in which issues of quantification can be explored, and in a more general way, to argue the need for the conscious and widespread adoption of poverty-focused strategies if the position of the poor is to be substantively advanced in the next decade. But even in tackling these matters, the treatment is deliberately limited and primarily directed towards those concerned with technical issues of economic planning.

It is these sections of the study which Colin Leys particularly attacks—essentially because he argues that the book suggests that poverty may be alleviated in a considerable range of Third World countries without radically changing the capitalist character of their social formation. In this respect Colin Leys argues that the approach of the volume constitutes a definite political programme, at once inconclusive because it has no theory of political change to explain why its approach will prove acceptable to the present elites, and reactionary, because its basic political assumptions are, he argues, **directed** against revolutionary change and in favour of the preservation of private capital and hence, by implication its political power—“a standpoint which must be judged” (as Colin added for good measure in an earlier note) “in the context of the book’s origins within the World Bank”.

The first of these points—that poverty may be alleviated in a considerable range of Third World countries without radically changing the capitalist character of their social formations—is, as concerns the past, a factual point on which evidence can presumably be collected, evaluated and argued over. As regards future prospects, it is a matter for analysis and theory, but presumably not unrelated to past experience.

As regards the second point—that *RwG* lacks an adequate theory—there presumably need be no argument, since the volume itself admits in the introduction that “we are far from a theory of income distribution”. The issue is not whether *RwG* has an adequate theory of income distribution and social change, but whether anyone has. The third point was that *RwG* is either deliberately or unconsciously directed against revolutionary change and in favour of the preservation and the power of private capital. This is a gross

* I am grateful for helpful comments from Dudley Seers, Emanuel de Kadt and Michael Mills—and from members of the first M.Phil course in development studies.

misinterpretation or misrepresentation of what is the books' essential assumption, namely the recognition that a 'fundamental redirection of strategy' is needed. It is true that by analyzing what might be done in countries with mixed economic and political systems, the report implies that something can be done in such countries and that it is worth trying. But this is a far cry from arguing that more radical strategies have no place, let alone deliberately devising strategies directed in favour of the preservation of private capital. It is all the more misleading to direct such attacks against a volume which in numerous places unambiguously identifies the place of nationalization and land reform, and which includes case studies of Cuba, Tanzania and Sri Lanka in its annex. In fact, as will be argued, it is not *RwG* which rules out radical change, but the position of Colin Leys, which excludes taking seriously the problem of what can be done when more radical change seems extremely unlikely. These three issues form the basis of this rejoinder, taken up in sections 2, 3 and 4.

Because Colin Leys's critique of the politics of *RwG* gives a limited and partial view, a brief presentation of the basic argument of *RwG* is also included in section 2 in order to identify the real points of difference and to relate the controversy to the original argument. Necessarily the reply to the sharp criticism in Colin Leys's article may seem tough and uncompromising—because a polarizing attack tends to evoke a polarizing rebuttal. But I do not believe that on many of the issues the differences in position are as clear-cut as Colin Leys would argue. Nor do I wish to suggest that I or any other authors of *RwG* are fully satisfied with the IBRD/IDS document as it stands. And in section 4 of this reply I indicate my own view of the weaknesses in our analysis of *RwG* and of fruitful directions for future work and refinement.

Redistribution with Growth—evidence and strategy

The IBRD/IDS study starts with a quantitative review of income distribution within some 66 developed and less developed countries and of changes in distribution over the last decade, based on the admittedly very inadequate statistics available.

The broad conclusions of the review are worth quoting:

- that the highest degree of overall equality in the distribution of pre-tax income appears in the socialist countries, in which the lowest 40 per cent of households may receive about 25 per cent of total household income;
- that developed countries are evenly distributed between those of low and those of

moderate inequality. The average income share of the lowest 40 per cent of households in all of them taken together is about 16 per cent;

- that most of the under-developed countries show markedly greater relative inequality than the developed countries—with about half falling in the range of high inequality and a third in the range of moderate inequality. According to the statistics available the income shares for the lowest 40 per cent of households average 12½ per cent, with half the countries averaging only 9 per cent.

Even a cursory inspection of the statistical evidence, weak though it is, reveals a pattern complex and diverse. The analysis of changes in income distribution over the last decade confirms the already well publicized conclusion that growth without redistribution was the widespread experience of the 1960s, one which has increasingly attracted the critical attention of both analysts and policy makers of a wide spectrum of political persuasions. But the IBRD/IDS study shows that this pattern was neither uniform nor universal. There were cases, both socialist and capitalist, of rapid growth with redistribution, of little growth and no redistribution, and of redistribution with no growth.

This diversity of experience leads to two important conclusions relevant to the rest of the study: that a high rate of economic growth appears to have no adverse effect on relative equality, and that increases in the concentration of income are not inevitable, even in capitalist countries advancing from low levels of per capita income. These are important points, particularly because it is often argued that income **must** become more unequally distributed as poor countries get richer, as a result of output coming increasingly from the initially small industrial sectors, with their higher capital intensities and higher rates of productivity growth. A number of earlier studies had indeed suggested that it was inevitable that this pattern would occur, once countries moved to per capita incomes above \$200—a pattern often reinforced by unequal access to land, credit, education and formal sector employment, and urban or class bias in the distribution of public expenditure as well as in government fiscal and trade policies. In contrast, the IBRD/IDS volume shows that this pattern, though often observed, is by no means inevitable. In a number of low-income countries income distribution has not worsened; in some it has improved.

This lack of any inevitable tendency towards worsening income distribution may not seem

surprising to those who emphasize the predominance of 'politics' over 'economics' in matters of distribution. But as in other matters the empirical evidence suggests that it would be equally misleading to generalize too dogmatically about the type of political system which has led to improvements in income distribution. Although the socialist countries show the highest degree of overall equality, improvements in income distribution are by no means limited to countries following socialist strategies.

"While generalizations as to the relative effectiveness of different policies are not yet possible, the bulk of the developing countries in which the poor have shared equitably in income growth—Israel, Yugoslavia, Taiwan, Korea, Sri Lanka, Costa Rica, Tanzania—consists of countries that have taken positive action to this end" (pXV).

A second basic theme of the IBRD/IDS study is that a trade-off between growth and redistribution is not inevitable. Strategies to achieve RwG can be economically efficient. At first sight, this may not seem surprising, but again note (i) a trade-off between growth and distribution has been typical of most of the quantitative models which have been developed to analyse economic growth; (ii) for most neo-classical economists, the general existence of a trade-off between growth and redistribution has long been a point of orthodoxy; (iii) for many socialist theorists also, growth was the first goal and redistribution only a goal to be admitted after the first had been secured. Stalin himself in 1931 spoke against the dangers of 'petty bourgeois egalitarianism' and argued the need for growth first and redistribution later.

The main thrust of the IBRD/IDS study is directed towards strategies for combining redistribution with growth. The analysis (as I have noted) is not in the form of a general treatment of what such strategies would involve economically or politically, let alone an elaboration of the details of policy in every sector. Instead the volume attempts to identify the main elements which must be incorporated in quantitative models and explorations. In essence, the IBDS/IDS exposition of RwG develops the following points:

1. Strategies which combine redistribution with growth are essential if poverty in Third World countries of low per capita income is to be rapidly eliminated. Neither growth nor redistribution alone will be sufficient.
2. Four dimensions of policy are involved, usually in combination, in RwG strategies:

- (a) accelerating GNP growth through raising savings and allocating resources more

efficiently with benefits to all groups in society;

- (b) redistribution of existing assets;
- (c) asset redistribution by redirecting new investment into the creation of assets generating income for the poorest;
- (d) transfer of income in support of consumption of the poorest.

Strong but not exclusive emphasis is given to redirecting **public** investment to raise the productive capacity and incomes of the poor. But the volume recognizes that to be effective RwG will involve to some degree each of the four elements of policy.

3. The political context is usually the most important determinant of whether RwG strategies will be effective. The volume recognizes that a radical commitment to income redistribution may lead to more rapid change, but it identifies three major reasons why even regimes without a fundamental commitment to income redistribution and the alleviation of poverty may nevertheless be led to adopt RwG policies: enlightened self-interest, based on short or long-run, real or imagined, gains from improvements in the position of the poorest; conflicts of interest within the elite group which can be exploited to the advantage of the poor and to achieve greater power for them in the longer run; conflicts and differences of interests between domestic elites and international interests. Since Colin Leys is so critical of the lack of political realism of RwG it is perhaps worth quoting two paragraphs on these points:

"The first possibility is that the elite—or some sections of it—will make concessions to the poor out of enlightened self-interest. It may fear, rightly or wrongly, that the revolutionary potential of the poor will be realized unless the burden of their poverty is eased. The rich who subscribe to this view may be prepared to give up something so as not to lose all in a total revolution. More positively, certain kinds of investments in the poor, such as education and health, may lead to long-term pay-offs to the rich who need productive workers to operate their capital. Even if elite opinion is not unanimous on these matters, the fact of disagreement holds out some prospects for reformers of all kinds.

The second possibility is that the different constituent groups of the elite will have conflicts serious enough for them to seek a measure of support from among other groups of the polity, thereby increasing the effective representation of the latter groups (be they feudal landlords or rich peasants) will eventually fall out over the setting of the prices of agricultural products relative to those of industrial goods. As all urban groups have an

interest in cheap food, urban capitalists may attempt to enlist the support of organized workers in order to break the power of the landed interests now opposed to them. With the same end in view, they made also side with peasants' demands for a distributist land reform if the resulting small-holders system promises a better economic and political accommodation. Such potential cleavages among ruling groups provide reformers and others representing sections of the poor with opportunities to exploit, which if seized, may provide further openings through an improvement in the 'representativeness' of the political system".

4. The adoption of a strategy of RwG requires reformulation of policy and action on many levels:

- (i) the conscious adoption of objectives relating to redistribution as well as to growth;
- (ii) the development and refinement of quantitative planning models to include these dimensions of policy and to project other quantitative effects over time, parallel to the GNP frameworks developed in both socialist and mixed economies;
- (iii) to make these strategies effective on a local level, integrated programmes focused on the particular needs of the main groups in poverty, based on statistical profiles, defining the geographical, occupational, educational, and other socio-economic characteristics of the groups with low incomes.

5. The use of a wide range of policy instruments in six main areas of policy intervention: factor markets, employment and income, ownership and control of assets, education and human capital, taxation of personal income and wealth, the provision of public consumption goods, commodity markets and technology.

6. New measures of economic growth are needed to monitor this process, nationally and internationally. Conventional measures of rates of economic growth (e.g. rates of growth of GNP), far from being neutral and unbiased, in fact give disproportionate weight to income growth among the richest members of the community. Alternative weighting systems are proposed to monitor and evaluate macro performance, including two examples: a 'neutral, one man one vote' weighting system which gives equal weight to each person, and 'poverty weights' which give greater weight to income growth among the poorer groups.

The IBRD/IDS volume elaborates these issues in a number of respects, focusing particularly on the quantitative and economic issues in the context of strategy-making and model-building. Sections in Part I deal with the economic and political framework required for re-orientating policy,

followed by two chapters considering the scope for policy intervention and the central elements in formulating a strategy, later illustrated in terms of rural, urban, and international policy. Part II of the volume deals more specifically with issues of quantification methodology for improving planning models, contrasting available planning models at the national, sectoral and regional level with explorations into the elements of a model which could combine distribution and growth. It closes with sections on statistical and research priorities required for a more integrated approach to growth and income distribution. An annex to the volume includes six brief case studies, outlining performance with respect to growth and distribution over the last two decades in India, Cuba, Tanzania, Sri Lanka, South Korea and Taiwan.

The problems of theory

Colin Leys attacks RwG for lacking an adequate theory of income distribution. Who doesn't? Those wishing to criticize the developments in RwG should consider seriously the alternatives. At the theoretical level, there are no reliable and refined models seriously focused on income distribution by household or individual income group. The main Marxist and Ricardian models are primarily focused on factor shares, not size distribution of income, and for that matter have only rarely been quantified. The neo-classical model which has been carried via human capital analysis into elaborate work on wage and salary structures, has been subject to such criticisms as to forfeit the title adequate. Operational planning models, elaborations of Harrod-Domar or input-output models whether developed in eastern or western countries, usually fail to deal with income distribution by income size groups. The truth is that we all lack an **adequate** theory of income distribution, even Colin.

The development of such a theory will not be easy. Existing data on income distribution in different countries reveal a pattern which defies the simple theories of both quantitative and non-quantitative analysts. However countries are grouped, whatever characteristics are identified from the major theories of income distribution to predict tendencies, whatever allowances are made for the unreliability of the data, the actual statistics reveal a pattern of growth and income distribution, cross sectional and over time, which defies explanation at present. As already mentioned, it is **not** true that income distribution has worsened in all countries, or in all low-income capitalist countries. It is **not** true that income distribution has always improved. There are no

strong correlations between growth and movements towards or away from greater income equality.¹ Some of the more imaginative work, such as that of Adelman and Morris, reveals certain patterns and provides some hope for further scientific analysis.²

But anyone of a scientific turn of mind must broadly admit that we are at the beginning of a long journey of intellectual and social exploration for which the theoretical maps so far available are grotesquely unreliable—and I would add that the main contours of these maps will only be outlined by looking forward rather than looking back. At present the unreliability of the basic data permits simple and dogmatic interpretations to flourish. But as new and better data become available, the challenge to theory will be greater. My own position, outlined in chapter 8 of *RwG*, is that the inadequacies and uncertainties of the main available models or paradigms mean that those seriously interested in contributing to policy-making should be willing to check their conclusions for policy against different paradigms, and attempt as best they can to see how sensitive their policy conclusions are to the different frameworks adopted. The technique of 'sensitivity analysis' at lower levels of analysis is well established as a guide to decision-making in situations of uncertainty. Sensitivity analysis can be applied also at a higher level. And why not? This does not mean that everyone must remain open-minded on every issue. But those concerned to relate to the problems of improving decision-making in capitalist or socialist countries need to think twice before they dogmatically operate only within a single paradigm.

Redistribution with Growth—reformist or radical?

Colin Leys argues that *RwG* is necessarily a non-radical incrementalist strategy. If by this he means that *RwG* is in part concerned with evolutionary strategies I would agree. But if he implies that *RwG* as a strategy, let alone as a quantitative framework for modelling, cannot take account of more radical transformations of society, then this is a complete misinterpretation. The four elements of *RwG* summarised in chapter 2 of the book include, at a highly aggregated level, elements of strategy which, like asset distribution, have been conventionally central to radical programmes. In fact, the four elements of

RwG can be found in some degree in both reformist and radical, capitalist and socialist transformations. At this level of aggregation and economic abstraction the differences in strategy are not in content, but in the extent to which the different elements of *RwG* are stressed. Growth, for example, is an important policy objective in most countries, whether capitalist or socialist (though it is probably less clear today than a decade ago whether on average the socialist regimes achieve a better growth performance than comparable capitalist economies). Income transfers to consumption are widely accepted instruments of policy, although in practice probably less important in both types of economy than rhetoric often suggests.

It is in respect of asset distribution and asset creation that the big difference emerges, with socialist regimes being committed to more radical changes in the structure of ownership of capital and organization of production than capitalist regimes. Nevertheless—and this is the essential point for those concerned to quantify and to model the process—it is untrue to suggest that the difference in ownership of assets (or access to them by the poor) is always a matter of sharp dichotomy, with no differences of degree. Socialist countries vary quite considerably in the extent to which assets are privately owned, particularly land and other assets required for agricultural production. Moreover, even those like China and Cuba which have moved to the socialization of most privately-owned capital³ did so in strategic stages—in a process which could be quantitatively analyzed as a radical application of redistribution with growth. Similarly, capitalist economies are usually far from being text book models, and already the state owns many of the means of production.

This is not to argue that statistical quantification of the extent of asset ownership or redistribution adequately captures the essence of the process of socialist transformation. Obviously it does not. But those who think that either quantification is unnecessary or that existing planning models and approaches (whether of capitalist or socialist economies) are adequate are making a great mistake. A major reason why people make this mistake is that they have never seriously faced the question of what needs to be done to improve planning for decision-making for long-run change. It is not enough to quote Nkrumah's dictum (itself somewhat plagiarized) "seek ye first the political kingdom and all else will be added unto

1 Since the publication of *RwG*, Hollis Chenery has published a further volume analysing the statistical pattern of development observed in some 101 countries from 1950 to 1970. This reveals very low regression coefficients (both absolutely and relatively) for the basic regressions relating to income distribution. See Hollis Chenery and Moises Syrquin, *Patterns of Development 1950-1970*. OUP, 1975.

2 Irma Adelman and Cynthia Taft Morris, *Economic Growth and Social Equity in Developing Countries*, Stanford, 1973.

3 Treating human capital as a form of asset, as in the IBRD/IDS volume, shows that even in the most socialized countries by no means all assets are publicly owned.

you". The priority of politics is not disputed in RwG. But the question remains, having put political issues first, what can be done to improve quantitative understanding of the issues for choice?

The contribution which quantitative macro-economics can make to the improvement of practical decision-making and implementation is inevitably a matter of some debate and controversy. The importance of this one aspect in the whole complex of decision-making and action is easily overstated. But at the same time, there is no reason for going to the other extreme—of arguing so hard that the real issues are political and strategic that one ignores the need for their quantitative and scientific investigation and the practical need to develop quantitative tools which can be operational.

The proposals in RwG for disaggregating the objective functions of planning models, in order to weight differently the increments of income accruing to different income groups, are a modest advance, which it is surprising to see Colin Leys reject so summarily. Does he really imagine that economic performance and future economic objectives can be adequately assessed, analysed, or planned without reference to some quantitative indicators of income growth? If not what does he propose in place of what is proposed in chapter 2? At this point, there is real danger that the line to which Colin Leys's argument leads would take us straight back to the pre-scientific 17th century. The need for quantitative measures, properly disaggregated and relevantly focused, must be broadly common to all of us in the social and physical sciences. The weaknesses of excessively aggregated and often unreliable GNP measures are now widely recognised. Why then attack so virulently an attempt to explore the relevance of disaggregated measures of income growth and distribution?⁴

This emphasis on the quantitative aspects of RwG is, as explained at the beginning, central to the IBRD/IDS study's origins and objectives and for this reason I have set out the argument for the neutrality of RwG as a quantitative model in some detail. But Colin Leys is not really concerned with quantitative models.⁵ The essence of

his attack is that RwG, although (perhaps because) it does not claim to be, is in fact "a highly political document", reformist and anti-socialist, if not positively reactionary. RwG, Colin Leys states, assumes "that the Third World countries in question will continue to be predominantly capitalist societies" in which the distribution of income and political power "will continue to be based primarily on the private ownership of capital" and that "social revolution ought to be avoided".

Colin Leys suggests something deeply underhand in this—politically reactionary without ever declaring itself as such. But this is not justified, even accepting Colin Leys's summary as it stands. The first of the assumptions which Colin states underlie the RwG volume is a matter of judgment: any perceptive analyst, Marxist or non-Marxist, writing at any time during the last 100 years, might well have assumed it, though as it happens it is overstated, as a summary of what RwG assumes both about the economic and political systems in many Third World countries and about the determinants of income distribution.

These points are important—but not crucial for Colin Leys's attack. It is his other presumption that RwG assumes that "social revolution ought to be avoided" which is critical. But is this in any way a fair statement of what RwG really assumes?

It is true that RwG broadly concentrates on reformist rather than revolutionary strategies—though there are numerous references to the need for effective land reform, nationalization, the creation of state-owned enterprises producing mass consumption goods, the need for the mobilization of the poor and for new institutions catering for their needs. But the reason for the volume's concentration on reformist strategies is straightforward. "Since our main concern is with the more typical countries of the Third World, we have not attempted to assess the experience of either the socialist countries or the earlier policies of the now advanced Western countries, although there is much to be learned from both" (p. xvii). The unfairness of Colin Leys's critique here is shown by the innuendo which he often conveys by his selection of quotations from the volume. For example, he suggests that when the volume argues for land redistribution it does so because it attaches a high value to preserving the existing fabric of society. The basis for this is a statement quoted from chapter 3 that once the peasantry's immediate demands for land are met it will become a conservative force and a bulwark of the new status quo. Colin Leys does not acknowledge (as the IBRD/IDS volume does) that the

4 The lack of both data and relevant planning models has been a serious deficiency in Cuba, for example—witness the inadequacy of planning models imported from Czechoslovakia in the years just after the revolution. See for instance E. Boorstein, *The Economic Transformation of Cuba*, Monthly Review Press, New York, 1968.

5 The need for quantitative modelling and exploration of long-run alternatives has long remained a blind spot in his perception of what is required to improve planning and decision-making—curiously for someone who has stressed the value of performance budgeting in administration. See "The Analysis of Planning" in Colin Leys (ed) *Politics and Change in Developing Countries*, Cambridge, 1969.

volume includes a footnote stating that this was Lenin's conclusion after analysing Stolypin's agrarian policy. It seems unfair to Lenin and for that matter to the authors of the IBRD/IDS volume to suggest that to note an historical consequence is to recommend it.

Or again, Colin attacks the target group approach because it is "far removed from any conception of change in which the activities and the consciousness of the poor themselves are really expected to play a leading part". This seems to me at variance to what the IBRD/IDS volume states on page 65. "The mass organized support of the poor constitutes a political resource which can be put to use in carrying through programmes to their advantage. Indeed a strategy which seeks to remove poverty may prove empty or impossible to implement unless the poor develop sufficient consciousness and organization to provide support from below to maintain the momentum of the poverty alleviation programme over a period of many years". In practice, I am not sure whether, in the analyses of many of these points in a specific context, the difference between Colin Leys and the IBRD/IDS authors is really as sharp as he suggests. The real difference is not in the analysis of the forces at work but in the implications for action. Here Colin Leys takes RwG to task not only for neglecting revolutionary strategies but even, it seems, for exploring what might be done in non-revolutionary situations. He attacks attempts to consider evolutionary, reformist strategies without ever declaring what he would propose instead. Indeed, he seems to dismiss this whole issue and its most practical consequences on the grounds that it is reactionary even to assume that there can be situations in which radical change is politically unlikely. He gives two reasons for this: (i) that no statistical meaning can be attached to these apparent statements of probability; (ii) that RwG is "a document concerned with policy and prepared within and published by the World Bank" and, given this, the judgment that radical social changes are unlikely assumes the character of a programme rather than a prognosis.

Granted that there is no question of statistical precision in making such estimates, is Colin Leys suggesting that people do not or should not attempt to form a view of such probabilities as a basis for action? Such a purist approach would rule out most persons and parties, of a wide variety of political persuasions, concerned with political change.

One cannot help feeling that the argument which provided clinching proof to Colin Leys of the need to dismiss RwG as reactionary was its

association with the World Bank. Or, as some would say, "if the World Bank has anything to do with it, it must be reactionary".

This argument is both misleading and dangerous. It is factually misleading because the Bank's participation, as explained in the preface, does not imply endorsement. But more significant, it is misleading because it assumes that the Bank is a monolith—with staff recruited, organized or controlled to a degree which ignores the realities of a diverse and complex organization. So much is this so, with respect to RwG and poverty-focused planning, that I personally would see the problem as almost totally the opposite to that which Colin Leys identifies: namely, that far from RwG being general Bank policy, it will be treated too often, though hopefully not always and not in the longer run, as merely an academic product of the research department.

This leads me to the dangerous part of Colin Leys's argument—the implication that the position of international institutions such as the Bank are predictable, unchangeable and inevitably reactionary. Just at the stage when China is joining many of the international institutions, when several socialist countries have joined the World Bank, when the pattern of staff recruitment has been changing rapidly, when changes in voting are finally under serious discussion, and when those pressing for change need support and constructive analysis about what the next steps should be, such an attitude is dangerous because the belief that nothing can be changed rapidly leads to the belief that nothing is to be done.

For although at the national level, some may pick and choose countries worthy of their concern, at the international level there really is no alternative to grappling with the hard realities of the current world situation and asking how one can move from the present chaos and injustice to something better. These are practical questions which involve hard thought and probably compromise—but one cannot wish them away and simply choose another system.

In contrast, I would argue that those really concerned with improvements in income distribution and the situation of those in poverty, need in each situation seriously to analyse, nationally and internationally:

1. What change is possible, how fundamental, in what ways, how rapidly, at what cost and to whom?
2. Of the various changes possible, what are the prospects that each will succeed? What risk of backlash, external or internal?
3. If reformist policies are adopted, will they make

it easier or harder for more radical change to occur later?

4. If more radical political change seems possible, how likely is it that income distribution and the position of the poorest will be significantly improved? Social revolution can open the way to fundamental transformation. But not all radical change leads to social revolution. Not all political instability benefits the poor and too often it is the poor who bear the cost.

It is only too easy to rally behind ideological banners at this point—and to avoid these difficult questions. Honest men may differ on the answers in any actual situation, and there is always a tendency for the more optimistic reformers and for the more doctrinaire revolutionaries to pre-judge the issues, coming down with a predictable consistency on one side or another. But are the issues so open and closed? Those genuinely committed to social advance ought to be willing to explore the conditions for achieving change by whatever routes may be open.

Colin Leys seems to rule out any significant change by the reformist route, in general and in particular, without ever seriously exploring what has been achieved in the long run and the short, by reform and by revolutionary change. It is not sufficient to argue that in the long run fundamental change will certainly come. Can one seriously ignore what might be achieved in the next 10 years?

Take Kenya, a particular country in which some of us when asked what to do, attempted to work out what RwG would mean in terms of specific changes of policy covering most sectors of the economy.

Colin Leys devotes a good part of a recent brilliant and stimulating book⁶ to a detailed analysis of why such recommendations are absurd. He admits, in fact, that the analysis of the problem in the ILO report and the much fuller analysis in his book do not differ so much, but he goes on: "The obvious puzzle presented by these proposals is what incentive the mission thought all these groups—the heart and soul of domestic and foreign capital—might possibly have for making such sacrifices?" But what does Colin Leys propose instead? The final paragraph of his book is worth quoting: "Academic studies can contribute little to achieve new strategies of development grounded in the interests of the mass of those who are currently the victims of under-development. Perhaps the most that such studies can do is to try not to obscure the structures of

exploitation and oppression which under-development produces and which in turn sustain it" (p. 275).

It is to me highly significant that Colin Leys never clearly states what he proposes instead. He writes from the position of a fascinated observer, free from any risk of being corrupted by involvement in action and policy. The temptation for the academic to withdraw to an ivory tower of this sort is strong, and there are many ways of justifying this position—the need for 'academic detachment', for analytical clarity, for time to do serious work. There is obviously some case in all such arguments. But note their inherent elitism. Few except the academics and the wealthy can afford to withdraw. Only the expatriate is privileged to pick and choose his country and to dismiss the others if they reveal no chance of radical reform. In contrast to this detachment, most of mankind has to reside, work and often suffer in their own country, without the chance to shift their work or even their interests to the more hopeful or more interesting situations. Is there nothing worth doing in these situations?

Some further criticisms

I do not wish to end with the implication that the IBRD/IDS volume is adequate as it stands—that there is nothing to criticise in its treatment and no omissions which urgently require action. There are many confusions and gaps, even in terms of its objectives and focus. I would particularly identify the following gaps:

1. Historical analysis and perspective.
2. Concern with non-material goals and institutional structures in development models, including patterns of employment, rural and urban.
3. A more disaggregated approach—particularly the need to disaggregate the treatment of assets—analysing separately land from other physical capital, and physical from human capital. Each has different characteristics and quite different potential in a strategy of RwG.
4. Integration of a wider range of models dealing explicitly with different aspects of capitalist and socialist strategies.
5. Identification of the crucial changes which enable RwG to take place and be sustained over time in (i) capitalist and (ii) socialist structures, in the face of (i) crude capitalist interests and/or inefficiency or (ii) crude party-bureaucratic interests and/or inefficiency.

These are admittedly a formidable list of omissions—a long but necessary agenda for further work.

⁶ Colin Leys *Underdevelopment in Kenya: the political economy of neo-colonialism*, Heinemann, London, 1975. (This will be reviewed in the next issue of the *Bulletin*—ed.)

What is not helpful is to suggest that the socialist or capitalist world has a monopoly on planning techniques or relevant policies for tackling these issues. Those concerned to rid the world of poverty and exploitation, whatever their current

political commitments, will do well not to close their eyes to the complexity of the problems, the range of relevant experience and the need for both improvements in planning techniques and widespread participation in achieving these basic goals.