

Myrdal's "Asian Drama"

by

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The publication by one of Europe's greatest scholars about the world's most important problem area is an event of the first order. The scholar I mean is Myrdal and the area South-Asia. I am happy to offer some comments on this book, called "Asian Drama", with the well-chosen subtitle "An Inquiry into the Poverty of Nations" [1], both because of its merits and because of the challenges it contains to somebody so sympathetic to the author's view and at the same time so full of doubt with regard to a number of methodological issues raised.

The book covers an impressive multitude of subjects and is fascinating in many respects. It brings a good deal of history of the area, from before its political independence obtained after World War II, to to-day and gives a lot of interesting background information in Chapters 4 and 5 on how the frontiers of the countries were established. It gives pictures of the great leaders of independence, Gandhi (pp. 92, 754-55 for some striking elements), Nehru and Jinnah. It deals extensively with the backgrounds and consequences of Partition (Chapter 6) and with the not-too-good role the French and the Dutch played (p. 226) in their colonies. I sympathise with Myrdal on this judgement.

Then, we are confronted with an extensive description and analysis of the present situation. Looking at that situation from his explicitly chosen viewpoint of the "modernization ideals", Myrdal states, after a careful analysis, that these ideals are alien to the region (p. 73). He also feels that there is a considerable discrepancy between the values that the elite are supposed to stand for and their actual behaviour. He is very open and critical with regard to the attitudes toward the "lower" strata (pp. 86, 767), the extravagance (in such an

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extremely poor region) at official functions (p. 111) and compares lip service to tolerance with the high number of recorded crimes. Here we should not forget, I feel, that considerable bits of hypocrisy have also, on various occasions, been attributed, and rightly so, to elites all over the world.

Myrdal goes on stating that the lack of skills of the peoples concerned is a fundamental hindrance (p. 695) to modernization and that (p. 114, Chapters 27, 28) the population explosion is by far the most important social change that took place in the last decades. He is not quite right, in my opinion, when he says that "even India has been unable to register a rate of progress comparable to that in the Western countries" (p. 47), since, at least over 1951-1961, the rate of increase in real national product was a bit higher than the average for the West over the 19th century. But we all agree that, with present-day expectations and the population explosion, the rate of growth has been much too low.

Myrdal is right, in my view, that many studies made of the problems of Asia by Western scholars have been biased by their own interests or value systems and that, in particular, Western technological progress has been detrimental to the interests of South Asia: synthetic rubber being one of the striking examples. To speak of South Asia as part of the "free world" is another example of another type. But, on the other hand, there have been lots of devoted orientalists in the West too, whose work does not fall in this category and the recent results of large-scale agricultural research, supported by the big American foundations, and directed at developing new wheat and rice species have been very much to the advantage of the region.

The author of "Asian Drama" then deals extensively with what I would call the mechanism of Asian societies, looked at from the viewpoint of what can be accomplished in modernization. From manufacturing industry he rightly expects, for quite some time to come, only slight contributions to the absorption of the population increase (p. 1147). Whether he is right in contending that modern technology is not more capital-intensive than older technologies (pp. 693-694) is not easy to check; I tend to the opposite view. The low level of skills already referred to is not necessarily innate (p. 25) and probably can be cured by sufficiently large efforts in the field of education (Chapters 29, 32, 33). Much more social equality is needed, which remarkably is not an ideal cherished very much by Hinduism — as distinct from all great religions (p. 80). Myrdal expects much from more social equality, as I do, but he goes as far as to say (p. 747) that "social inequality... in all its forms is detrimental to productivity" which is not proven. Related to this statement is his contention, again acceptable to me, that more consumption contributes to productivity (p. 19), but he extends this to the incorrect generalization (p. 69) that the whole conceptual apparatus of income, consumption, savings and investment....

assumes the absence of productivity effects; his treatment in Appendices 2 (p. 1916) and 3 (p. 1961) of this question is inadequate. The conclusion that "all expenditure is investment" does not follow. The differences in the effect on production emanating from different types of consumption should be kept in mind here, expressed in functional form and then these effects can be taken care of very well in an extended socio-economic model.

In a highly interesting chapter (Chapter 15) the spread of the ideology of planning in the region is discussed. It is not clear to me, however, what is meant by "unprogrammatic" planning, alleged to be characteristic of Western Europe as distinct from "programmatic" planning in South Asia. This is one of the "language barriers" I am coming back to later in this article.

Myrdal rightly reminds his readers of the fact that policies in Asia show low citizen participation (p. 52) and that there are virtually no mass organizations (p. 780), whereas the elite does not know the masses (p. 730), logically connected with the very inequalitarian stratification of society (p. 112). In addition there is the tremendous difficulty of what he calls the "soft state", that is insufficient power of the government to carry out a number of desirable policies.

With these and many other things in mind, Myrdal tries to give a picture of the way out of the difficulties. He underlines the widespread belief in the need for a "big push" (p. 115), although not by too compelling arguments. He refers to a number of pronouncements of the Bandung Conference as "platitudes" (p. 124), which I am afraid is largely true. He sees the main possibilities in an intensification and reform of agriculture (Chapter 26) where he doubts the possibilities of simple and straight land distribution or nationalization of land, but refers to a number of more specific and refined measures taken in Sweden. So progressive Western examples may be useful! Next, the author declares himself in favour of family planning, not completely unknown in Sweden either (Chapter 28). A considerable contribution has to be expected from education (Chapters 29, 31-33), where again the author displays a very detailed knowledge of the subject.

Also, Myrdal feels that the utilization of the state languages is a necessity (p. 85). In this respect he could have paid a tribute to Indonesia which is the only big developing country where a unified language has been created instead of taking over one of the Western languages.

Very rightly Myrdal supports the need for more financial transfers from prosperous countries (pp. 642-643). While he makes several pertinent points on trade policies, his emphasis on what the richer countries can do here is less pronounced.

While he is not optimistic on the possibilities of quick results, he does not consider the "Asian Drama" necessarily a "tragedy".

So much about the contents of the book on substantive matters. This brief summary does not aim at completeness—how could it!—nor even at an equilibrated presentation of Myrdal's views; rather the selection was made on the basis of my own interests. The summary does not do justice to the book in that it is so rich as to challenge summarizing. This should be stressed since I am now going to embark on quite a few critical remarks—to which I have been encouraged by the author's own attitude, which is critical indeed, not only with regard to the subject matter and persons involved, but also with regard to the methods used by others. I hope it will be seen as a tribute to the author that these remarks are added.

First about the presentation. The book is too large: 2200 pages. I am afraid that it cannot be read by those who need it most. Unfortunately, Myrdal does not really summarize his views and who can do better than the author. The book is a source of inspiration for at least two main purposes: *i*) for a large social research programme, and *ii*) for the suggestion of alternative policies. For both purposes it would have been very helpful if the author had himself listed the main topics implied. What has been given now and then as conclusions does not serve this purpose, however. The United Nations Research Institute for Social Development (UNRISD) could have used such a listing, preferably with priorities attached, of research subjects only too well. But also the governments and the international bodies involved in the preparation of a world development strategy for the seventies could have profited immensely from a concise report by the one-time Executive Secretary of the Economic Commission for Europe on what to do in South Asia. On these counts I feel disappointed, as well as on the too lengthy way in which many parts have been written. Speaking about the presentation I should add that, as far as I am aware, the number of printing errors is negligible; on page 797 "West Indies" presumably should be "East Indies", and on page 378 "Malan" may stand for "Malang".

Next I want to deal with the severe criticisms Myrdal formulates with regard to methods of research applied by others. I agree with him that Toynbee's main proposition for the time being represents a tautology, but it need not remain so. I also agree that Rostow's development theory contains a lot of vague ideas, not altogether free from wishful thinking, I even agree with Myrdal's old hobby that "many economists are naively innocent of their own social determinants" (p. 1941), but in the end we have learnt something from Myrdal and other sociologists! Most of us are now agreeing that one must not neglect levels of living, attitudes and institutions. Many of UNRISD's reports bear witness to this. We do agree that the distinction between economic and non-economic variables is not and that the one between relevant and irrelevant variables is relevant! But we also know (as Myrdal states on p. 28) that economists were pioneers in the social sciences. Much of what they developed in the way

of rigorous thinking can be used in wider frames. Some sociologists are mistaken when they refer to this thinking as economic only, it is logical generally. Many "non-economic" variables have been introduced by authors such as Chenery, Mrs. Adelman and others. Myrdal's criticism of models is outmoded. He summarizes it in four points 1) too often coefficients are assumed to be constant; 2) the number of strategic variables is too small, sometimes only one; 3) the models are too aggregated; and 4) too often illegitimate isolation is practised. While all this was true at certain stages of the development of rigorous development research, it is no longer for the best examples of this discipline. On each of these points generalizations have already been attempted. Myrdal's criticism on the capital-output ratio also applies mainly to some older exercises and has increasingly been met—if figures are available. To say that there is "an impossibility of salvage" here (p. 1967) is too extreme. His criticism on educational models (pp. 1960-61) or on accounting prices (Appendix 5) display, I feel, a lack of sense for the step-by-step improvement that every scientific method necessarily needs and shows, or for the general principle of "successive approximations". We are on our way to satisfy the "minimum requirements" which Myrdal formulates on page 1965. His over-critical terminology not only creates misunderstanding with the users of research results, but in a way conflicts with his own assertion that models have virtues (p. 1962) of which I feel they are indispensable for real scientific progress.

The heart of the matter seems to lie in a difference in language between Myrdal and econometrists or sociometrists. Where he sets out his own method one hits almost at once on a word use very different from the one practised by those who have been trained in the natural sciences. Now of course everyone has the right to have his own definitions. But the use of the word "conditions" on page 1859 is very different indeed from what it means in (generalized) econometrics (generalized so as to include all types of variables which are relevant).

To begin with, Myrdal claims an "institutional approach". One can introduce as many institutions as one likes into any (generalized) econometric model. One example is a simple "taboo equation" saying that a man belonging to this or that caste cannot be a peasant or a priest. I am coming back below to the role institutions play in a modern welfare economic approach which I have defended elsewhere. Where, on pages 1859-1878, Myrdal presents his own theory, one feels that the clarity of this exposition would have gained enormously by the use of two tools indispensable for any exact formulation of whatever "refutable hypothesis", namely, a list of variables and a list of the equations or inequalities supposed to be satisfied by them. Only by *i*) formulating a theory as a set of refutable hypothesis and by *ii*) the introduction of any systems of ranking or measurement (depending on the nature of the variables) can we check theories and improve them where the check shows they are not in

conformity with the facts. Levels of living can be dealt with in this way; institutions can be represented by a set of behavioural equations or restrictions (for taboos, as mentioned, or otherwise) and attitudes again can be represented by behavioural equations or restrictions. (By the way, institutions and attitudes partly overlap, which casts some doubt on the usefulness of these terms). It is precisely the impossibility of measurement of some of the relevant variables in Toynbee's theory which makes it of little operative value now; but this may change. Again I want to refer to Mrs. Adelman's work as an example of the measurement and use of "non-economic" variables.

We may elaborate somewhat on the methodological issue by extending the discussion to the role of value judgements and objectivity in social research, covered by a forthcoming publication by Myrdal [2], but taking as an example one central problem in welfare economics which I dealt with elsewhere¹. I do agree with Myrdal that it is highly relevant to trace the role of value judgements in social research. I also admire the text quoted as a fascinating way to set out a number of phenomena relevant for many social processes and theories. Yet I feel that the use of some symbolism comparable to the one used in econometrics could contribute to the clarity of exposition and to the testing of relations. To illustrate this latter suggestion I take as an example the theory of the optimum regime, which implies the theory of the optimum development and hence brings us back to the main subject of "Asian Drama", if only in a remote way.

The theory of the optimum regime coincides in essence with the central problem of welfare economics. It consists of the following steps:

- i) An assumption is made about the welfare or utility functions of the individual households of a given society;
- ii) An assumption is made about how these can be used for the establishment of a social welfare function;
- iii) All the restrictions are formulated which any human society is subject to by nature and by the technologies known, usually called balance equations and production relations;
- iv) The (mathematical) conditions are formulated which have to be fulfilled in order that social welfare be a maximum;
- v) A set of institutions is looked for of which the behaviour equations as a group are identical with the conditions found under step iv) above;
- vi) If no such set can be found, the "second best" set is looked for, which brings social welfare closest to the maximum represented by step iv) above.

¹[3, p. 264]; elaborated in some directions in a course given in the Vienna Institute of Advanced Studies, 1968. Cf. also my "Over het dynamische welvaartsmaximum", *Mededelingen der Kon. Nederlandse Akademie van Wetenschappen, afd. Letterkunde. Nieuwe Reeks* — deel 28 — No. 4 (Dutch), Amsterdam 1965.

One can already sense that institutions and attitudes get their full share in this approach. Among all conceivable sets of institutions we are looking for the "best" or the "next best".

The role played by value judgements comes in especially in steps *i*) and *ii*), but in a different way. Step *iii*) is free of value judgements, and represents the establishment of practically speaking "objective" relations. In a way even step *i*), the establishment of individual welfare functions, is a matter of establishing "social facts", to use a term of Myrdal's Wimmer Lecture, [2, p. 8]. Here I put a question mark at one of his statements that "it is impossible to derive valuations from facts" (p. 1882). There is a "method of revealed preference" which tries to derive utility functions from observed behaviour of individuals under different circumstances.

The place where value judgements, either of an author or of a number of members of a community, come in all clarity is step *ii*). Here the famous question must be answered how social welfare changes if one rupee is taken from Mr. A and given to Mr. B, to take the simplest prototype of the question at stake. In a much richer form similar questions are posed by Myrdal in his Wimmer Lecture, when he introduces such concepts as morally "higher" and morally "lower" valuations. Returning to my basic question I think there is a perspective to arrive at gradually more accurate answers to this question. At this moment there will be almost general agreement that social welfare is raised by the transfer of the one rupee in the case where B is extremely poor and miserable and A is extremely rich and happy. The more the level of living of B approaches that of A the less agreement there will be about the answer to our question. But the perspective is that we may be able to develop specialists who will be able to answer the question more accurately in the future. I think of specialists of a medical or of a psychiatric nature and of other people endowed with the capacity to project on their own minds the feelings and needs of those entrusted to them (parents, judges, educators). One last remark. We should not overlook that the old objectivity as it was assumed to exist in physics no longer exists to the extent previously supposed. Apart from measurement inaccuracies we now know other factors which make for a stochastic situation. A certain figure is only known within a certain tolerance range. In the social science we should not hesitate to call objective judgements which are shared by a majority of observers which majority can be less than the "majority" required in physics.

This much on the role of value judgements. We must come to our conclusions. While I have great admiration for the knowledge and insight Myrdal presents in this new *magnum opus*, and think it is a rich source of inspiration, I hope that he will prepare or have prepared his own recommendations for *i*) research and *ii*) policies as he now sees them; and I feel that an intensified dia-

logue between his brand of sociology and the econometric approach to the same problems remains highly desirable.

REFERENCES

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3. Tinbergen, Jan, "The theory of the Optimum Regime" in *Selected Papers*. (Amsterdam: 1959).