Another Development: Approaches and Strategies

by: Marc Nerfin

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another development approaches and strategies

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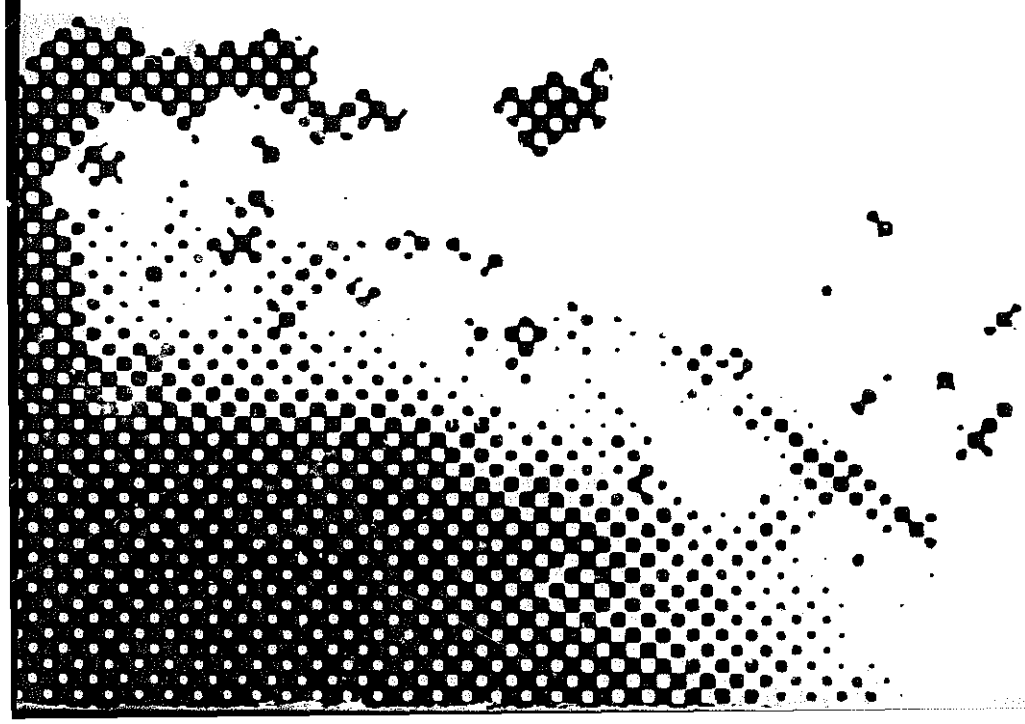

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Most of the papers in this volume were originally prepared in the context of the 1975 Dag Hammarskjöld Project on Development and International Cooperation. They constituted essential inputs to its Report, *What Now: Another Development*. Enlarged upon here, they throw further light on the substance of another development and elaborate on a number of concepts that could be only outlined within the format of a publication meant for rapid distribution. They provide elements for the continuation of the discussion on another development and for action-oriented policy research. Thus, the volume has been conceived as a contribution to the on-going process of change-promoting thinking.

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Publications of the 1975 Dag Hammarskjöld Project

What Now: Another Development (1975)
Que Faire: Un Autre Développement (1975)
Qué Hacer: Otro Desarrollo (1975)

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The Dag Hammarskjöld Foundation
Uppsala 1977

The Dag Hammarskjöld Foundation was established in 1962 in memory of the late Secretary-General of the United Nations. The views expressed in its publications are those of the authors and do not necessarily reflect those of the foundation.

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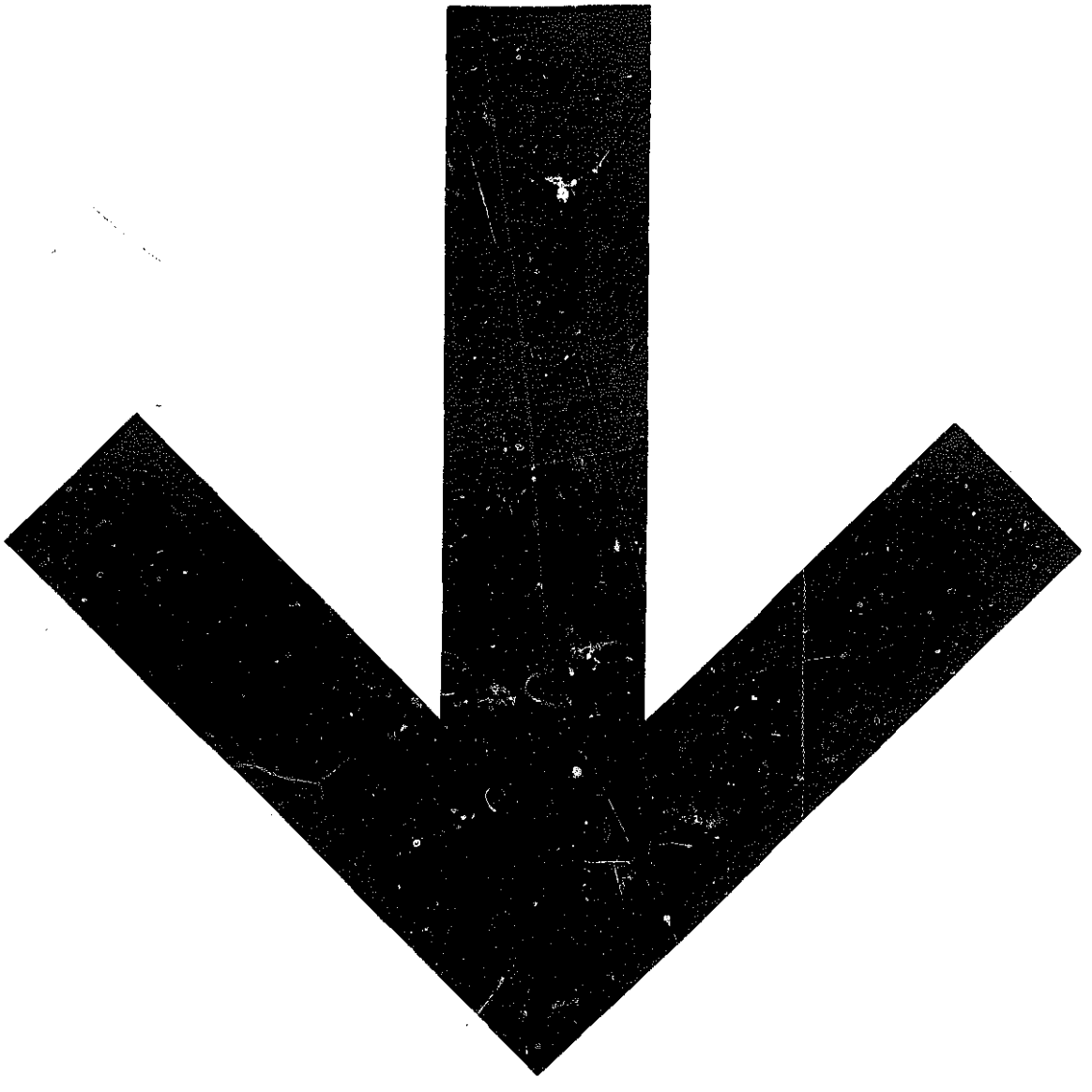

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Preface

In July 1975, a special double issue of *Development Dialogue*, the journal of the Dag Hammarskjöld Foundation, was published under the title *What Now: Another Development* (English edition), *Que Faire: Un Autre Développement* (French edition) and *Qué Hacer: Otro Desarrollo* (Spanish edition). In addition, a German edition *(Was Tun)* was published by the Vienna Institute for Development. The publication and world-wide distribution of this report, which was prepared as an independent contribution to the Seventh Special Session of the United Nations General Assembly, comprised the first phase of the 1975 Dag Hammarskjöld Project on Development and International Cooperation. In the process of developing the report, thirty-three basic and discussion papers were prepared. This book contains eight of the original papers, as revised by their authors. In addition, two papers have been added, which, conceptually and politically, complement the collection.

Though many factors contributed to the decision to launch the 1975 Dag Hammarskjöld Project, the most significant one was the proposal by Maurice F Strong, as Executive Director of the United Nations Environment Programme (UNEP), to launch an inquiry into the means of satisfying basic human needs without transgressing the outer limits of the biosphere. Marc Nerfin, as a consultant to UNEP, prepared a feasibility study for the proposed inquiry. His report led to the decision by the Dag Hammarskjöld Foundation to assume the responsibility for the project. Financial support was given by UNEP, the Swedish International Development Authority (SIDA) and the Dutch Ministry for Development Cooperation.

Marc Nerfin, who had served for ten years in the UN secretariat, *inter alia*, with Maurice F Strong during the organization of the Stockholm Conference on the Human Environment, was invited to direct the project. To carry it out, he organized a task force whose principal members were Ahmed Ben Salah, Ignacy Sachs and Juan Somavía and several of the contributors to this book. He has also edited the present volume, which is intended to give concrete content to the concepts of another development and to present the issues at stake in a series of case studies of national experience and strategies.

An earlier volume based on material arising from the project was published last year. It is entitled *Outer Limits and Human Needs: Resource and Environmental Issues of Development Strategies*, edited by William H Matthews.

The present volume will be followed by inquiries into alternative development models in health and education.

Uppsala, March 1977

Sven Hamrell
Executive Director
The Dag Hammarskjöld Foundation

Introduction

by Marc Nerfin

To the memory of
Imre Nagy, Budapest, 1958
Patrice Lumumba, Léopoldville, 1961
Salvador Allende, Santiago, 1973

The first part of the 1970s may well appear, in retrospect, as a period during which new links were established between social thinking and political awareness. If confirmed and strengthened by further action-oriented research and by organization, these links may help to bring about change in both individual societies and international relations. This book has been conceived as a contribution to the on-going process of change-promoting thinking.

1 The Strategy for the Second United Nations Development Decade, a final monument it is hoped to conventional wisdom, was barely approved when its premisses were implicitly challenged by the main thrust of the Declaration and Plan of Action adopted by the United Nations Conference on the Human Environment (Stockholm, June 1972). The Strategy assumed that development could be measured by the rate of growth of the gross domestic product and international trade, that is, by the degree to which 'underdeveloped' economies—the 'periphery'—were to follow the model of the world capitalist system—the 'centre'—and be integrated into its market. The Stockholm Conference, endorsing the approach of the 1971 Founex Seminar,[1] focused not on pollution—a by-product of a certain growth—but on environment. Seeing the latter as a dimension of development, the conference thus played a part in the redefinition of development itself, a process qualitatively different from economic growth and therefore not reducible to it and, in particular, to the kind of growth that had been worshipped for decades.

Further intergovernmental conferences, often prepared or complemented by non-official seminars and forums, helped to introduce and legitimize, to varying degrees, new approaches to the problems of population, food,[2] industry, trade, employment and human settlements.[3] Other gatherings, for instance the 1974 Cocoyoc Seminar,[4] the Hague Symposium[5] and the Algiers Conference[6] on the New International Order, as well as those of the Third World Forum, the Association of Third World Economists and the Instituto Latinoamericano de Estudios Transnacionales,[7] provided opportunities for the affirmation of a conceptual current whose audience had so far remained somewhat specialized.

The 1975 Dag Hammarskjöld Project on Development and International Cooperation and its first publication, *What Now: Another Development*,[8] were part of this process of reappraisal, drawing upon it and contributing to it. The Report can be seen as a stocktaking exercise. It did not adduce anything new in itself, derived as it was from the historical experience, critique and thinking of many societies. It simply attemp-

ted to present against a general background of 'maldevelopment' an alternative conceptual framework as a consistent whole and in a clear and accessible manner.

Essentially, its message was that there would be no genuine development and no really new international order if certain key questions were not asked—and concretely answered. Development of *what*, development *by whom* and *for whom*, development *how*, it asked, and it went on to outline the basic features of *another development*, required in all societies, whether in the North or the South, centrally planned or market-dominated, at a high or at a low level of productivity. Another development would be:

Need-oriented, that is, being geared to meeting human needs, both material and non-material. It begins with the satisfaction of the basic needs of those, dominated and exploited, who constitute the majority of the world's inhabitants, and ensures at the same time the humanization of all human beings by the satisfaction of their needs for expression, creativity, equality and conviviality and to understand and master their own destiny.

Endogenous, that is, stemming from the heart of each society, which defines in sovereignty its values and the vision of its future. Since development is not a linear process, there could be no universal model, and only the plurality of development patterns can answer to the specificity of each situation.

Self-reliant, that is, implying that each society relies primarily on its own strength and resources in terms of its members' energies and its natural and cultural environment. Self-reliance clearly needs to be exercised at national and international (collective self-reliance) levels but it acquires its full meaning only if rooted at local level, in the praxis of each community.

Ecologically sound, that is, utilizing rationally the resources of the biosphere in full awareness of the potential of local ecosystems as well as the global and local outer limits imposed on present and future generations. It implies the equitable access to resources by all as well as careful, socially relevant technologies.

Based on structural transformations; they are required, more often than not, in social relations, in economic activities and in their spatial distribution, as well as in the power structure, so as to realize the conditions of self-management and participation in decision-making by all those affected by it, from the rural or urban community to the world as a whole, without which the above goals could not be achieved.

These five points are organically linked. Taken in isolation from each other, they would not bring about the desired result. For development is seen as a whole, as an integral, cultural process, as the development of every man and woman and the whole of man and woman. Another development means liberation.

II

It should be repeated: such ideas are not new. They are embedded in the social memory of the descendants of the sacrificed generations; they are the expression of the millennial and current aspirations of the poor, exploited, dominated in their long march towards freedom and justice.

What was perhaps new was the link between this approach and its formulation and the political forces at work, for this conceptual endeavour was directly geared to actions to be taken by policy-makers, essentially, then, in the international sphere. The relevance of the undertaking stemmed from its articulation with the new determination of a few progressive Third World leaders and with the beginning of a new understanding of the world situation on the part of a few forward-looking industrialized countries, two elements which were probably central in the political development of the 1970s.

To the objective factors singled out in *What Now*, namely the OPEC decision of October 1973 and the outcome of the wars in Indo-China, has since been added the political victory of the people of Angola, made possible largely—and this is its significance—by the support of another Third World country, Cuba.

On the plane of political attitudes, the fifth Non-aligned Summit meeting, held in Colombo in August 1976, furthered the decisions of the towering 1973 Algiers Summit, which appears more and more clearly as a landmark in the policies of liberation of the Third World. In Colombo, the leaders of the Non-aligned formulated specific policies for their collective self-reliance and at the same time endorsed the concept of a need-oriented development. At UNCTAD IV, which met in Nairobi in May 1976, a few small industrialized countries confirmed their general support for the New International Economic Order. This provides a basis for the hope that a new coalition may be emerging. It would no longer accept international exploitation and the marginalization of small and medium-sized countries by the two super-powers, whether seeking to establish their condominium over the planet and its outer space or competing at the price of an insane wastage of resources and at formidable risk for the survival of the human species.

The search for another development and the establishment of the New International Order are thus inextricably interwoven, each requiring and justifying the other at the same time.

The endogenous and self-reliant character of another development, on the one hand, does not imply any vision of the world as an inarticulate conglomerate of isolated communities striving for survival or enjoying the benefits of their superior productivity. On the contrary, another development does require another international environment—economic, political and cultural—that would guarantee the conditions for the self-reliant development of each society. It implies the abolition of all forms of domination and of the resulting unequal economic exchange, as well as a genuine cooperation between equal partners sharing experiences and aspirations.

The New International Order, on the other hand, makes full sense only if it supports another development. The New International Order is not limited to economic relations, even if for obvious reasons they are now at the forefront. If it lacks a development content, it is bound to result simply in strengthening the regional or national subcentres of power and exploitation and in accelerating the co-option of national élites by the international power structure, thus degrading further the very fabric of human society.

This may possibly be the prevailing trend but, as René Dubos put it, trends need not be destiny. A better understanding of how societies work, a vision of a preferred future, the organization of social forces and the mobilization of political will may well mark the dividing line between trends and another development. Much action-oriented research and much purposeful action have therefore to be undertaken both within societies—local and national—and at international level.

On the basis of what has already been legitimized in the intergovernmental sphere work may be under way, when this book appears, for a meaningful international development strategy for the 1980s and the last quarter of this century. But an international strategy is no substitute for national ones. Furthermore, 'international' does not necessarily mean global, for, if some past and recent strategies and models have taught us a lesson, it is probably that over-globalization does not always lead to action or to the kind of action which is needed. This is obviously not to deny the fundamental importance of international relations, which, as events constantly tell us, would be very shortsighted. Nor is it to minim-

ize the global dimension of what is at stake, but to emphasize that the *actors* are still primarily nation-states and social forces.

The power structure—whether expressed by the state apparatus or by the 'military-industrial-academic complex',[9] including the transnational corporations, which emanates from a few countries of the centre—is essentially national. The countervailing forces are expressing themselves primarily in a national framework—trade unions, political parties, churches, popular or other non-governmental groups—or in a local one—regional, ethnic, linguistic or social minorities, which are reasserting themselves in spite of the centralizing efforts of the nation-states and their bureaucracies. They are all actual or potential resisters to the 'uni-dimensionalization' of human beings brought about by the centre's ideological and material pressure. In all cases, therefore, and whether the battles are fought internationally or locally, the national and societal spheres are of paramount importance. Political action cannot fail to recognize this, nor research. This is why the contributions which constitute this volume focus on them.

III

Most of the papers published here have been elaborated in the context of the 1975 Dag Hammarskjöld Project. Two others, those on India and Tunisia, while prepared for a different purpose, are conceptually and politically so close to the central approach of *What Now: Another Development* that they complete the collection in a very natural manner. The Dag Hammarskjöld Project papers were received in draft form and discussed before the finalization of the Report, and contributed a great deal to both its approach and formulation. They were subsequently revised by their respective authors.

Together, these ten papers throw further light on the substance of another development. They elaborate on a number of concepts that could be only outlined within the limited format of a publication meant for a wide circulation and to inform a specific political discussion. They offer detailed analyses of a number of problems and concrete situations. They provide elements for the continuation of the discussion and action-oriented research.

This volume comprises two parts which, while approaching the *problématique* from different angles, constitute an internally self-supporting whole. Part I concentrates on approaches to the concept of another development, first on the basis of a comprehensive conceptual framework, then from the point of view of two key societal actors, peasants

and women, and finally from that of industrial societies, starting from a critique of their cultural alienation and their search for a better life.

Part 2 consists of five essays, commentaries or scenarios based on past or possible strategies implemented or envisaged in the following countries: Brazil, Mexico, India, Chile and Tunisia. The selection of countries results more from the composition of the team that carried out the Dag Hammarskjöld Project than from a deliberate choice. As it is, however, and especially if read in connexion with the papers on Tanzania—'Self-reliance and *Ujamaa*: Tanzania's Development Strategy'[10] —and Sweden—'How Much is Enough?—Another Sweden'[11]— which were part of *What Now*, they provide a fairly representative image of the world as it is and as it could be.

The strength of the comprehensive conceptual framework articulated by Fernando Henrique Cardoso is evidenced by the fact, which he points out, that 'everyone knows that the utopia of our century is materially possible. It is not rooted only in desires, but exists as a possibility in things'. This is indeed a solid foundation for action: those militating for another development are not dreamers, but social analysts and committed citizens. They have assessed the situation, and they know from experience, often personal, that change is possible.

If development means the development of human beings by themselves and for themselves, then two categories, because they constitute majorities and because they bear the world on their shoulders, clearly require special attention: the peasants; and women.

'It is not by chance', writes Rodolfo Stavenhagen, 'that malnutrition and accompanying indicators of low living standards are associated to a large extent with agriculture, that poverty and underconsumption of food are associated with the world's peasantry, whose function in life is presumably to produce food.' He critically analyses rural development strategies which often ignore the basic facts and the complex man/man and man/nature interrelationships that constitute the web of the life of peasant families. He is thus led to note that 'peasants are rarely consulted when development priorities are set; they should be'.

'The link between the poor of the world and the condition of women', observes Krishna Ahooja-Patel, 'is their perpetual state of dependence; it is always someone else who is the master of their destiny.' Change requires 'a new policy, a new strategy at national and international

levels, in which "special preferences" to facilitate access to education, employment and political participation are major components. ... This will not only redress the historical imbalance, but also push the whole of society upwards to a higher level of advancement'.

Another development is also necessary in the industrial societies. Because it is by no means limited to socio-economic elements, 'we need to undertake a radical critique of the cultural system', as Jacques Berthelot writes. This is a vital undertaking, 'for the coming to power of a left government, and even the widespread adoption of formal worker-control structures, will not be sufficient in themselves to construct tomorrow a model of society eliminating the chief alienations'. He lays the ground for such a task through an analysis of three myths, of the individual, of productivity and of the consumer.

Alternative life styles in rich societies, points out Johan Galtung, are needed not only because there are limits to resources, to the absorptive capacity of human beings, to inequality and to exploitation, but also because there are positive motivations, because people are looking for something different from the 'bureaucratic society of programmed consumption',[12] as illustrated by what people do 'when they are in a position to do what they want to do', from the analysis of which he derives a number of thought-provoking ideas. As for their implementation, 'it is only the combination of limited supply and a strong positive vision', he writes, 'that may make us change our ways. The former condition will probably be taken care of in the future by the peripheries we have dominated so successfully in the past. For the latter—for the idea that an alternative life style could be a *better* life, not an emergency solution that as in war is abolished once the war is over—we ourselves have to be responsible'.

The anatomy of the Brazilian 'miracle' undertaken by Paul Singer and Bolivar Lamounier shows that even in the show-case of peripheral capitalism, conventional and dependent growth does nothing for the people, whose living standards, however measured, are deteriorating, the rich growing richer and the poor poorer. In the second half of the 1950s, they note, 'the choice of activities to be expanded resulted from projections of demand, based on past experience, which meant implicitly sanctioning the pre-existing social structure and its resultant income distribution'. After the 1964 *coup*, the growth of the Brazilian economy was linked with its integration into the economy of the centre and the kind of division of labour it promotes—and its fruits distributed in such a manner

that 'the proportion of income appropriated by the richest sections of the population grew between 1960 and 1970, while the opposite applies for the poorest'.

The case of Mexico, examined in great detail by Cynthia Hewitt de Alcantara—whose original paper has been somewhat abridged by her for the purpose of the present English-language edition—is more complex. A peasants' revolution between 1910 and 1917 and its results—the land reform, the organization of workers, the 1917 Constitution—had provided the conditions for a better performance. However, except in the years of Lazaro Cárdenas (1935–40)—it is too early to assess the internal balance sheet of the Echeverria years (1971–6), during which 16 million hectares of land were to be distributed to small peasants—the overall results did not at all measure up to the expectations and the possibilities. To pick up only one example from a fact-filled essay, 'agricultural production grew rapidly enough during the postwar period to increase the *per capita* availability of calories from roughly 2,000 to 2,600 and that of protein from 54 to 80 grams. If more people were undernourished in 1970 than in 1940, it was because the gap in consumption of foodstuffs between higher and lower income groups grew wider'.

The following three papers are focused on the future. 'The only meaningful approach to the future', suggests Rajni Kothari, 'is to try to design one, to evolve a preferred model for the future and strategies for moving from the expected future, if human agencies do not intervene in the historical process, to the preferred future if they do—as indeed they should, for the alternative is nothing short of disaster.' As an alternative to the 'emerging scenario ... not only for extreme misery and inequity and injustice but also for the breakdown of authority and indeed of the social fabric itself', he outlines a possible future of India on the basis of an optimal interrelationship between three major parameters: life styles, organization of space, and the production system and technology.

The case of Chile, studied by Sergio Bitar, who was closely associated with the formulation and implementation of the economic policies of Salvador Allende, is based on a 'critical reassessment of the factors that frustrated the attempt at transformation initiated in 1970'. The author discusses some of the elements of a new strategy which would be 'centred on the satisfaction of the basic needs of the majority and on greater equality'. Such a strategy 'entails a change in the structure of production, in the pattern of consumption and in international economic relations'. It involves the 'displacement of the dominant national and foreign groups

from the strategic centres of power of the economy' and 'must be based on the participation of the workers and positive intervention by the state'. As indeed any draft strategy for structural transformation should, it emphasizes the problems of transition.

The development policies of Tunisia in the 1960s, though boldly innovative, were largely ignored in the international development discussion of those years. Ahmed Ben Salah, who had primary responsibility for them, presents on the basis of this experience and its contradictions a programme for an endogenous and need-oriented development. He dwells on the many structural transformations it requires—in land tenure and agricultural production, in commercial circuits, in regional development, and especially in the state apparatus and the political power—for, he writes, 'development is closely linked to the problem of power and its distribution and exercise. ... Only the way of people's power will provide a constant resolution and continuous, dynamic and harmonious settlement of the internal contradictions of society. ...The people must be the instrument for their own social liberation'. The relevance of this presentation, it should be added, is enhanced by the fact that this chapter represents indeed the programme of a real political organization, the Tunisian Popular Unity Movement.

IV

If there were a need to conclude before giving the reader a chance to familiarize herself or himself with the rich substance of these ten contributions, one would perhaps focus on two points which, we believe, emerge clearly from the discussion as a whole:

Resources to meet human needs are available. The question is that of their distribution and utilization, provided it is realized that the task is not to define the needs in any technocratic or bureaucratic manner, but to create the conditions for the access of all to the necessary resources within socially determined floors and ceilings. It is thus primarily a social and political question.

The organization of those who are the principal victims of the current state of affairs is the key to any improvement. Whether governments are enlightened or not, there is no substitute for the people's own, truly democratic organization if there is to be a need-oriented, endogenous, self-reliant, ecologically minded development, if there is to be *another development*.

Bursins, December 1976

Notes

1 *Development and Environment, Founex, Switzerland, 4–12 June 1971*, Paris, The Hague, Mouton, 1972. The text of the Founex Report also appears in all UN official languages in UN document A/CONF.48/10, Annex 1.
2 Sartaj Aziz (ed.), *Hunger, Politics and Markets, The Real Issues in the Food Crisis*, New York, New York University Press, 1975.
3 *Dubrovnik: An Analysis of the Crisis in Human Settlements*, New York, United Nations, 1975; and Barbara Ward (rapporteur), *Declaration of the Vancouver Symposium*, Vancouver, 1976 (mimeo.).
4 'The Cocoyoc Declaration', *Development Dialogue* (The Dag Hammarskjöld Foundation, Uppsala), 1974, No. 2, pp. 88–96. The text of the Cocoyoc Declaration also appears in all UN official languages in UN document A/C.2/292.
5 *Symposium on a New International Economic Order, Report*, The Hague, Ministry of Foreign Affairs, 1975.
6 *For the Establishment of the New International Economic Order*, Paris, Centre International pour le Développement, 1975.
7 Juan Somavía *et al.*, 'The 1976 Mexico Seminar on the Role of Information in the New International Order', *Development Dialogue* (The Dag Hammarskjöld Foundation, Uppsala), 1976:2, pp. 8–76. See also: Fernando Reyes Matta (ed.), *La Información en el Nuevo Orden Internacional*, Mexico, Instituto Latinoamericano de Estudios Transnacionales, 1977.
8 *Development Dialogue* (The Dag Hammarskjöld Foundation, Uppsala), 1975, No. 1/2; and *Neue Entwicklungspolitik* (Vienna Institute for Development), 1975, No. 2/3.
9 Following Alva Myrdal's suggestion, cf. *The Game of Disarmament*, New York, Pantheon Books, 1976.
10 By J H J Maeda and Ibrahim M Kaduma of the Institute of Development Studies, Dar es Salaam.
11 By Göran Bäckstrand and Lars Ingelstam of the Secretariat for Future Studies, Stockholm.
12 Cf. Henri Lefebvre, *La vie quotidienne dans le monde moderne*, Paris, Gallimard, 1968.

1 Elements of a Conceptual Approach

Towards Another Development

by Fernando Henrique Cardoso

The crisis of industrial civilization—as so labelled by some—which gained prominence after the short period of challenge created by the increase in oil prices (already absorbed, according to many specialists) raised a new-old list of lamentations on the present ills and, maybe, the hopes of the future. In this list of key problems—a long one—solutions to which are known though not applied, the following could be pointed out:

The waste of non-renewable natural resources.
The use of technologies predatory of nature and, even worse, of labour-saving technologies in societies of high unemployment.
Increasing environmental pollution.
Distortions of urbanization, which are related to the more negative forms of association and behaviour prevailing in mass societies (increases in criminality, drug addiction, individual insecurity etc).

In the countries of the periphery other problems, which in countries of the centre generally affect only the minorities,should be added to these undesired characteristics of industrial civilization:

The growth in world population (alarming, for the disciples of the Club of Rome).
The possible food shortage (a painful reality in some areas).
Inadequate housing, in the same civilization which boasts of steel and glass buildings and pre-stressed concrete bridges.
At times, even the lack of adequate clothing for the majority, contrasting with the refinements of fashion which, through instant communication, offer to the eyes of élites in South-East Asia, Andean America, the heart of Africa and every pocket of misery in the world the fascination of 'alternate styles' of fashion, ranging from a 'taste for the old' in Balmain, and Cardin's baroque fantasies, to Courrèges's 'modernism', or to the false being-at-ease' of Hechter, in a scandalous waste of imagination and mockery of the world's poverty.[1]
The sudden jump in infant mortality rates or in the number of 'plagues' (eg of meningitis or cholera) which, in the mirror image of the narcissist world born proudly after the Industrial Revolution, should have been buried in the darkness of the Middle Ages.
Statistics on malnutrition and undernourishment that clash with statesmen's high-sounding words saluting the emergence over the last thirty years of countries of 'medium development'—which are in fact those on the periphery—capable of embarking on a process of 'dependent industrialization'.
Illiteracy, after so many 'goodwill' campaigns.

This list would be long if it were to be all-encompassing, as is the list of proposed remedies. Among these, we can mention:

The rational use of nature, emphasizing the renewable and non-polluted resources (solar energy, or water-power, for example, as opposed to petroleum).

The combined use of intermediate and advanced technologies, in order to achieve a balance between resources of accumulated capital and available labour.

Balanced family growth, in favour of the collective welfare (and not 'instead of' economic growth), oriented by the criteria of responsible parenthood. This proposal is not as simplistic, needless to say, as zero growth rate, or as the neo-fascist theories of those attracted by the 'need' to occupy empty spaces, the crooked geopolitics of those unconcerned with the quality of life in those places.

The political reorientation of supply, benefiting producers of popular consumer goods (in general, medium and small producers), and of the more than delusive green revolutions or theories of the elastic supply capacity of foodstuffs based on the large capitalistic production unit.

The acknowledgement that technical-industrial criteria for the definition of what is supposed to be adequate housing are also biased and that, possibly, self-help housing and direct transfer through expropriation and donation are much more effective than the so-called 'self-financed' housing-fund systems, financed by regional or domestic banks.

The quasi-monastic modesty of non-ostentatious societies, such as the Chinese, avoiding waste and luxury in life style.

The raising of the living standards of the masses as the only real solution to health and undernourishment problems, especially those of children and mothers, demystifying the clinical, assistance or purely medical approaches, which are elitist and restricted to small segments of the population.

Comparing the world as it exists and the world as some want it to be, the sceptical conclusion may be drawn that there is nothing new in the proposals: utopias, some would say, do not penetrate the 'opacity of things'. Thus we reach the core of the *problématique* of another development. The 'opacity of things', a 'situational logic', a 'web of vested interests', are roundabout ways of describing without denouncing the problem of exploitation. The problem, to use a phrase that is worn-out but still true, is the exploitation of man by man.

In this sense, even though it is true that much has been said since, say,

1945 about the ills and distortions of industrial civilization, most of it consists of half-truths, starting with the very target of criticism, industrial society, as though it existed as an entity independent of the interests of men, groups, classes, states and nations. As we move from general to more specific problems (hunger in Bangladesh or infant mortality in São Paulo, for example) it becomes apparent that it is not industrial civilization in itself which causes the problems, but rather the (often interrelated) interests of minorities in different countries, that offer the ghostly appearance of a civilization of Molochs which devours its own fruits.

Because they fail to recognize this banality—social and economic exploitation, of man by man, of one class by another, of some nations by other nations—so-called 'counter-élites' often go round in circles, dreaming of technical solutions. The greatest example of technocratic irrationality endorsed by capitalists and socialists, industrialized and underdeveloped states can be found in the United Nations specialized agencies no less, whose all-capable and all-knowledgeable (in fact) technical programmes are, however, applied through 'competent channels', ie governments, interest groups, different 'situational logics' which, left alone, do nothing but reproduce and replace the conditions that create the problems to be fought against.

This is why sceptics insist that there is nothing new under the sun: maybe deep inside the first dominated man, the first slave, the seed already existed of a rebellious conscience and the impulse of the dialectics which would lead to the destruction of the master. If such processes do not develop it is not because they are not known or not wanted, but because they cannot. Thus, after recognizing that the basic fact that leads to the distortion of industrial societies is the existence of exploitation, and having identified the forms of domination which reflect it, another development should focus, without disguise, on the question of power.

During the nineteenth century, the same theme was already alive. At that time the dispute between 'utopian' and 'scientific' solutions also created profound divisions among the first universal critics of the industrial revolution, based on the exploitation of man by man. In the redeeming perspective of the greatest critics, the optimistic conviction existed that the progress of civilization and the power of conscience would combine to create the possible conditions for a new, triumphant age characterized by the renewed force of the oppressed.

A century and a half later, the culture crisis erupts in the west. The revolt

appears among the children of the rich, the offspring, nauseated by the abundance of an urban-predatory civilization, at play in the universities, which isolate and bribe them with the best and by far the most histrionic means available in the arsenal of technicalities and humanistic resources. Millions of human beings finally discover the contradictions. They find out that man lives on bread and that the majority lack this same bread. They also find out that bread is not enough for those who are already filled. They then go on either to the arrogance of truth discovered ('ah, if you would only do the same as us', French students told workers in May 1968), or to complacency, that of the Berkeley drug-addicts' rebellion, that of the 'naturist' communes, that of the horror of civilization, the contemporary form of the Byronic spleen. The generosity and romanticism of a whole generation was spent—almost to its exhaustion—in the counter-techniques, in the building of libertarian ghettos, in the escape through what could be viewed as a type of inverted Jansenism, which sees in the extramundane denial of the world (after becoming disillusioned with the possibility of revolutionizing it), an individual lifebuoy within an unjust social order. Hence the numerous groups of 'insurgents', who never really turn into rebels, in order not to be mistaken for revolutionaries. They parade their disgust of the world, under the sign of Aquarius, through the roads of the civilization they detest, in quest of the Nepal of their dreams. The more disciplined exhibit their bald heads harmoniously complemented by white robes and bare feet, in the peripatetic groups of thousands of Zen Buddhists who cross the corner of Fifth Avenue and Central Park, announcing, by their very presence, that they no longer wish to belong to the civilization which began gaining awareness of itself in the Plaza's (ridiculous) architecture and which, all of a sudden, shook off whatever false and fanciful, though charming, it may have had of the euphoric capitalist birthday-cake style of the nineteenth century, in order to reveal, like a blade-thrust among helpless passers-by, that sturdy and 'logical' building in front—the General Motors building.

But the voices that echoed everywhere in favour of the 'wretched of the earth' did not speak out only from the generosity of kind spirits: there were and are voices and actions coming from the ghetto (as in the Marcusian expectation-hope), of black minorities during the hot summers in Trenton, from the Algerian national liberation battlefields, from Viet-Nam, from the remaining colonies in Africa, from Cambodia and even from the spring, which many considered unnecessary and others impossible, in the streets of Prague.

Thus the outcry against the exploitation of man by man, born with industrial civilization itself, led to a beginning in the design of a new utopia—without which no meaningful action is possible—that extended, without suppressing, the vision inherited in the second half of the twentieth century from the past, the vision of the revolutionary classes, the bearers of history. For various reasons, the contemporary ideology of renewal, which may serve as a basis for another development, is more inclusive and less narrowly rationalist than the utopia of the nineteenth century, which, in the order of ideas, precedes it. It does not share so blindly the belief that through the impulse of the very development of productive forces—and thus of technology—the contradiction between private ownership of the means of production and socialization of work will lead to a new order. It adds to this basic platform of rationality an ethical-aesthetic and voluntaristic dimension, embodying the will to revolutionize the cultural matrix of contemporary civilization itself: it attempts to define another style of development.

Its elements—the 'new man' of the exemplary revolutionary like Ché Guevara, the cry of Algerians under torture, Giap's people's war, the socialism of Mao's shared hardship—are prolonged contradictorily in other struggles. They are united in an unresolved amalgam—at the level of motivations, in the search for alternatives—with the almost anarchic liberalism of the French May 1968 (*'défense d'interdire'*), with the anti-racist racism of the 'souls on ice' of US blacks proclaimed by Sartre, with the revolted apoliticism of the missionary spirit of US minorities, with feminist movements (how to combine them with socialist Islam?), and even the latent anti-bureaucracy of the Prague spring.

Utopian thought feeds on this confused and contradictory mould (but how can alternative strategies be proposed without utopias?). It arises from a collective will to assert itself which frequently looks like an individual idealistic protest: *'prends mes désirs pour la réalité car je crois en la réalité de mes désirs'* (written on the Sorbonne walls in May 1968).

It is also from this mould—although very indirectly—that the movement for the reconstruction of the international economic order is born. Instead of making a 'neutral' analysis of imperialism and its power, and thus of further confirming the impossibility of change, people in the Third World, and some governments, see in the oil crisis and the OPEC union sensitive signs of a will to change which starts with what, in the logic of structures, should be the end: to obtain a fairer order among nations, even before altering the internal order within such nations.

Proposed in such terms the international liberation strategy would seem to be imbued with the same spirit as that of those who believe in the reality of desires more than in the force of reality. Nevertheless, another development does not feed only on the hydromel of utopias. A faithful reading of this will to change could also show that the internal gaps are so many and so deep in the dominating systems—created, it is true, out of the liberation struggles, by minority movements, by urban protest etc—that even the highest echelons of the international domination apparatus show cracks in the support structures. Perhaps this is the predominant characteristic of the way in which criticism of oppressing society is currently expressed: in struggle, in pressure from the periphery, in pressure from the societies of the centre, but also in lack of solidarity between the enlightened élites and the dominating classes. This is probably why the fight for the reconstruction of the international order and of the national structures of domination appears as a crisis of values, questioning industrial culture and civilization, as well as the basis on which they are founded. Watergate is as much an episode leading to the new order as are the wrecks that blocked the Suez canal.

If in the nineteenth-century version of utopia it was believed that the overthrow of the dominating classes by the exploited classes would automatically end alienation, inequalities and all forms of exploitation, in the twentieth-century version, the fetishism of *things* seems to be so strong that, symbolically, the utopian turns to machine-breaking, as did the English Luddites in their day. The suspicion is that with advanced technology bureaucratic control necessarily comes about and that with it, even if no private appropriation of the means of production exists, inequality and social plundering will persist which ultimately may maintain exploitation among nations, even in the socialist world.

Thus, confusedly (without necessarily having demonstrated how and why, or more important yet, through whom), the image of a new world arises—idyllic as with all strong values—in which, if nothing is there on the sixth day of creation, the knowledge at least prevails that a value hovers over it all: *equality*, capable of restoring a form of association based on the community, instead of exploiting society. It is at least known, therefore, *for whom* the new order is desired. And this is the keynote of the ideology generated by the disinherited of the affluent civilization which has marginalized the majority. With the impulse of any genuinely negating—and thus dynamic—idea, the new utopia which aims to create another style of development starts with that which the system cannot offer without falling apart. There is no technical reform capable of

offering concrete equality (political, economic or social), although there are many technical reforms which may offer better health, more education or more food, conditioned to the maintenance of rigid and convenient differentiations in the appropriation of such goods by some groups. 'No longer rich and poor; no longer rich nations and poor nations' is the theme that indicates that the aim is not man in the abstract, but the disinherited of the earth, the poor, the underdog.

But, how?

If the alternative strategies were to deal with final aims, only values and statements of principles would be needed. But, since another development cannot be created without political action, programmes and the reality principle are thus reintroduced; without them values and utopias remain more hothouse flowers. Nevertheless, it is from them that the strength of the present utopia arises: contemporary industrial civilization created, in fact, the material basis for an equality with decency by increasing the minimum platforms, which are already within man's reach, technically speaking.

It is this contradiction—possibly for the first time in history—between a concrete possibility and a performance so distant from the satisfaction of the needs of all that explains the existence of a malaise even in the industrialized world, which turns every gratification into sin. *Everyone knows that the utopia of our century is materially possible.* It is not rooted only in desires, but exists as a possibility in things; if the 'logic' of these does not achieve realization, it is because the desires (and interests) of some minorities do not allow it. This is why the contemporary world suffers as a torment every grain of wheat perishing on the stem. Everyone knows that the interests of some are served to the extent that this wheat is not made into bread. And yet, how the world of instant communications lives each crime committed in Lebanon, each capitulation of national dignity imposed by a banana-growing company when bribing a president, each agreement signed under pressure—be it to depose Dubček in the Kremlin, be it to oblige the confederated countries, through the Ministry of Colonies, as some call the OAS in Washington, to impose embargoes on nations which do not submit. All of this shakes and corrodes the moral fibre and the efficiency of the world order and the strength of the systems of domination. And these, in order to be efficient, cannot rely only on force: obedience requires consent, domination demands hegemony.

Thus, it is not so terrible that the definition of another development not only excites the imagination of the oppressed people, harassed by material wants, but also preoccupies the social and economic thinking of the industrialized nations. In spite of this, the ideology of development concealed until recently another aspect of reality which is now made visible: pockets of misery also exist in the industrialized countries, in which too the most coveted fruit of industrial civilization—success in increasing the gross national product—has created the problems of abundance we have listed: pollution, insecurity, impractical cities etc. Criticism therefore springs from the situation of the blacks and Puerto Ricans in New York, of Chicanos in San Francisco, of Italians and Spaniards in Switzerland, of Algerians in Paris. And another type of criticism, which generates the urban protest in the popular classes and the fear of the city in the dominating classes, is added: in the suburbs of the rich, the scandalous neighbourhoods of rich Latin Americans, isolated in carefully built ghettos, in the modern fortresses which the luxurious apartment buildings or the large mansions are, are all those who, though theoretically consumers of the abundance civilization, in the end have to live in closed circuits of protection and boredom in order to escape their fear of the cities. Thus, the children of the rich reflect the stigma of being masters of a civilization which denies communality, which creates in fact the situation of the *homo homini lupus* that the thinkers of the eighteenth century tried to avoid through politics.

It is a civilization of poverty for the majority and fear for all.

The alternative to it, beyond the value of equality, lies in its complement, which requires freedom, of the need to *participate*. It lies in democracy, but not a democracy deferred to the quasi-mystical body of a party, or identified with a liberalism relating representativeness to the division of powers and removing all effective political stake to the summit of large state organizations, to parliament, the executive and the judiciary. Participatory democracy, which is an inherent part of another development model, starts by being more demanding and more inclusive. It turns to the new arenas in which the decisions of contemporary societies are made: the educational system, the world of labour, the organizations which control mass communication.

As the demand for equality is universal, the requisite democratic controls imply denying the authoritarianism of teaching practices which merely reproduce the established order on a larger scale. It must be education not only *for* freedom, but *in* freedom; *a pedagogy of the*

oppressed with schools in which the sharing of experiences between generations allows for the emergence of new solutions and not only the codification of what is obvious from the past.

On another plane this approach leads to the search for the means to a cultural revolution. This is taking place not only in China, but also through the actions and intimation of alternatives in the US counter-culture, in the mobilization of teaching and work brigades in Botswana,[2] in the generalization of basic education, in never-ending university reforms and student movements. The traditional university, even in orderly societies, is in the process of becoming a museum, surrounded by living experiences of culture re-creation, which penetrate its less conspicuous openings, rejecting an education conceived merely as a conveyor-belt of the dominator's cultural matrix and as a means to impose the culture of the masters upon the dominated classes and peoples.

At the same time, in the absence of a democratic information flow, and in the face of the failure of the large organizations, public and private, to set up forums where the disciplines and the norms of efficiency of the technological civilization can be discussed, understood and agreed to by those who will suffer their effects, the world of the worker will continue to be not only alienating, but also the basis for authoritarianism, in capitalist as well as in socialist societies. This is why another development, which must be based on mass mobilization, will simultaneously be faced with the need to uproot the seeds of totalitarianism through participatory democracy, which such mobilization implies. Participatory democracy means that, before accepting any type of centralization, the what, why and for whom of general decisions will be discussed at the level of the worker, educational and political communities. In a critical review of the values inherited by contemporary societies, the idea of technical progress and rationality is not discarded, but redefined. Instead of the pseudo-rationality of the market—which in fact is the rationality of accumulation and of appropriation by a few of the results of the work of the majority—a social calculation of costs and benefits is now the aim. Instead of an increase in the Product, the expansion of collective welfare is the target. This most certainly requires high accumulation and investment levels, but the orientation of investments and the forms of control over the accumulation process thus become the primary focus.

The discussion of this purpose of another development should not be confused with the debate between zero growth and 'developmentalism';

with the confrontation between the insane attitude of those who say 'blessed be pollution' and the naiveté of those who believe that it is better to stop producing than to contaminate the ecosystem; between those who preach the ruralization of the world and those who proclaim the virtues of urbanization at any price. In such terms, the discussion turns into a dialogue of the deaf.

When the advocates of another development insist that social rationality should prevail over pseudo-technical or instrumental rationality, they are simply reaffirming the fact that the contemporary world can count on richer and more varied alternatives; that if it is true that in order to share it is necessary to grow, it is not true that growth in itself will lead to a fair sharing of the fruits of technical progress among classes and nations.

In an effort of synthesis to express a more egalitarian style of development, requiring more participation and democratic control over decisions by those who suffer their consequences and, at the same time, substantive social rationality in the use of resources, in the use of space, in the choice of technologies and in the responsible consideration of the negative impacts which the process of economic growth may have on the environment, the term *ecodevelopment* was coined.[3] There is no place in ecodevelopment for the cynical position of those in rich countries who propose the non-development and non-pollution (therefore non-industrialization as they themselves conceive it) of the periphery. The supporters of ecodevelopment do not believe in freezing the *status quo* and curtailing the underdeveloped nations' chances of achieving a less needy material civilization, which would be the consequence of zero growth, but advocate instead a differentiated (thus respectful of the cultural, spatial and political characteristics of the Third World) and autonomous growth.

The concept and strategic goal which summarizes this style of development is that of *self-reliance*. This is a political category which rejects the idea that the technological advantage of the great powers is inevitable: self-reliance implies rejection of the monopoly over sophisticated technologies which is the form through which the central economies, and their dynamic sectors—the transnational corporations—seek to guarantee their domination over dependent Third World economies.

Until recently the unquestioned primacy of technology left Third World countries with almost no alternative but to copy the model of the industrial-predatory civilization in order to ensure their national integrity (or

to maintain the illusion of it) and in order to carry out a process of industrial growth which would make it possible—maybe, and in the future—to increase the standard of living of their impoverished masses. The military discovery that guerrilla forces can defeat modern armies if and when backed by the people destroyed another technocratic illusion, in the course of a historical experience stretching from the French disaster in Dien Bien Phu to the United States defeat in Viet-nam (which was considerably aided by the disillusionment of the cultural élites, of minorities and of young people in the United States, with the aims of the war).

Today, not only are there peoples pursuing other alternatives, but in the highly critical conscience of the more advanced techno-scientific spokesmen of the Third World countries, a conviction is being formed that:

The technological model exhibited by the industrialized countries cannot be applied without provoking deep disturbances, if it is not accompanied by strong redefinitions of political control and its social consequences.

Alternative viable solutions exist which require imagination, research and reorientation of investments (eg why maintain the same extremely expensive tradition of the Cloaca Maxima in cities of the Third World which still have no extensive sewerage systems, instead of searching for methods of eliminating residues through natural or organic techniques, for the house or neighbourhood units?).

There are no good reasons to tie underdeveloped economies to forms of technological and economically exploitative dependence, based on trade-mark, know-how and other contracts. These could very well be transformed into assets of the national economies, provided the Third World countries organize themselves techno-scientifically and politically to control the activities of the transnational firms in this field and to compel them to share technical knowledge.

The cultural revolution of the Third World countries should include among its goals the development of technically qualified cadres.

People in the Third World are convinced that alternative styles of development are possible—precisely because there is a crisis of confidence over the predatory-industrializing model among the élites of the industrialized countries, and because new paths for development and for international coexistence depend on the autonomous action of the men and women of the Third World. Belief in self-reliance is leading Third World people through their critical spokesmen and through some governments

rather to look for mutual support than to trust in the now discredited aid from the centre (particularly that linked to military or corporation interests).

On the basis of such values, leaders of the international community at the United Nations and at specialized meetings (such as that resulting in the Cocoyoc Declaration)[4] and in special forums which are being created to discuss new strategies for development (such as the Third World Forum) have started to express the aims which should guide the new international order and give consistency to another development.

Inasmuch as the concept of self-reliance implicitly acknowledges the different historical experiences of the people and defends the real contribution which the impoverished masses have to offer towards the solution of their own problems, the movement of opinion which is at present under way is modest because it is totally honest. It does not propose formulas and 'models' or 'aid and assistance' plans. Another development requires that within the United Nations, in governments and among the élites, the vain pretension be done away with that the final objective is already known and that it is technically possible to define the programme of aid and planning that will show the way to the wonder world.

Therefore, the starting-point is completely opposite to that which inspired the unsuccessful 'development decades'. In that strategy the 'gaps' between industrialized and Third World countries were computed; percentages of GNP which rich countries should offer as 'contributions' to poor ones were defined; and specialized bodies appointed to give financial and technical support to the plans and programmes which would be applied in the Third World in order to bring it closer to the industrialized world.

It would be unfair and uncalled-for to say that the whole of the international cooperation apparatus failed. Some relevant experiences exist—in specific programmes which actually worked. And through these programmes and actions—especially through ventures such as the United Nations Regional Commissions—a rich exchange of opinions and experiences took place among Third World technicians and administrators and by these with institutions and individuals of the industrialized world, who were finally sensitized by the problems of the Third World countries. But as a system, international cooperation failed, inasmuch as it was carried out parallel to (and not even countering, when not favour-

ing) international economic exploitation: reaffirming the existence of an asymmetric world order and of highly unequal national societies as well as propagating a deforming development model.

The reorganization of the world order should begin in the spirit of methodical humility which is now proposed to those wishing to cooperate in the field of international development, by some kind of collective criticism of the United Nations. This criticism should be based more on research and study of the variety of concrete experiences in dealing with critical situations faced by Third World countries than on the definition of mimetic development policies and the execution of such policies through the contemporary paraphernalia of 'development plans'.

An important institutional impediment in the United Nations system is to be found in the basically officious position assumed by all its bodies which, when operating in the field, are condemned to play a counterpoint to the national governments, marginalizing civil societies and giving non-governmental organizations an almost lip-service treatment. If new utopias, as we have seen, are conceived and acquire their force in social movements (feminism, anti-racial struggles, youth movements, urban protest organizations, forums for defending habitat and the environment etc) any international order intended to be legitimately representative within the emerging values, and any international organization wanting, in fact, to struggle shoulder to shoulder with the people (and not to act as an agency defending models to be imposed culturally on the people), should be more closely related to the roots of the national societies.

This requirement should result in a composite system at the level of the most active agencies of the international order which should provide a tribune, not only for governmental delegations, but for the voice of political minorities (they usually correspond to population majorities). Social categories such as consumers, workers (variously defined), women, ethnic and religious minorities, youth, poor peasants, shantytown dwellers etc should compose country delegations. This would offer greater authenticity to international forums and would enable countries to widen the style of representation based on the values of a participatory democracy.

At the level of formal equality among nations, the scope for reforms in the system based on the ideals of another development is endless. We need only refer to the veto power and the *de facto* situations which lead to the vetoing of minorities in the specialized financial bodies (the Inter-

national Monetary Fund and the World Bank, for instance) as well as in political bodies. It would be unrealistic to propose abolishing economic and strategic inequalities among nations through declarations of ideals and intentions. But it would not be so illusory to propose a counterweight system, which would aim, for example, to organize Third World delegation secretariats so as to set up and give consistency to informal groups (such as that of the 77 or of the Non-aligned) or to regional groups (such as the recently established Sistema Económico Latinoamericano—SELA), or to specific groups in countries producing raw materials—the first of which is OPEC. And it would be particularly necessary—in order to be faithful to the principle of self-reliance—that the Third World have access to organizational and financial resources, in order to give a voice to the Third World countries in the discussion of aims and experiences of development and in the easing of direct contacts and exchange of experiences between leaders and practitioners of collective social movements.

Bringing about another development in Third World countries is even harder. To begin with, it is necessary to circumscribe and demystify the very notion of Third World: the historical experiences of these countries, their relative degree of economic advance and the social and political systems existing in them are extremely varied. The language used is therefore at times highly rhetorical when it alludes to the unity of the Third World.

The new approach to development problems starts with the recognition of the diversity of points of departure and of the present phase in the historical process of the underdeveloped countries. Any pretence of imposing a unique framework on the aspirations and possibilities of these countries would repeat the same mistake made in the past, when trying to re-create in them the experience of industrialized countries. This warning is necessary and valid, since no matter how fascinating the experience of building socialist societies in countries of an agrarian-peasant economy (as in Viet-Nam or Cambodia), or in countries limited in their historical adventure owing to a relative lack of natural resources or to their colonial experience (eg Tanzania and Guinea now)—and also in countries with cultural experience at least as ancient and diverse as in the west (eg China, or Islamic countries in North Africa)—it would nevertheless be hasty and wrong to compare them, for example, to many countries in Latin America, some of which are highly urbanized, relatively industrialized and, though dependent, have almost completely assimilated western culture (eg Argentina, Uruguay and Chile, and to a certain

extent Brazil). The roads to equality, to participatory democracy and to self-reliance in these countries follow completely different routes from those of socialist agrarianism.

Conversely, the concretization of the aims and ideals of equality, of participatory democracy, of the revitalization of regional space in response to ecodevelopment, of activating basic forces in society, and of self-reliance, in certain types of countries (for example, in rough terms, though with variations and qualifications specific to the Indian subcontinent, practically all the countries in southern Central Asia bordering the Indian Ocean down to the South East Asian extremity) would seem to have elective similarities (which in fact are structural) with the model of egalitarian and frugal socialism which starts with agrarian expropriation and has its socio-political and economic basis in the commune—in the Chinese style. This characterization obviously does not commit these countries to agrarianism (China is industrializing), and the proletarian ideal of life is not excluded. But it colours the transition process with the hues of an almost direct democracy, of an anti-bureaucratic approach and of a puritan (in fact un-urban) renewal of life styles which separates them considerably from, for example, the political life style of the Maghreb, where agrarian feudalism is added to commercial colonialism. There the weight of an urbanization is based on craftsmanship and, in the strict sense, on the manufactures deriving from the strength of the bazaar—that inheritance of the Middle Ages—and all of it is organized through a cultural tradition based on hierarchies and exclusions much more differentiating than those to be found in Asian agrarian feudalism, itself already deteriorated by centuries of submission to multiple comprador bourgeoisies. Similarly, the richness of social situations derived from the coexistence of different forms of production, reorganized by neo-colonialism, succeeded in liquidating the traditional agrarian basis of many countries of black Africa, without substituting for it an urban-industrial or urban-mercantile economy able to survive without colonialist ties. In these countries the crisis of colonial domination and the passage to a style of free, self-sustaining, egalitarian and democratic development imposes the need to reinvent a society, thus giving the imagination of the Third World a large field for experimentation.

The opportunities open to Latin American countries in this sense are much more restricted. Many of them are going through a predetermined historical experience in the urban industrial destiny of their societies and there is no longer room (in some cases, there never was) to lay the groundwork of a communitarian mould for society. Others—especially

those societies in which the weight of the Andean civilizations prior to colonization is still latent—have a bigger rural problem and any alternative development strategy should take into account what one of the most important social thinkers of the continent said about his country: a revolution is either made in terms of the Indian population or it is counterfeit. It goes without saying that even in these cases there is still a need to increase the technological efficiency of local economies, and we do not suggest that ruralization is all that is relevant to the historical experience of these countries. What is being considered is the definition and linking of strategic aims, which in order to be legitimate should always answer the questions why and for whom and reflect the reality that the real subject of history is not individuals but social categories.

This brief outline of the varied alternatives and conditioning factors in the roads open to Third World countries in their struggle for autonomy and equality does not imply inaction or despair when confronted with such diversity. Though the roads are different the basic goals are the same. And indicators to measure performance should be devised, applied and criticized with at least as much enthusiasm as those invested in measuring economic growth. A little over two decades ago expressions such as gross national product, income *per capita*, import rates etc were unknown to most statesmen, journalists and students, in fact to people in general. With the development decades these measures of economic difference have become part of everyday language.

It is now time to reorient efforts to measure success in development by indicators centred on the *quality of life* and on *equality* in the distribution of goods and services. There has been progress in this field in the United Nations system (in the research efforts and systematizing of UNRISD, for instance), as well as in individual countries. But the point has not yet been reached at which, for example, international credits are tied to the objective advance of the people's wellbeing and at which there are indicators on wellbeing as accurate as those at present measuring national solvency, the rate of inflation and the rate of growth.

Methodological instruments exist for measuring, for example, the rate of income concentration (such as the Gini coefficient), nutritional needs and minimum wage-level deficiencies. What does not yet exist—and this is an area in which the effort to attain another development should be invested—is the political will capable of transforming these indices into instruments of pressure to increase equality and improve the quality of life. It is therefore to be recommended that much effort be devoted to

systematic measurement and wide publicity for the results of simple assessments to reveal, for example:

The evolution of the rate of income concentration in each country.

The distribution of wealth and of salaries (including a comparative analysis at an international level of lowest and highest salaries by types of firms; average, median and modal salaries among types of firms in several countries; differences between salaries paid in different countries for the same type of work, by the same transnational corporations, and so on).

The ingredients of a basic rural and urban worker's shopping basket and the number of hours the worker uses in each country to acquire these common consumer goods.

A 'time budget' in which the way different social classes spend their energies in leisure, work, transport, health care etc would be shown.

The coverage of social welfare systems, to identify in particular the relative degree of differentiation (or equality) in assistance services offered to different categories in each country.

The ways in which social welfare is financed, in order to evaluate its real effect as an instrument for income distribution and social equality, or to identify mechanisms—which are often to be found in underdeveloped countries—for transferring resources from the poor to the poorer without touching the overall distribution of wealth or the advantages of the higher-income classes.

The mechanisms of tax systems, especially to expose such aspects as the proportion between direct and indirect taxes, etc.

The list of relevant social indicators is long and the selection strategy should concentrate on those that are the most sensitive for the measurement of social equality. Nevertheless, the critical appraisal of present development concepts does not end there: the concrete liberty of the people and participation in control over the decisions should also be included as parameters. In the search for methods to construct simple indices that can be used systematically and have assured and universal application everything remains to be done. The defence of basic liberties, both individual and social, has been left to a few institutions and organizations, generally private, and repeated denunciations made by these organizations have lost their force from repetition and because they stem from institutions which have themselves been accused many times of defending private interests or of being ideologically dependent on one particular party.

Is the time not ripe to begin through a movement springing from the

Third World to create a sort of Political Conscience Court, formed by representatives of governments as well as of trade unions, universities, churches and professions, in order to pass judgement annually—on the basis of rules agreed to and previously established by the court—on the degree of progress in political development of peoples and of governments? Instead of the models of liberty or of institutionalized oppression which the centre proposes to the periphery, should we not look for inspiration to the participatory democracy arising in the Third World for the definition of codes of civil, social and political behaviour through which the effective advances of the people could be measured in the areas of expression of thought, organization of new fields of debate and decision, of rights assured to minorities and the opposition, of rejection of torture and violence?

The flaws of utopianism should not frighten those who not only wish to reform the economic and social orders, but the moral order as well. It was also utopian during the Cold War and during the McCarthy period to imagine that the sit-ins, the marches, the CIA accusations and telephone tappings and the pacifist marches, would—in the United States itself —lead to a major break with high-handedness that ended in Watergate and the impossibility of continuing the war in Viet-Nam.

Is it impossible to propose, and start implementing, standards for political conduct that will emerge from the dark depths of oppression in those very countries where violence and repression have been magnified into standards of national security? Such standards may finally reveal that the other development we are seeking, even if it is launched in the economic realm, opens up on to the social plane, and acquires a political dimension through the equality it proposes and through the style of participation it advocates. But another development will only be fulfilled when it finds a means of transforming the utopia into daily reality, restoring to the human experience a dimension which although moral is not unreal. The strength of this character nevertheless does not derive from the individual's proud salvation, but from the humble recognition that the expression of existence and individual integrity depend on an agreement and an action which can only be collective. The self-reliance principle, in this sense, implies a hope and belief that it is already possible to inscribe in reality the goals we wish to attain.

It is with this conviction that the reconstruction of the international order and the establishment of more egalitarian, democratic and self-reliant national societies is proposed here. These new societies are not based on

the underdevelopment of the periphery and the stagnation of the centre, but on a development style which has its *raison d'être* in the social calculation of costs and benefits.

Notes

1 See: Pierre Bourdieu and Yvette Delsant, 'Le couturier et sa griffe: contribution à une théorie de la magie', *Paris Actes*, No. 1, January 1975.
2 See: Patrick van Rensburg, *Report from Swaneng Hill. Education and Employment in an African Country*, Uppsala, The Dag Hammarskjöld Foundation, 1974.
3 The best statement of this *problématique* is found in Ignacy Sachs, 'Environment and Styles of Development', in: William H. Matthews (ed.), *Outer Limits and Human Needs*, Uppsala, The Dag Hammarskjöld Foundation, 1976.
4 See *Development Dialogue* (The Dag Hammarskjöld Foundation, Uppsala), No. 2, 1974.

Basic Needs, Peasants and the Strategy for Rural Development

by Rodolfo Stavenhagen

Introduction

At the 1974 World Food Conference in Rome the dire state of malnutrition of large sectors of the world's population was fully documented. Most of the undernourished people in the world live in the underdeveloped countries, and the great majority of them live in the countryside. It is not by chance that malnutrition and accompanying indicators of low living standards are associated to a large extent with agriculture, that poverty and underconsumption of food are associated with the world's peasantry, whose function in life is presumably to produce food. The poorest countries in the world are those where most of the population lives off the land, as Table 1 shows.

The agricultural sector has a twofold problem in the underdeveloped countries: (a) the need to raise production in order to satisfy increasing demand for foodstuffs; (b) the need to raise rural incomes in order to satisfy the basic needs of the majority of the world's poor, the peasants.

If the agricultural development of the poor countries in the last few decades has taught us something, it is precisely that these two objectives are not necessarily related. Agricultural production, and particularly food production, has risen fairly steadily at a slightly higher rate than the world's population; yet the income of the poorest part of the population (the peasantry) has not increased accordingly. In fact, in some areas rural income is decreasing.[1]

The explanation for this must be sought in the nature of peasant production in the Third World countries.

Agricultural production and agrarian structures

Agricultural production usually falls into two kinds: (a) production for the market, which may take place (i) on large estates or plantations with salaried or servile labour; or (ii) on small farms based mainly on family labour; (b) subsistence production and consumption by the peasant household. Economic growth is associated with progress in the 'modern' agricultural sector, that is, in production for the market (whether local or international), and as cash-crop agriculture advances, so subsistence agriculture is thought to recede, and eventually to disappear.

However, the development of cash-crop agriculture has not led to a generalized improvement of the incomes and living standards of the rural population. This is due to various reasons:

Cash crops for export have displaced subsistence crops for local consumption, and while monetary incomes may have increased, food consumption has often decreased in the process.

Table 1 Rural poverty in Third World countries, 1969

Region	Total population	Rural population	Rural population as percentage of total population	Rural population in poverty			
				Below US$50 *per capita*		Below US$75 *per capita*	
	(millions)	(millions)	(%)	(millions)	(%)	(millions)	(%)
Africa	360	280	78	105	38	140	50
America	250	120	48	20	17	30	25
Asia	1,080	855	79	355	42	525	61
Total	1,690	1,255	74	480	38	695	55

Source World Bank, *Rural Development*, Washington, 1975, Annexes 1 and 3.

Price fluctuations of international commodities have often severely affected producers' incomes.

Profits from cash-crop production have become concentrated in the hands of large estate or plantation owners, or merchants and middlemen.

The high cost of modern inputs for cash-crop production has increased the debt burden of the small producer.

Mechanization and other capital-intensive technology usually associated with the development of modern agriculture frequently displaces labour and creates a pool of landless workers.

Monoculture for export, so characteristic of many underdeveloped areas, prevents the emergence of integrated mixed farming oriented towards the internal market and the satisfaction of local needs.

Both subsistence and commercial agriculture are carried out within a fairly wide range of different kinds of productive units. The potential for improving agricultural output and increasing the standard of living of the rural population is directly related, among other things, to the characteristics of these units in terms of their land-tenure arrangements, labour supply and relations of production, local credit and market structures, as well as cultural values governing the economic behaviour of individuals and family groups.

There is nothing further from reality than the simplistic idea that by channelling more credit, or providing a little bit of technical assistance, or supplying improved inputs, backward agriculture will respond by productivity leaps which will solve the problems of output and income of the rural poor. The feasibility of success of different kinds of incentives to the operator is closely linked to the various elements of the agrarian structure mentioned above.

Agricultural production is not an activity made up of a number of isolated elements which can be juggled at will by the planner or the specialist in rural development. Agriculture as an occupation and as a livelihood is a complex social and economic system. Perhaps in no other sector of economic activity are the relationships between the following elements as much interlinked as in agriculture. These elements are: labour; technology; natural resources; social organization; income; and living standards.

Labour Labour in agriculture is generally of a non-specialized nature. That is, within a given ecological framework, the agricultural labourer usually carries out most if not all of the particular tasks of the production process himself. Productive efficiency does, however, require a high level of skill and specialized knowledge, but these are generally traditional skills and knowledge which are handed down from father to son and which are suited to a particular environment.

In traditional agriculture, the application of increasing amounts of labour is usually directly related to increased output, up to a point. The use of labour is determined seasonally, and periods of labour scarcity alternate with periods of labour abundance. Labour markets are unstable and unstructured. The definition of the labour force itself is a complex task; women, who play an important role in traditional agriculture, are usually not included in labour-force statistics. Other unpaid family and reciprocal labour (children, friends and neighbours who help out at certain times of peak activity) are not easily counted nor accounted for. Observers agree that disguised unemployment is one of the principal problems of agriculture in Third World countries, yet no satisfactory measures of disguised unemployment have been developed. Agriculture is often only one of various activities that rural labour engages in (the others being small trade, handicraft production, occasional seasonal jobs in other sectors). The availability of local labour for specific agricultural tasks at the required time is frequently subject to the pressures of these complementary or alternative activities. In many rural areas of the world, temporary labour migrations within the agricultural sector itself complicate the labour picture. The requirements and the availability of manpower at the local level are thus not only related to the size of farm units and the type of crop, but also to numerous elements within the wider social and economic structure.

Technology Modern agricultural technology usually appears in inverse proportion to the use of labour. The mechanization of agricultural tasks

on modern farms, while contributing to raising output and productivity, often displaces labour and increases human underemployment. Modern technology requires skills, credit, capital and technically optimal farm size. It is not surprising, therefore, that it is usually concentrated, in the Third World countries, in certain privileged areas and in the hands of the privileged social classes. Modern technology has been associated with plantations, estates or large farms. The introduction of modern technology among small farmers has only recently become of general concern. Even the new seed-fertilizer technology associated with the 'green revolution', which is being directly addressed to the small farmer in many parts of the world (Asia and Latin America particularly), contributes to the concentration of wealth and greater inequalities in the distribution of income.[2]

Too little attention has been given to the development of labour-intensive, low-capital technology for the traditional agriculturist. Yet it appears that much can be done by improving traditional practices through the application of skills rather than the acquisition of costly inputs. The diffusion of technological innovations in agriculture is one of the principal tasks of agricultural extension services. Observers are agreed on the difficulties and resistances that many of these programmes encounter among small farmers in underdeveloped countries. The reason for this is that the adoption of technological innovations cannot be taken in isolation from other factors such as land tenure, social organization and cultural values. The literature on the subject provides many examples of cases where 'rational' innovations have been rejected by farmers because of one, or a combination, of these various factors, and not because of any 'irrational behaviour' or an abstract 'traditionalism', which some authors purport to find among peasants.

Frequently the technological innovations being promoted by public or private national and international agencies turn out to be ill suited to the natural environment, the social structure or the cultural values of the target society. To this may be added the ignorance about local conditions of so-called technical experts, or their downright biases in favour of only one kind of technological development as well as their reluctance to experiment with new processes. When this leads, as it frequently does, to costly failures in rural development projects, then renewed attempts at the local level become so much more difficult the next time.

Natural resources Natural resources (mainly soil and water) are the essential ingredient in agricultural development. They may be present or

absent to varying degrees at the local and regional levels, but they may also be under-utilized, or wasted or depleted through malpractice. These resources must not be seen as something simply 'given' by nature. Their use, non-use or misuse is the direct result of social and economic organization in historical perspective. It is perhaps not an exaggeration to say that the poverty of millions of peasants in the world today in areas where there is a 'lack of resources' is not so much due to natural processes (though these do undoubtedly play their part) as to the result of social and economic ones. The poverty of many Latin American peasants who work patches of eroded earth on rocky mountainsides is the direct outcome of the monopolization of the best lands by large estate owners. The recent famine in Bangladesh, while no doubt 'caused' directly by natural factors, is the indirect result of the secular cultivation of cotton and jute under the artificially imposed 'international division of labour' of colonial and post-colonial times. Famine in the Sahel countries during 1971–2 did not come as a surprise to observers who long ago warned that the export-oriented agriculture of those countries, with the progressive weakening of the cultivation of subsistence crops, would contribute to the particularly dramatic effects of drought on the population.[3]

In other areas of the world, fertile top soils are being depleted through the uncontrolled felling of tropical forests or overgrazing, which are man-made phenomena linked to social structures, market forces and land-tenure systems. In dry areas, the increasing use of water for urban or industrial purposes has increased the cost of this resource for agriculture and has severely affected the poor farmers. The rapid expansion of areas grown with cash crops for export in many underdeveloped countries, as a result of government policy concerned with earning foreign exchange, or as a result of monetary incentives, has had negative consequences for the conservation of natural resources in some regions. In the scramble for monetary income or quick profit the judicious use of local resources has often been neglected.

Communities that used to be relatively self-sufficient not only in food, but also in local handicraft production, building materials, raw materials for clothing, herbs for medicinal use etc (all based on the use of local resources), have become increasingly dependent upon the market for the satisfaction of their basic needs. They have become victims of a vicious circle in which they must generate ever higher incomes for their members in order to acquire at increasing prices industrial substitutes for what they used to produce themselves. In this process, entire populations (particularly the younger people who often spend much of their time

outside the community) have lost the basic knowledge and skills which previously enabled them to use carefully and maintain the equilibrium of their local resources.

It is thus a mistake to attribute the depletion and misuse of local resources, as some authors do, exclusively to the demographic pressure on the land. While population growth has undoubtedly played a role in this process, the development of market relationships is surely the main cause of the increasing disequilibrium between population and resources at the local level.

Social organization Social organization basically involves land-tenure arrangements and various kinds of relations of production between individuals and social groups that have legal, cultural and historical rights and obligations relative to the productive use of land as a resource. Much of current thinking about agricultural development is biased towards the experience of the market mechanism of the western industrialized countries, which is proposed as a 'model' for the underdeveloped nations to follow. If the model were indeed applicable universally, we would find Danish-style dairy farmers or United States cattle ranchers all over the Third World. Inasmuch as this is not the case, and to the extent that so many attempts at local and regional agricultural development have run into trouble, it is principally because of the constraints of social organization.

Whereas capitalism, as Marx pointed out, does indeed tend to substitute the cash nexus for all other kinds of social relationships, in the agriculture of the poor countries it has not been able to do away with them yet. Not only that, but frequently the introduction of capitalism in agriculture has strengthened traditional mechanisms of oppression and exploitation of the labour force. There are many instances of social constraints on the 'free' development of productive forces in agricultures. To cite but a few examples: community or tribal control over the use of land; local systems of reciprocal services of a patron–client type (eg Indian Jajmani); traditional chieftainships which exact tribute in money or kind from the farmers (eg Maraboutism in Islamized western Africa); prestige spending for ceremonial purposes implying a redistribution of income (some parts of Africa south of the Sahara, Indian communities in Latin America); the demands of kinship groups on the monetary incomes of their members (many parts of black Africa); peonage and other kinds of labour services by peasants to landlords (Latin America) etc.

When agricultural production is immersed in webs of social relations the individual farmer or producer is not always in the best situation to increase his output or improve his own standard of living. This is why so often purely monetary incentives or apparently rational criteria (by western standards) for improving agricultural productivity do not work.

While, on the one hand, certain kinds of social structures are no doubt obstacles to the capitalist development of agriculture, on the other hand, it is the capitalist development of agriculture itself which has become an obstacle to authentic economic and social development of millions of peasants in the Third World. Capitalist agriculture has increased social and economic inequalities among social classes on the land; it has concentrated wealth, power and income in the hands of landowners or middlemen, pushed small farmers off their land and turned them into marginalized, landless labourers, and substituted the idea of gain and profit for a few for the idea of survival for the many.

However, some types of social organization (mainly the basic structure of the local village) may become the pillar upon which a different kind of agricultural development can take place, through collective or co-operative arrangements and adequate planning at the local level. In many parts of the world experiments are taking place along these lines which are opening up new possibilities for the rural poor.

Income Farm family incomes can be of three types: monetary income from the sale of farm produce; domestic consumption of farm produce; and complementary income from activities off the farm. Agricultural development projects in the underdeveloped countries are usually concerned with the first kind: they tend to improve the output of saleable farm commodities and the monetary incomes derived therefrom. But as has already been pointed out above, the expansion of cash-crop production frequently displaces the cultivation of local subsistence crops. Monetary income from the sale of cash-crops must be spent on food imported from other regions or even from abroad. Inflationary pressures are common, middlemen turn sizeable profits, the regular supply of foodstuffs is often not assured and the increase in monetary income is not necessarily an indicator of increase in wellbeing.

The insecurity inherent in agricultural production, due to the forces of nature as well as the price fluctuations of cash-crops for export, makes farming an uncertain proposition at best for millions of cultivators around the world. Even when they engage in the production of cash-crops, the

regular flow of monetary income is not assured. But when the farmer is deeply involved in the monetary economy he regularly needs hard cash simply to survive. This is one of the main problems facing the poor farmers in the underdeveloped countries. In order to solve the basic problem of survival he falls increasingly into debt, he tends to use institutional credit, the purpose of which is to enable him to carry out his productive activity, for day-to-day consumption needs (and often neglects improvements on his field in the process), and he seeks additional income through wage labour or other activities.

The poor farmer, in order to make ends meet, seeks multiple sources of income in a regular pattern of alternate activities of which the cultivation of his own plot of land is only one. The rural poor are mainly concerned with obtaining regular income flows; farming on small plots of land under the circumstances of traditional or tropical commodity agriculture is not the best way to achieve this end.

The vicious circle of poverty in a monetary economy has a negative impact on subsistence agriculture also. In areas where not all of the farm produce goes to the market, peasants retain a part of their crop for domestic consumption. But frequently, particularly in humid climates, they lack the means for storing and conserving their cereals. Also, owing to accumulated debts and other needs, they must sell quickly to the local middlemen. Yet when their stores of foodgrain run out, they often must buy back their own grain later in the year at prices several times higher. This is a frequent occurrence.

Rural income is closely related to the problem of employment, which in turn is linked to land tenure and technology. In areas where labour is abundant, rural wages are usually well below legal minimum standards. Landless labourers or subsistence farmers on micro-plots will work at times for any wage, and will often travel long distances in order to find employment (in eg West Africa, the Andean highlands). Only if and when the benefits of increased agricultural productivity can be equitably distributed among the rural population in the form of higher real incomes for all social classes will the question of disguised unemployment on the land cease to be significant. But this is a question of social and economic organization of the wider society and not only of the setting of minimum wages or price supports.

Living standards Living standards are not directly related to monetary incomes. The relationship between these two variables is mediated by

social organization and cultural values. It is still an open question whether the transformation of traditional subsistence agriculture into cash-crop farming for export (as has occurred in many underdeveloped countries) improves or rather worsens the living standards of the rural population. On the basis of material from many areas of the world, an argument can be made for the latter assertion.

The problem hinges, of course, upon the adequate definition of living standards. Increased consumer spending as a result of monetary incomes does not necessarily raise a family's or a community's level of wellbeing. At the level of the world's rural poor it is doubtful whether the mere increase in monetary incomes (which moreover usually accrue only to a small part of a community's population) will turn into improved standards of living without planned government intervention. The basic elements of satisfaction for the wellbeing of a rural collectivity are not provided through the economic activities of a few individuals. An adequate water supply, the building of an all-weather road, sewerage, housing, electricity, health services, an adequate provision of basic foodstuffs at reasonable prices, schooling and, of course, access to productive resources such as land, water, fertilizer and modern technology for the peasant masses, can only be made available to the majority of the population through concerted government action.

Thus, whereas the increase in monetary income can indeed be furthered through various well-known market mechanisms, the collective improvement of the rural poor can only be achieved through collective planning and action, which does not necessarily imply an increase in monetary incomes for poor rural families. On the contrary, where monetary incomes have been increased rapidly during a short time span and have tended to benefit only a privileged minority in the locality or the region, there we generally find that increasing inequality produces social disorganization, tensions and conflict which become the major obstacles to progressive social change for the benefit of the community as a whole.

The six basic elements that have just been discussed—labour, technology, resources, social organization, income and living standards—are crucial factors in the possibility of social and economic change at the local level for the great masses of the rural poor in the underdeveloped countries. Each one of these dimensions (and others which have not been included) presents itself differently in particular settings and is related to all the others in a complex set of interrelationships which constitute organic wholes or systems. These systems are the various kinds of

agrarian structures that are to be found around the world. In order to assess the possibilities for economic and social change in agriculture at the local level, let us briefly summarize the different kinds of agrarian structures that are most common in the Third World countries today.

1 Customary or communal land-tenure systems In these the land is neither privately owned nor a marketable commodity, but rather controlled by the community, whose members may have traditional usufruct or access rights to it under certain specified conditions. It is usually associated with primitive technology, shifting cultivation, subsistence farming or small-scale family production of commercial crops. Under this system, permanent improvements on the land are unlikely. The availability of family labour is the main constraint on the expansion of agricultural operations. Demographic pressure reduces the land/man ratio and generates out-migrations and a tendency towards the transformation of communal tenure into individual ownership, a tendency sometimes supported by government policy. Communal land-tenure systems are widespread in Africa south of the Sahara, in the indigenous regions of Latin America and in some tribal areas of Asia.

2 The small peasant farm This is characteristic of areas with a high density of population. The farmer either directly owns his land or else holds it under some form of lease, tenancy or share-cropping arrangement, and mainly works it with the help of family labour. The small farm may provide for subsistence but it is also integrated into the market through the sale of agricultural surpluses. It may also be wholly devoted to the production of a marketable crop. When the farm is held under a tenancy or share-cropping arrangement, then a large part of the farmer's output must be set aside to support a parasitic, dominant social class that exercises a legal or customary right to the peasant's produce. In such systems, landlords are not entrepreneurs but *rentiers*; their interest in agricultural innovation is slight; they tend to be absentee owners, politically conservative and basically opposed to modernization. In some Asian countries, a whole chain of intermediate tenants links the direct producer to the landowner; all of them live off the peasant's labour. Obviously, unless the land-tenure system changes, the peasant producer will hardly be able to improve his situation and will not be likely to respond to the conventional economic incentives designed to improve the performance of agriculture.

3 Large feudal or semi-feudal estates These are the traditional hallmark of Latin American and Middle Eastern agriculture. Under this

system most of the cultivable land is monopolized by a small landholding élite and the peasant population is tied to the estates under different kinds of servile labour arrangements or service tenancies. The labourers are usually allowed a plot of land for their own subsistence crops, but they are required to work on the estate for the owner's benefit under his direct supervision or that of special supervisors or administrators. Estate owners do not usually innovate, being content to draw a regular income from the labour of their attached peasant workers. Estates are generally managed quite inefficiently, and much of the land is under-utilized. Technology remains traditional, and is mainly that of the peasants themselves.

Estate owners constitute a politically dominant class. Only when they see their power threatened by other classes of society (the industrial entrepreneurs, the urban middle sectors or even the peasants themselves through organized demands for land reforms) do they modernize their operations and use their resources more efficiently. They may then attempt to increase the exploitation of the peasantry or transform the semi-serfs into a rural proletariat, or simply evict them from their properties. In all of these cases social and political conflicts are likely to occur.

Estate agriculture represents a socially unjust and politically oppressive social system. Inequalities in wealth, income and social status between landowners and peasants are large and pervasive. Estate agriculture is always fraught with potential conflict, but it has also proved to be historically extremely stable, because it is tied to a fundamentally undemocratic and rigidly hierarchical social structure.

4 Modern plantation systems These systems, also based on large landholdings as economic units, arose in the tropical areas for the production of commodities for export to the colonial metropolises or the industrialized countries. Plantations are commercial enterprises that rationalize their operations. Very often they are owned by foreign companies rather than individuals. They specialize in a single crop and frequently constitute veritable economic enclaves in the countries in which they operate. Their locally recruited labour force is not a traditional peasantry but a rural proletariat, working for a wage. Permanent plantation workers are often unionized and are able to engage in negotiations with management for higher wages, social security, fringe benefits and other issues. However, the seasonal workers come mainly from the peasant subsistence areas. Plantations are economic enterprises which require a high degree

of organization, internal division of labour and specialization of tasks. They are more integrated into the international market than into the national economy in which they operate.

5 Family farms Family farms are the agricultural planner's utopian dream in the free-enterprise system. They are medium-sized, independent commercial enterprises, managed by an owner-operator at a relatively high level of technology and mechanization, with the occasional help of well-paid wage labour on a reduced scale, and provide the farm family with adequate income, giving it what might be termed 'middle-class status'. Family farms practise modern, rational agriculture and use their resources most efficiently. They sometimes combine different types of farming, rotate their crops, use fertilizers and improved inputs, and sell their produce on the market. Or else they specialize in cash crops with high unit value such as vegetables or flowers.

Family farms are not numerous in the underdeveloped countries for a number of reasons: the monopolization of the land in the hands of a few; the large number of traditional peasants who are unable to capitalize; the use of the land either for subsistence crops or for monoculture for export; the abundance of cheap underemployed labour; and the lack of integration between agriculture and industry within a strong internal market, which is one of the prerequisites for a family-farm economy in the industrialized countries.

Unless the traditional peasantry and the large mass of under- or unemployed agricultural labourers decreases sharply in the underdeveloped countries, it is unlikely that family farms will develop into a generalized kind of land-tenure system in the Third World.

The different kinds of agrarian structures mentioned above do not exist in isolation. Several of these systems may coexist within countries, depending upon a number of geographical, economic and historical factors. For example, in countries where European settlement took place at a relatively late date and where the native population was either exterminated or expelled from the settlement areas, family farms may have developed. In tropical areas where a native labour force was recruited during colonial times (or where slavery existed), plantation systems developed. In areas where a numerous peasantry was subordinated to a colonial system, the traditional large-estate system developed side by side with peasant holdings. Estates also existed in traditional feudal economies, such as those of the Middle East, where no foreign coloniza-

tion took place. Peasant smallholdings, family farms, large estates, plantations and communal-tenure systems may exist within the same national society.

Often, the different systems are organically linked to each other, such as when plantations require labour from the areas of communal tenure (Africa) or when the large estate exchanges labour, produce and services with surrounding peasant holdings (Latin America).

The various systems use the resources at their disposal in different ways. It cannot be said that there exists a single optimal combination. Historical, political, social and institutional factors are as important as economic and technical ones. Small peasant holdings are usually considered inefficient in economic and technical terms. Their output per unit of labour is low. Their smallness makes the application of modern technology costly and impracticable. Yet in the absence of other employment opportunities, small peasant holdings use labour more intensively and their land and water resources more carefully. In contrast large traditional estates that monopolize the land in some countries are wasteful of their natural resources. Where they could modernize or mechanize, they prefer to use low-productivity labour. And when they do modernize, they often displace manpower, which, in a situation of large-scale unemployment, is socially and politically harmful. In the process of modernization of the large estates, the 'economic efficiency' of the production unit is frequently valued above the 'social efficiency' of the national economic system. We find still another combination in the communal or collective land-tenure systems associated with primitive shifting or slash-and-burn cultivation. In these systems, when the land–man ratio remains low, the tropical forest in which such cultivation takes place can regenerate itself over a period of several years. But when population pressure increases, or when deforestation takes place after a change in the use of the land, then the continued practice of shifting cultivation may rapidly destroy the remaining soil and thrust the primitive peasants into misery.

Land-tenure systems and agrarian structures are the result of historical development. While some may be the product of generations of spontaneous evolution, others were designed by governments or ruling élites with specific economic or political purposes in mind. They were not necessarily established for the maintenance of the ecological equilibrium; on the contrary, their evolution frequently leads to the breaking of the equilibrium, requiring new arrangements.

Revival of the peasant economy

Recent thinking about agricultural development has usually considered traditional peasant economies as existing prior, and being in a way opposed, to modern agriculture. Much has been written about how to transform traditional agriculture, how to modernize it. Different theories of economic growth foresee the gradual disappearance of peasant economies in the world. Some development theorists and planners believe that it is possible to transform traditional peasant plots into market-oriented, competitive family farms or enterprises, in imitation of what is supposed to have happened in the industrialized countries.[4] Other analysts see the process of capitalist development in agriculture producing on the one hand the concentration of wealth and resources in the hands of a new landlord or entrepreneurial class and on the other the progressive proletarianization of the dispossessed peasantry.[5]

While a small number of entrepreneurial family farmers do indeed develop here and there out of the traditional peasant substratum of the underdeveloped countries, this is by no means a generalized tendency. A rural development strategy to this effect is doomed to failure in the sense that it may, to be sure, create a small middle class of family farmers in selected areas, but it cannot solve the problem of mass poverty in the rural areas. This can only be solved through an overall development strategy in which agricultural development is only a part.

The tendency towards economic polarization between a small landholding élite and a growing mass of proletarianized rural workers is clearly what is happening on a widespread scale in the underdeveloped countries. But contrary to predictions, even while this process is taking place, the traditional peasantry is not disappearing: on the contrary, it is in fact becoming more numerous in some areas.

The reasons for this are complex but it is essential to identify them for an understanding of rural poverty in the world today. We shall begin by defining peasant economy as the small-scale production of subsistence crops for local consumption by domestic groups based mainly on the use of family labour. For an economic characterization of peasant production, the legal aspect of land tenure is secondary: peasant production may take place on communally owned land, on private holdings, on leased or rented or sharecropped land, and on subsistence plots within large estates which peasants obtain in exchange for labour services.

Traditional peasants, as producers, are only loosely integrated into the capitalist system; their social world continues to be the local community

with its own corporate structures, religious and political life, and cultural value systems. Peasants cultivate the land for their livelihood, rather than for monetary gain. Their lack of capital, of knowledge of the market, of formal education and of opportunities is the result of their traditional subordination to local and regional power structures, in which the middlemen, the moneylender, the landlord, the political 'boss', all place insurmountable obstacles in the way of economic advancement and social improvement. Peasants are tied to their micro-plots, and unless large-scale institutional changes are brought about in the system which engulfs them, their transformation into independent, commercial, efficient farmers can be no more than wishful thinking.

Peasants are generally unable to capitalize. On the contrary, indebtedness is one of the more pervasive characteristics of peasant agriculture. Peasants cannot expand their operations, either because there is no more land available or because the price of land is too high (in both cases this may be so because of the monopolization of cultivable land by the regional landowner class), or because the amount of family labour available is limited and they lack the capital to employ wage workers.

Peasant farming, even while principally geared to the production of staple crops, is usually not able to satisfy the basic needs of the peasant household. With primitive technology and a small resource package, the peasant economy actually becomes increasingly decapitalized. If family labour were to be priced at prevailing wage rates (which it is not, in usual economic calculations, because it is an 'abundant' resource), the value of output is most likely to be inferior to the cost of the total inputs. In other words, the peasant farm is not only unable to turn a profit, it is often unable (in economic terms) to reproduce the labour force which is involved in its own production process.

The small peasant is placed before strong monopolistic elements in the rural land and capital markets. His industrial inputs, and of course his credit, are several times costlier for him than for the landlords or the larger farmers.[6] Unable to keep his saleable surplus for long (owing to his constant need of cash for current consumption), he sells his produce at lower prices than the larger farmer. In other words, the peasant suffers a double squeeze. If to this is added the rent he pays, or the part of his crop he must deliver to the estate-owner or the sharecropping landlord, or the government tax, or interest on mortgage payments and so forth, we easily see how peasants are forced to transfer a part of their wealth to other sectors or classes of society. Thus their actual or potential surplus

is skimmed off, or else they have to depress their already low living standards even further.

In these circumstances, why do peasants not simply give up their unprofitable activity and go into other sectors of economic life? Many of them do, and thus become proletarianized. But many of them do not, simply because the other sectors of the economy are unable to absorb them. Thus, in many areas of the world, peasants migrate temporarily to work in the modern agricultural sector, in the mines, in the cities, on construction sites and so forth. But they find neither stable employment nor adequate wages for themselves and their families. Time and again they are thrust back into subsistence agriculture only to be drawn again, temporarily, into wage work in the modern sector. The peasant economy has come to play the role of a labour reserve for capitalist enterprise in agriculture, mining and industry, as well as for the services sector.

In the underdeveloped countries, the modern agricultural, mining and urban-industrial sectors thrive by the use of cheap labour which the traditional peasant economies constantly provide. In the modern agricultural sector the need for labour is usually seasonal; but even in the other activities labour turnover is high and employment irregular. The modern sector is able to keep labour costs low not only by paying lower wages to migratory peasants than it would have to pay to a stable, permanent labour force, but also by not providing the various social services, housing, education and so forth which a permanent, stable labour force would be able to demand (particularly if it were unionized).

Economies exporting tropical commodities or raw materials are subject to severe international price fluctuations (sometimes artificially manipulated by the transnational corporations). When prices fall at short notice, cash-crop farmers and their labourers or sharecroppers, plantation workers, miners and other sundry workers directly or indirectly associated with the export economy are laid off. In the absence of viable employment alternatives, social security or unemployment compensation, they fall back upon the subsistence peasant economy for survival.

The peasant economy thus plays a dual role in the underdeveloped countries. On the one hand, however small and inefficient the peasant's plot, it serves to hold him on the land, thus lessening pressure on the non-agricultural economy in a situation of labour surplus. The peasant economy is able to reproduce the labour force at much lower cost to the economy as a whole than other sectors. It is thus in the interest of the

modern, or capitalist, sector to maintain and, indeed, to re-create the peasant economy to a certain extent, as long as it remains subordinated to the needs of the modern sector. On the other hand, it provides a safety cushion for millions of underemployed workers who would otherwise openly starve (as many of them actually do in Africa and Asia), and who would generate enormous pressures on the social and political system.

Far from disappearing or receding into the background, the traditional peasant economy, linked to the modern capitalist economy through the various mechanisms that have been mentioned, turns out to be a major economic and social system in large parts of the world in the latter part of the twentieth century.

The world's peasantries are thus by no means marginalized or isolated vestiges of pre-capitalist economies. They cannot be written off simply because the theories of modernization or of capitalist development tell us that they should have disappeared long ago. It is among the peasantries in their various and complex manifestations that we find the largest numbers of those millions of rural poor which the World Bank has belatedly recognized as being a major challenge of our times.[7]

Strategies of development have generally by-passed the peasantry. They focus on the modern farmer, the agricultural entrepreneur, the so-called rural middle class. Even countries that have carried out land reforms do little, in the non-socialist world, for their peasantries once land has been redistributed. Rather, by simply distributing land and then concentrating additional efforts on those farmers 'most likely to respond' to monetary incentives, they are in fact re-creating the peasant economy. Mexico is a case in point: massive redistribution of land to the peasants during the 1930s; thereafter a thirty-year period of agricultural policies directed at strengthening the modern, entrepreneurial sector; the result being a considerable polarization of the agrarian structure with the concentration of wealth and resources among a small élite and the increasing marginalization of the large majority of subsistence peasants and landless workers.

The peasant household: basic economic unit

An important fallacy appears to run through much of contemporary theorizing about rural development strategies. This is the emphasis placed on the farm as a self-sufficient enterprise. When the question of inputs, credit, market, technology, resources etc is raised, this is usually done with respect to the farm unit as such, as if it existed within a social and institutional vacuum. The fact is, however, that in peasant economies the basic economic unit is not the farm at all, but the household. In

peasant economies, as we have seen, farming is generally an uncertain and unstable occupation, and the peasant farm, whether it is devoted exclusively to subsistence crops or to cash crops, does not provide either sufficient employment or sufficient income to satisfy the basic needs of the peasant family (however these are defined).

The peasant household is not the characteristic nuclear family of urban settings, but frequently includes a fairly large number of members linked by kinship or affinity ties, covering various generations. Extended families, as these households or domestic groups are known in the specialized literature, are the real productive and consumption units of the peasant economy. Productive labour on the farm is but one aspect of a multitude of possible alternatives that the household actively pursues for its livelihood. The relative importance of direct farming depends, of course, on many local circumstances. The commitment may range from exclusive dedication (when no other alternatives are available) to a complementary activity (albeit a strategic one) when other alternatives present themselves.

The range of alternatives varies from country to country and from region to region, in accordance with the rate and kind of economic development that takes place at the national level. Thus, in many areas, temporary seasonal or pendular labour migrations are an essential complement to peasant farming. Elsewhere, or simultaneously, local handicraft production is a primary activity. This, however, is rapidly being displaced by the penetration of industrially manufactured goods even into the most remote areas, thus increasing the economic pressure on the peasant household. In still other areas, small-scale trade (sometimes even over long distances) is an essential source of much-needed cash. (Observers note the variety and colourfulness of market-places in western Africa or Indian Latin America, but seldom ask themselves about their economic function.) In many countries family members (male or female, usually the younger generation) seek employment in domestic or other services to supplement the peasant household's income; military service for the young men is another possibility. In some areas the development of international or national tourism opens up new vistas for local employment. (But it is generally underpaid and requires the supportive role of the peasant economy, cheap tourism being one of the attractions for the international jet-set who love to go to 'exotic' places.)

All of these activities cannot be accounted for simply as 'complementary income' for the peasant farm. They form an integral part of what we may

call the peasant household's strategy for survival in underdeveloped capitalism. We must therefore attempt to understand the dynamics of the peasant household in its entirety as an economic and social unit. The role of family labour is paramount, as against the usual consideration of only the farmer or the head of the family as the visible economic pivot. Women, children and the elderly have important parts to play in the household's survival. As for children, their economic role frequently conflicts with their duty to attend school. When the menfolk are away, women have to attend to the farm or the market-place. The internal division of labour in the household is essential to its economic function. Large families are of strategic importance. This is why birth-control programmes so often run directly counter to prevailing cultural values among the rural population. These values are derived not only from some vague religious prejudice, but from the structural needs of the peasant economy.

Within this context, the time, energy and attention that the peasant household devotes to its plot of land are determined by two fundamental criteria: (a) the need for food; and (b) the available alternatives for obtaining monetary income. The relation between these two variables determines the nature and intensity of direct labour on the peasant farm. Contrary to facile references to the peasant's 'irrational behaviour' or his abstract 'traditionalism', farm work is one of a number of carefully evaluated variables in the peasant household's economic calculations. At the level of subsistence living, a mistaken decision may make the difference between survival and starvation. The peasant household's margins for economic manoeuvre are slim, and the risks loom large.

Rural development strategies aimed at raising the standards of living of the rural poor must focus on the peasant household rather than on the peasant farm as such. This means that some of the basic premisses upon which rural development planning has rested in recent decades should be rethought.

Objectives of rural development strategies

Basically, different kinds of development strategies converge on a number of fundamental and common objectives. A clear understanding of these objectives is thus necessary for the adequate evaluation of different kinds of rural development strategies.

1 Probably the most widespread objective at the present time is rapidly *to increase agricultural output and productivity*. The most spectacular advance in this field is from the various technical improvements known

as the 'green revolution', that is, the various practices associated with the introduction of new, high-yielding varieties (HYVs) of seeds, mainly wheat, maize and rice. The 'green revolution' has had some success, especially in some Asian countries, in which it has contributed to considerable increases in agricultural output of basic grains in a relatively short time. Acreages covered with the new varieties of seeds have expanded rapidly. However, the 'green revolution' has also run into some problems. The introduction of HYVs is associated with special technical and environmental factors (water for irrigation, fertilizers etc), the success of which is in many areas reserved to a small, privileged class of richer farmers, who are also able to concentrate the benefits deriving from higher output. Generally, the small peasant has not adopted the new varieties. The 'green revolution', while contributing to the increase in output and productivity at the farm level, has also helped to aggravate income inequalities in the rural areas, and has increased the proletarianization of many small peasants.[8]

2 Another overall objective of rural development strategies is *to improve efficiency in the use of scarce land and water resources*. Lack of consciousness about these matters has led to a dangerous depletion of soils in many countries. Millions of tons of good soil are washed away yearly by rains or floods or eroded by winds in mountainous or hilly areas. The haphazard cutting down of woods and forests has changed micro-climates and contributed to erosion. In other areas, the desert advances against the tropical rain forest or the cultivable areas. The control over soil erosion is closely linked not only to agricultural techniques, but also to the organization of production and the functioning of land-tenure systems.

The same may be said of the wastage and inefficient use of water. Many underdeveloped countries are partially arid and do not have favourable hydraulic resources. Certain kinds of irrigation systems, so necessary to increase agricultural production, are depleting ground-water deposits to levels at which their natural renovation is endangered. In other areas, water resources are contaminated through other uses with detriment to agriculture. This has even led in some cases to international conflicts. Water, like soil, is not inexhaustible, and agricultural planners have only recently become seriously concerned with these matters at international levels. The efficient use of water for irrigation is directly related to land tenure and the distribution and organization of farm units. It is thus a political and social as well as a technical problem.

3 A serious obstacle to development in the Third World countries is *the lack of capital resources*. Agriculture is generally the last sector to receive new capital investments. In many countries, agriculture has actually been decapitalized. A more efficient use of capital resources is one of the principal objectives of many rural development strategies.

This is not an easy problem to solve nor are there any recipes to apply. Frequently, economic planners believe that any injection of capital will produce increased output, yet field studies and cost–benefit analyses of rural development projects in various parts of the world have shown that this is not necessarily so. On the contrary, massive investments in the rural areas have sometimes produced massive social and economic maladjustments. Too much capital investment, and too rapidly, has led to tremendous wastages. Rural farm surveys have shown that whereas small peasant holdings are definitely undercapitalized, large modern estates or commercial farms may be highly overcapitalized. The modernization of agricultural operations has often led to the uncritical adoption of labour-saving mechanization, without making significant contributions to output. The efficient use of capital investments in the rural areas is not only a function of different factor availabilities, but also of the social organization of production, as well as the structure of the regional and national economy.

4 Over the last decade it has become increasingly evident that one of the principal development objectives in the Third World countries must be *the creation of employment opportunities* for a growing mass of unskilled labour. Disguised unemployment is particularly acute in the rural areas, but detailed statistical information about this is difficult to come by. Satisfactory strategies for employment creation, particularly in rural areas, have not yet been devised. Many different measures are being considered: labour-intensive agricultural techniques, public works for infrastructure using manpower intensively, rural industrialization etc, combined with accelerated manpower training programmes, the creation of regional poles of growth, the control of international transfers of technology, among others.

5 Yet another objective is *income redistribution*. Economic growth over the last few decades has shown that aggregate and *per capita* output can be increased, but that the distribution of income between regions and social classes becomes more unequal. Agricultural growth has been no exception to this tendency. Modernization, mechanization, the 'green revolution' and other policies designed to further agricultural devel-

opment have generally benefited a small group of large or richer farmers, merchants and middlemen. If a more equal or more just distribution of income (and with it, of social status and of political power) is indeed a development objective, then rural strategies must specifically design measures to implement this. The peasant farmer, the landless labourer, the migrant seasonal worker must be included in development plans, which is not always the case at the present time. Furthermore, in the underdeveloped countries, marketing and distribution networks tend to absorb a disproportionate part of rural and regional income. Agricultural development has furthered the growth of a 'rural bourgeoisie' whose increasing economic importance has only recently begun to be appreciated by students of the rural areas.

A rural development strategy aimed at improving the distribution of income would have to pay special attention to these questions, through the creation of marketing cooperatives or boards, state-owned purchasing and distribution agencies and other mechanisms allowing the rural producer easier access to urban and international markets.

6 The final goal of a rural development strategy must, of course, be *to raise the living standards* of the rural population. Increased output and even increased monetary income do not automatically mean a better standard of living for the peasantry in terms of material wellbeing, nutrition, education, security, leisure, mental health and social integration. All of these various goals require specific policies. Field studies in different parts of the world have shown that the sudden injection of money in a traditional economy may lead to wasteful spending, conspicuous consumption and produce socially harmful results. If increased output is to lead to real improvement in standards of living, in saving and productive investment, a number of social development policies must be carried out simultaneously with the introduction of economic measures on the production side. Education for consumption and better living is as important as training and incentives for increasing production. This requires the definition of collective rather than individual goals, of communal rather than personal improvements, of social rather than private interests. Specialists are not yet agreed as to what the relevant variables are, much less as to what are adequate indicators for measuring these variables. It is easier to measure increases in output than increases in social wellbeing.

Rural development strategies

The crisis of the world's agriculture and its peasant masses has led to the proposal of a number of development strategies in the rural areas, all of which have been tried with more or less success in different parts of the world.

Redistribution of land In areas of large estates and an oppressed peasantry, far-reaching agrarian reforms have redistributed the land to the peasants under various kinds of ownership arrangements. In some cases, the peasants have received small plots of land as proprietors; in others the land has been given to villages collectively, and heads of family have received individual usufruct rights to specific plots; in still others, co-operative or collective farms have been established on parts or on all of the old estate. In some cases the peasants have simply received title to the plot they have always worked, and only their labour services to the landlord have been abolished.

While the redistribution of land from the estate sector to the peasantry has everywhere had important political and social consequences (raising the social position of the peasant, making him a participant in political life), and has also allowed a rapid increase in the peasant family's consumption of foodstuffs (they can now retain more of their own produce, rather than transferring it to the landlord), the mere distribution of land rights or land titles does not solve the problems of agricultural backwardness and low incomes for the farmers. Land redistribution schemes must go together with a massive transfer of resources and inputs into the agricultural sector. Credit, technical assistance, supporting services of various kinds, must be channelled to the reform beneficiaries if substantive increases in agricultural output are to take place.

Abolition of rents and tenant arrangements Similar in effect to agrarian reforms in areas of large estates are measures designed to abolish rents and tenant arrangements for the benefit of the direct producer. Such policies do contribute to raise the level of income of the peasant, but they do not produce agricultural development by themselves unless accompanied by a whole series of additional measures. Their main result is a redistribution of agricultural income, at least for a period, before new kinds of exploitative structures (commercial or financial) again tie the peasant to some other social class that is able to extract surplus from his labour.

Landholding reform In regions where a traditional peasantry has been settled on the land for many generations, the landholding pattern be-

comes dispersed and complex. Commercial transactions, inheritance and other land transfers lead to the atomization of peasant property and to a crazy-quilt patchwork of tiny plots and parcels which is not conducive to the integration of viable economic units. Here, policies are put forward tending to consolidate dispersed peasant holdings, to redraw the local landholding maps and to create more stable and economically feasible farms. Again, unless these policies are accompanied by other measures, their beneficial effects may be shortlived.

Intensification of peasant agriculture Where small peasant holdings are the result of land reforms, or where basic structural changes in the land-tenure system are not feasible, or in areas where a high level of unemployment characterizes the agricultural sector, thus requiring a part of the peasantry to remain on the land for several generations to come, policies leading to the intensification of peasant agriculture may be possible. This means channelling to the peasant the technical and financial assistance necessary to improve the use of his resources and the productivity of his labour, without necessarily changing the size of his farm. This means 'thinking small' rather than doing big things like building giant, expensive dams or introducing monster-sized tractors designed for wider open spaces and large private or collective farms. 'Thinking small' is not usually the way politicians or planners operate in the underdeveloped countries. Multipurpose dams, eight-lane highways and settlement schemes in faraway areas constitute more of a monument to statesmen preoccupied with their place in history, than do small irrigation networks built by local labour, soil-conservation projects of reforestation programmes.

The intensification of peasant farming, designed mainly to increase the peasants' own income as well as to provide surplus produce for local and regional markets for the urban population, is not a 'popular' development strategy, because there has been so much emphasis on the backwardness and inefficiency of peasant agriculture that forward-looking planners want to do away with it altogether, and right away.

Family farms The development of family farms on the European or north American model has long been the purpose of many rural policy-makers. The advantages of family farms are defended on economic and philosophical grounds. There is no doubt that, in certain social and economic environments, family farms are economically productive and competitive and able to absorb new technology productively, provide good incomes to their owners and contribute to the social and political

stability of their countries (family farmers are usually conservative). But this rural development model is only possible in a situation where the labour force in agriculture has decreased to, say, less than 25 per cent of the total population, and where there is a dynamic internal market for agricultural products. Nowhere has it been possible to transform peasants into family-farmers, except on an experimental scale and at very high cost per unit (family or farm). Most land reforms in Latin America or Asia have not achieved the development of a stable class of numerous family farmers.

Cooperatives Together with the development of the peasant economy or distributive land reforms or policies designed to further family farms, many strategies direct their attention to the growth and extension of various kinds of cooperatives of independent producers. Service, marketing, purchasing and credit cooperatives are well-established instruments that enable producers to reduce their costs and increase their incomes. The success of cooperatives depends on the economic solvency and stability of the members. But in underdeveloped countries in which there exist great income inequalities among the rural population, cooperatives generally benefit only the richer farmers and contribute to marginalize the lowly subsistence peasants, who might most benefit from cooperative arrangements.

Collective farms A final strategy of rural development consists in the furthering of different kinds of cooperative, collective or state farms. When a land reform takes place, large estates or plantations that are economically integrated units cannot be profitably subdivided into small plots or farms. Their maintenance as units may be necessary, even if the form of ownership or management changes. In such circumstances, there are strong arguments for state or collective management, on technical and economic grounds. In other cases, collective or state farms may result from the integration of small, individually owned units into larger ones.

The problems of state-owned or collective farms are many and well-known. They do not basically have to do with economic or technical rationality, but rather with psychological incentives, social organization and bureaucratic efficiency. In the underdeveloped countries, a strategy of collective farming seems to be increasingly envisaged by policy-makers in order to confront the problems of increasing output, redistribution of income and creation of employment.

None of the aforementioned strategies needs to be taken by itself, even though policy-makers usually prefer to emphasize one or the other. It is possible that any one country may adopt one or several of these strategies of rural development simultaneously. The relative value of each strategy cannot be judged only on its own terms, but only in relation to the organization of production in agriculture at the local level. The viability of a rural development strategy depends on factors embedded in the wider socio-economic system. Each strategy has economic, legal, political and ideological implications which are beyond the scope of the rural planner or the agricultural specialist. A working knowledge of the political system is indispensable for a realistic appraisal of the possibilities of any one rural development strategy at any given time.

Recent experience has shown that there is no single rural development strategy applicable in all socio-economic and cultural environments. Unfortunately planners and policy-makers, for reasons of their own, often emphasize one strategy or one objective above all others (land distribution, or rural settlement, or the 'green revolution', or the creation of family farms etc), and a country's scarce resources will go mainly into one channel. In rural development planning it is necessary to consider various objectives at the same time, and clearly to order them according to priorities. Frequently the priorities of urban-based national planners do not coincide with those of the rural population. Peasants are rarely consulted when development priorities are set; they should be.

Notes

1 See: United Nations, *1974 Report on the World Social Situation,* New York, 1975 (doc. ST/ESA/24).
2 See: UNRISD, *The Social and Economic Implications of Large-scale Introduction of New Varieties of Food Grain,* Geneva, 1975.
3 See: Comité Information Sahel, *Qui se nourrit de la famine en Afrique?,* Paris, Maspero, 1974.
4 See: R Weitz, *From Peasant to Farmer, a Revolutionary Strategy for Development* (The Twentieth Century Fund, 1971), for a forceful statement to this effect.
5 See: R Stavenhagen, *Social Classes in Agrarian Societies,* New York, Anchor Books, 1975; and Keith Griffin, *The Green Revolution. An Economic Analysis,* Geneva, UNRISD, 1972.
6 See Griffin, op. cit.
7 See: World Bank, *Rural Development,* Washington, 1975.
8 See UNRISD, op. cit.

Another Development for Women

by Krishna Ahooja-Patel[1]

No, we do not want to catch up with anyone. What we want to do is to go forward all the time, night and day, in the company of Man, in the company of all men.
Frantz Fanon, *The Wretched of the Earth*

From a thousand faces of servitude known to humanity, there is one that has recently emerged from obscurity, as from the dark side of the moon. The unveiling of its face took place with the studied ritualism of rhetoric, reports and resolutions[2] in one single year, 1975, as if some atonement on paper was necessary for history's neglect. Does this proliferation[3] of thought on women at a global level have a deeper significance? Now, when the thunder and storm of the great battle of ideas has subsided, only statistics are making their silent protest. And around these strings of figures can be woven many a tale. At best, the power of numbers is limited, they tell only half a story.

The other half of the story is the real story of this century. It concerns the redistribution of privilege, power and property between the rich and the poor. The redistribution of power between men and women, therefore, is an integral part of this process. The link between the poor of the world and the condition of women is their perpetual state of dependence; it is always someone else who is the master of their destiny. The indifference with which the contemporary world has held its poor and women to a large extent explains the distortions of the existing economic and social order. How can one then remove three mountains from the back of the man and four from that of the woman?[4]

A world profile of women using selected economic and social indicators reveals that women (a) constitute one-half of the world population and one-third of the official 'labour force', (b) perform nearly two-thirds of the hours worked but, (c) according to some estimates, receive only one-tenth of the world income[5] and possess less than one-hundredth of world property. These indicators can only construct a static picture, for it is only recently that women's contribution to economic and social activity has begun to be disaggregated in statistical terms.[6]

How should this tremendously powerful image of inequality be translated into concrete questions for national policy? These questions have been raised at various levels and have recently preoccupied discussions in international forums. At the national level, women's groups and organizations of various political hues have urged action at the practical level of policy-making. In sum, the questions are posed this way:

Should a country plan separately for women and establish specific projects and programmes to reduce inequalities?
Should the content of education be transformed so as to allow women to participate more fully in the development process?

What are the mechanisms by which the inherent biases of an employment structure can be eliminated?

In what manner can society deal more effectively with deep-rooted prejudices against women?

All these questions are obviously relevant and point to highly complex modalities of social change. It is not easy—considering the tools of analysis which are at the disposal of the social scientist (including the economist)—to surmise the precise direction towards which society is stirring or shifting in eliminating existing inequalities. At this point in history, the answers can only be partial, for the simple reason that existing information on 'half of heaven' has been compiled in the curious belief in the fundamental inferiority of women in almost all sectors of life. An amusing reflection of this belief is that even so eminent a philosopher as Aristotle[7] was convinced that women had fewer teeth than men. But Manu[8] was more blunt. According to his code, 'in childhood a woman must be subject to her father, in youth to her husband and when her lord is dead, to her sons. *A woman must never be independent*' (my italics).

The broad sketches presented below attempt a canvas of light shades mixed with blotches of darkness that all depict images of inequality. The insatiable quest for equity within societies is the frame. Just as the poorer societies today (given various labels that change every few years) are passing through contradictory stages of communication, conflict and confrontation for an equitable share of 'man's worldly goods', so also are women emerging simultaneously out of darkness. Slowly, they are leaving behind the legacy of humiliation, dependence, resignation—and above all silence. In a few enlightened enclaves, some of them are raising their heads a few inches higher to pose a few awkward questions. The manner in which and the rapidity with which these questions are answered will determine the transition towards new development strategies.

Inequalities within inequalities

Beyond disciplines

Without going into the causes of inequality in history, which impinge on various disciplines,[9] it can be stated with a fair degree of certainty that in all countries, no matter how classified, women have an unequal start in all areas of work and life. This 'unequal partnership' is the characteristic feature of both market and centrally planned economies; of countries with socialist patterns of income distribution and countries where the political form of government has been termed 'radical' or 'revolutionary'. The striking fact is that women everywhere work longer hours in

low-paid jobs in processes of production applying backward technologies. Unequal access to education and employment is only the visible sign of a mass of subterranean inequities which reflect the more important unequal share in decision-making processes in public and private life. Thus the image of inequality cuts across regions, political organizations and economic and social structures, systems of beliefs and concepts of culture. Women are everywhere treated as a minority as far as different forms of discrimination[10] are concerned. The surprising fact is that history does not record many revolts against this institutionalized exploitation. Does it mean that, like the history of the Third World, women will also have to rewrite their own history.

The history of religions—the fountains of human thought, beliefs and behaviour, ethics and morality—shows that they have also carried over long periods of time and tradition a strict division of humanity into two principal classes: men and women. Different rules, separate definitions of vice and virtue and double standards of morality have been preserved in almost all scriptures. For example, the comparative survey of religions reveals highly interesting contradictions in their general attitudes towards women. The older religions such as Hinduism,[11] Buddhism,[12] Zoroastrianism, Judaism, Shintoism and Confucianism[13] constructed varied hierarchies which invariably placed women among the lowliest of the low. They were treated as bundles of impurities, unfit to perform 'higher' religious functions such as that of being a priest—only men were considered qualified to be nearer to gods.

For systematic and efficient discrimination, however, there needs to be an organized church—and for that one must turn to more recent religions such as Christianity and Islam. Being the only two proselytizing religions of the world and being committed to conversion of the pagans and the non-believers, their attitude towards women appears to be one of repressive tolerance, witness the Roman Catholic debate following various decrees by the Pope. These revolve around the question as to *who* should exercise control over the 'reproductive system' of the woman—certainly not herself. The Koran encouraged women to inherit property equally from fathers and husbands in their own name, and parents to educate daughters and sons. In fact, Muslim women are the least educated and most vulnerable members of their societies. They do not even have the comfort of entering a mosque.

Religion (ritualism, as opposed to religious thought) has been also used in curious ways in some cultures to keep women not only spiritually but

also physically immobile. On this point there have been some ingenious innovations in history, such as feet-binding (China); circumcision (in some African societies); 'chastity' belts (Europe); and of course the veil or purdah (Muslim countries). The system of purdah is designed so cleverly that women are deprived of enjoying even free elements of nature such as fresh air and sunshine. And yet the ironic fact is that women everywhere tend to be more religious and god-fearing and seem to participate in greater numbers in church-type activities. Thus throughout history, in subtle ways, the roles of preservers of tradition and guardians of culture have been imposed upon them.

The state of non-knowledge

As always in the social sciences, mythology flourishes in the absence of information. Unfounded assumptions and untested assertions are rife throughout the writing of several schools of thought that have suddenly surfaced. The activists[14] (also termed feminists and militants) have dramatized various forms of discrimination with a great flourish in public gatherings. The academicians have been comfortably considering the 'role', 'place' and 'status' of women; the historians have contented themselves with the citation of Lysistrata's revolt[15] in ancient Greece; the anthropologists are uncovering evidence on value systems of patrilineal and matrilineal societies; the politicians have discovered a new subject on which to base their rhetoric.

Within the United Nations system itself, the ratio of participants of women to men suddenly jumped up in 1975 in almost all the meetings, conferences and symposia—when the governments of several countries made special efforts to make women 'less invisible'. It was an excellent job of temporary window-dressing. But the secretariats of the various United Nations organizations and agencies are still probing for policies that would make the statistical pyramids of bias look a little more respectable.[16]

Depending upon the attachment to a particular discipline the questions can be formulated in several different ways. The constant themes of innumerable publications (multiplied with great efficiency through the media in industrialized countries) have narrowed the discussion to propositions based on the existing education and employment structures concerning participation rates, equal remuneration and the proportion of managerial, professional and technical posts in certain sectors of the economy. The participation of women in the decision-making process is

linked again to the number of posts held by women in the existing political structure, implying replacement of men by women in certain strategic positions. The division of labour within the household has been measured in several ways, eg by time-budgeting studies, to indicate the low input of men in the mundane and trivial tasks of daily existence.

As far as private rights are concerned, divorce and abortion are the only two issues that have aroused the lawyers to propose radical changes in the existing plethora of outmoded and dusty family laws. But the long and lingering battles to extend the big umbrella of equal protection within the law still lie ahead as the legal anomalies are slowly uncovered. Meanwhile, the sacred legal textbooks continue to pin women down to narrow worlds of immobility and non-choice. In this fashion, much of the current writing has tilted more towards examining the position of women in the urban and modernized sector of societies; concentrating on those who are already educated and employed and form a 'privileged minority' in their countries. The very real problems of men and women whose backs are bent with hard work in rural areas and whose labour is frequently unrewarded have held the interest of only very few writers.[17] What form of political organization is conducive to liberating women rapidly from their existing servitudes is a question that has hardly been posed.

Different postures

Is it an accident that in almost all international conferences[18] of any size, sharp differences of opinion frequently appear between women from the industrialized countries and the Third World? Is it a reflection of the much wider international inequities that have appeared all over the horizon or could it be that women in the richer parts of the world link emancipation to an evolutionary process, where a patchwork system of reform is the order of the day? Do women from the Third World link their liberation to a total change of society and are they unable to detach it from the wider perspective of poverty? It is not in the answers but perhaps in the posing of these problems that different postures begin to emerge in discussions on and about women.

In industrialized countries, expressions such as 'emancipation', 'equality' and 'liberation' are frequently related to the integration of women in the existing power structure. Compared to women in poor countries,[19] they are relatively more mobile and often autonomous, able to exercise choices in habitation and cohabitation on their own volition without any serious damage to their 'reputation'. Thus the word 'choice' has some meaning in the conduct of their lives. But the condition of women in poor

countries has reached such a level of dependence that they are almost always pushed from one set of non-choices to another, from father to husband to son in fixed cycles of their lives—or to some other unchosen 'patron'.

The tiny number of professional women[20] at a certain income level in Third World countries can easily afford domestic help and/or labour-saving devices. Therefore, the question of sharing domestic chores with their husband which preoccupies women in industrialized countries becomes almost irrelevant. Many highly educated Asian women would consider it anathema not to 'service' their husbands. This 'cultural trait' of the so-called oriental woman recently created quite a problem for marriage agencies in the United Kingdom. More and more British men showed their preference for Indian or Pakistani women. Thus, their market value in industrialized society showed a relative increase. Furthermore, the sexual *mores* in poor countries owing to the complete lack of sexual education, are still at a stage where women are psychologically trained to be the objects of a man's pleasure,[21] 'pride and prejudice'. The sex habits of the urbanized upper-income groups are reminiscent of the Victorian age, with all its paraphernalia of modesty, chastity and hypocrisy. Marriage is the *summum bonum,* the most coveted career.

For various reasons, therefore, women in the middle classes (defined loosely) in Asia, Africa and Latin America frequently tend to act as obstacles to any social change and are in favour of the *status quo*. In this respect they behave like members of the élite in Third World countries, who wish to retain their privilege at any cost in international economic relations.

There are many ways of distinguishing the characteristic features of hardship among women from the rich and the poor world.[22] But these approaches and attitudes differ in a much more fundamental sense. The various profiles of women in industrialized countries reveal a different set of preoccupations, those of modern affluent societies, whereas in the Third World, in another pattern, an astonishing variety of faces are linked to the earth, the soil and activities connected with them.[23]

In an impressionistic way, the two portraits presented below underline the different worlds of women. First, a summary picture of the world of the rural poor:

She wakes at 5 a.m., eats little or nothing,straps her baby on her back and walks a mile to a field. There, for ten hours, she bends and stoops planting or hoeing. At 3 p.m. she scavenges for firewood and carries it and her child home. There she pounds grain kernels into meal and prepares food. By 6 p.m. she is ready for another walk—this time a three-mile round trip to fetch water. At dusk, she kindles a fire, then cooks, serves and eats an inevitably bland and nutritionally inadequate meal—the only kind affordable.

She is a woman from Zambia, but she also lives everywhere in many parts of Africa, Latin America or Asia.[24] In fact she is one of the 600 million women living in rural areas in the Third World. Shifting to the industrialized modern world, this is how an educated, urbanized woman saw her place in the world:

We are just beginning to walk, we have barely emerged in the daylight.... But as we take our first step, we feel as though we had lost a third leg which stopped us going forward but which also gave us a certain stability, such as a tripod has. The third leg we have lost is our status as wives and mothers, our incomparable beauty, the look of approval and appropriation in men's eyes, our destiny as kept courtesans.... Who is to tell us whether we are right? Who except for ourselves? Here we are with two legs to stand on. It is hard. It is too normal.[25]

These two worlds that are centuries apart need to be examined in a little more detail.

The 'countryside' of the world

The economic and social indicators normally depicting the Third World, relating to low incomes, malnutrition, illiteracy and other humiliations, apply equally to rural women—only more so. If the poorest of the poor were to be identified, the majority would certainly be women. Despite this glaring reality, it is to be noted that international agencies, scholars and other benefactors have consistently followed an ostrich-like policy. Their writings reveal rigidities of thought that have only just begun to look a little less confused.

When analysing the occupational structure in the industrial sector, the workload of women, including what is euphemistically called 'moonlighting', is consistently and methodically left out of any analysis. When examining agricultural or rural activities, attention is concentrated on the lack of access to various inputs such as credit and fertilizers. Rarely is any reference made in development literature to the impact of these inputs on the physical stamina of women, who contribute their physical energy to a range of agricultural activities from ploughing and sowing to transporting and marketing.

That modernization or mechanization of agriculture can also make a dent in the oppressive hierarchies in villages and make a woman's work lighter is hardly linked to the problems of 'choice of techniques'. The fact that the majority of women work with backward technologies has rarely been mentioned. It might be asked why, in the enclaves of 'green revolution' where rural income has increased through the modernization of agriculture, the extra revenue of the family is spent on technologies that aid men's work rather than women's. For instance, in the states of Punjab and Haryana in India, it has been observed that in the well-off farming families additional income is frequently spent on bicycles rather than sewing machines, radios rather than gas cookers. Thus, the technological revolution in rural areas has completely bypassed women.

What is even more striking is that in any international discussion on 'appropriate' technologies within societies and transfer of technology within nations, the fact that the majority of the rural women continue to work only with the aid of their muscle power has been completely ignored.

Some studies have attempted to explain that labour-force participation rates[26] of women in agriculture are correlated with land abundance or land scarcity. The processes by which in recent times collective land passed on to individual ownership—in Africa, for example—have also been examined. When a society which has lived on subsistence agriculture begins cash crops—and land rights shift collective tilling rights to individual ownership rights—the land becomes the property of the husband and division of labour between the sexes changes—cash crops become men's crops. Anything that involves a new technique is a man's job.

But there is very little analysis on how, in the very nature of this process, much of the original economic power and influence of women and rewards from agricultural work slowly eroded. Very little evidence has been unearthed eg on the increase in the number of landless agricultural women labourers since the introduction of a series of land reforms or land-tenancy Acts. In India, for example, out of an estimated 47 million agricultural labourers, 32 million are women, that is, two out of every three.

The situation is only slightly different in Africa. In East Africa (particularly Kenya and Tanzania) work is apportioned according to sex: all agricultural tasks affecting annual crops fall on the women, with the

exception of clearing and burning land. On certain high, dry plateaux where the soil is difficult to work, men take part in heavier cultivation. Women hoe and loosen the soil, plant, thin, weed and harvest. They are responsible for the storage of produce, consumption and distribution and sale of any possible surplus. This gives them some income at their disposal. They are also responsible for the day-to-day household budget, animals, cooking food and procuring all that is necessary for food preparation, ie fuel, water etc. They are generally regarded as 'legally incompetent', but their position as the main provider of food gives them a small amount of economic independence and value.

The picture is also not very different in the villages of the high plateaux of Guatemala, Ecuador and Paraguay, where women exist in the same torpor and atrocious injustice as elsewhere in Africa and Asia. For example, the woman works in the field, tends the flocks, trades, is a craftswoman, weaves, embroiders, sews, spins, dyes, makes pottery and baskets. In addition, she cooks and washes and rears children and services her husband. Despite her enormous work, she consistently occupies a place of inferiority in relation to the man in social and economic life. For example, she does not even walk shoulder to shoulder beside him. She always trots along several paces behind, carrying the heaviest share of the burden.[27]

In some countries of the Third World (for instance, Algeria, China, Cuba, India and Viet-Nam) the massive participation of women in the liberation struggles[28] has precipitated recognition of their potential. For a brief period, this upsurge also took place in India during the struggle for Indian independence under Gandhi.[29] In countries where the nature of struggle was revolutionary, as in Viet-Nam or China or Cuba, there a concerned fight was waged against the deeply rooted causes of the unequal status. While great progress has been made in these societies to uplift women, even there the vestiges of historical discrimination continue, as is plainly illustrated in the following statement at the Viet-Namese Women's Fourth Congress in 1974:

> The labour force of women is very abundant, but it is not reasonably distributed and employed.... The other important cause is that in our society there still exist not quite correct conceptions concerning the relationship between family and society.... Among the people, and even among the cadres, there are still remnants of backward feudalistic ideas, such as paying more consideration to men than women, not duly respecting and protecting the legitimate rights of women, not setting out to free women from family slavery and worse still the committing of brutal and inhuman acts.[30]

This it may be noted was the situation when the bulk of agricultural work was put on the shoulders of the women, when men were in the battle-fields.

Again, in China, the large-scale entry of women into the labour force[31] by special political measures was responsible for highlighting the fundamental problems of women, in the history of their cultural oppression. The experience since the 1950s indicates that changes in the economic structures and the creation of new social forms do not necessarily result in the adoption of new values and standards of behaviour. As noted on Woman's Day in China in 1973:[32]

> China was under feudal rule for 2000 years and the exploiting classes left behind deep-rooted ideas discriminating against women and looking upon them as slaves and appendages. Today, classes and class struggle still exist in our society and it is still impossible to eliminate completely the remnants of the old ideas of looking down upon women....

The 'urban' perspective

There is a considerable body of literature in industrialized countries suggesting that education and employment are two principal determinants of the status of women in a given society. Formal educational qualifications are related to levels of employment and other benefits. Several planning and cost-efficiency studies have shown that educational qualifications are the most influential variable[33] and that there is a close relationship between educational levels and the rate of economic activity, affecting at the same time the volume and duration of employment.

But these correlationships do not inform us of other glaringly disturbing facts. For instance, the relative access of girls to school attendance as compared to boys has remained unchanged during the last decades, and there exist in almost all countries huge discrepancies in socio-educational investments according to sex.[34] The fact that girls in most parts of the world are still well behind boys in both the length of their education and its substance points to a serious initial handicap leading to inequities later in life.

The global statistical view on education of women hides some other unpalatable facts. Equal access to educational facilities is not a normal feature even in industrialized societies; for example, women are less 'educated' than men even in the USA,[35] less 'skilled' even in such an advanced society as the USSR[36] and earn much less than men even in

Canada.[37] Even where there is near parity at the primary and secondary levels (eg Jamaica, Sri Lanka), there continues to be discrimination in the nature, content and options in education. The spread of coeducation, however, may have somewhat ameliorated the content, if not the options.

The distinctive shades of profile of education in Third World countries show an impressive quantitative increase in the last two decades, although with vast differences between continents and countries. There has certainly been a steady increase in the number of girls enrolling in schools at all levels. But what happens after enrolment? The most disturbing aspect of this seemingly positive trend is that there is also a simultaneous increase in the number of girls who drop out after two or three years of schooling. There still remains a large number to whom the notion of a school is unknown. Out of 800 million people enumerated as illiterate in the world, it is perhaps not surprising that two-thirds of these are women—deprived even in the twentieth century of the magic of the written word.

Apart from economic causes which prevent their attendance at school, investment in the education of women is still considered wasteful by large segments of society. A misty reflection of this notion is to be found in some African countries where, for example, the extended family or sometimes an entire village might collectively finance a boy's education, but for a girl to be sent to school, the nuclear family has to be enlightened and, more important, possess some private financial resources. Thus, to educate a girl requires the conjuncture of very special circumstances.

These numbers do not say much about the contribution of education in the informal sense—in the wider horizons, or 'universities of life', which could uplift women to a more equitable position as a human person. There are serious problems in this respect and quite reasonable doubts are raised about the merits of the existing formal system of education, with its rigid curricula and concentration of numbers. And this applies to both men and women. But the implications of the present educational systems for the woman, which continue to prepare her for double roles, are more serious for the new generations to be educated by her. While seeming to be the same, the present system channels women into fixed roles, denuding them of a fair chance in life and considerably lowering their aspirations in all sectors.

Almost all the disadvantages of an educational system are experienced

by women as they turn towards the employment scene. Once 'reluctantly educated', when she turns her attention towards obtaining a job, suddenly many walls go up, creating vast areas of systematic discrimination. Each step towards seeking and keeping a job becomes full of hazards and hardships. It is more a game of chance—a lottery with all geared towards losing. The key factor, therefore, is not simply the number of jobs women occupy, but the nature of the control they exercise over their own conditions of employment, promotion opportunities and wage levels relative to men.

As far as the number of women in the labour force[38] is concerned, there are several myths current which put a neat lid on social reality. These relate to the definition of the 'economically active' and the methodology of counting them: who works at which jobs and in what numbers?

When counting women as 'economically active',[39] several methodological problems suddenly emerge. For a woman to be counted as a worker she must produce 'economic' or 'marketable' goods. In some countries censuses using varying criteria do include 'unpaid family workers', who are predominantly women in the labour force. Others, however, conclude that the majority of women do not satisfy 'the international standard for the minimum amount of work performed'. Another reason given for this omission is that 'women do not report actual hours worked'.[40] The results of using this type of methodology are obvious—some amusing conclusions and statistics emerge. For example, according to certain estimates, the 'participation rate' of women in the labour force in North Africa is 3.9, while in western Africa it is 32.3. What accounts for this difference? The simple fact is that in North African countries census interviewers did not go near women. It does not require much imagination to show what happens to statistics in countries such as Kuwait, Saudi Arabia and Yemen.

Some experts, however, managed to assess the 'economic value' of a woman's work by ingenious devices. One method is to calculate the wages lost or 'opportunity cost' to an individual woman who does not make money from her own profession (potential earnings). The other method is to evaluate tasks in the home at 'current market rates' (real earnings).[41] The national income statistics promote even graver error in misrepresenting households as essential non-economic units—on various definitions. But the point of these sophisticated arguments is simple. The economic value of a woman's labour, paid or unpaid, has more than a symbolic value. First, unpaid housework need not have a marginal role,

being labelled as 'undignified, worthy only of women'. Second, placing women in their full right in the labour-force statistics as a category of workers entitled to contribute and to benefit implies changes not only in attitudes; it will also raise the total value of a nation's goods and services and women's share in it. There are obviously methodological difficulties in this area, but they need not deter nations from attempting to find solutions. The start may be to redefine 'work' and 'employment'.

The other myth in the 'employment market' concerns the notion of the three phases of life of a woman. These phases are supposed to relate to the initial period of work before marriage and up to the first and second child, withdrawal from employment until the last child has grown up and then return to employment—until retirement. Somehow, evidence from several countries does not seem to support the classification of women in these hermetically sealed compartments. It appears that a larger percentage of women work than ever before; that an increasing proportion of these are married; that a growing percentage of them are mothers; and, what is more important, that the economic motivations of women are similar to those of men.[42] Almost everywhere, for example, in the USA, Western Europe and the Nordic countries, the number of working mothers is constantly increasing. In the USSR and Eastern Europe a very high proportion of married women in employment have dependent children. In many Third World countries, women tend to remain at work, starting very young and continuing throughout their period of fertility—more by economic necessity than by choice. Being at work is difficult enough. What are the rewards that this large number of women receive while in employment?

The legal barriers

The norm of the legal equality of women has been incorporated in almost all twentieth-century constitutions. Except in one or two countries, women have been granted or accorded (or, more legally exact, 'seized of') the right to vote in public affairs. Both constitutional equality and the franchise were the result of very slow-moving nineteenth-century liberal thought, based on the humanistic conviction that treating women as second-class citizens was a feudal anachronism. Furthermore, it was also thought at the time that it was impossible to build a better or progressive society without guaranteeing to women the same quantum of civic and political rights.

The quantum is precisely where the shoe pinches most. In reality, women find themselves excluded from public affairs everywhere—even in industrialized countries, where they claim to have just been 'libera-

ted'. The right to vote has not actually led, over the last three generations, to the participation of women in political affairs. There are no or very few women members of parliament or, more important, ministers in government departments at strategic levels. In Third World countries women are also confined to subordinate posts—only more so, and this is despite the visible impression one gets from countries like India or Sri Lanka. There, women may hold very high posts (connected with educational levels and income class) but there exists a large mass of underprivileged and illiterate women. At the middle level, there are indeed very few educated and skilled women.

Measuring the immeasurable

The translation of the political liberal thought of the nineteenth century into economic equality for women today looks like a road along which a number of barriers have been placed at every turning. It took more than a few decades to recognize the simple fact that women workers' labour is either not rewarded at all (unpaid work) or given very little reward (low wages). It is only in the 1970s—after 150 years of industrialization, with much lobbying of public opinion in wealthy countries—that the first hesitant steps have been taken by national legislatures on equal remuneration.

Demands for equal pay are not new.[43] There has been a slow, formal recognition of 'equal pay for equal work' in the national legislation[44] of several countries, which may be considered an important first step. But legislation by itself has nothing but a symbolic value, unless and until simultaneously more training and employment opportunities increase. The irony of equal-pay legislation in several countries is that it is being introduced at a time when gaps between men's and women's wages have widened, as for example in the USA and Norway.

Law enforcement is another major obstacle in several countries, including Austria and Israel, in which no implementation machinery has been provided after ratification of the ILO Convention or legislation. What is interesting is that, everywhere, labour boards, industrial courts, commissions of inquiry and, of course, scholars acknowledge and quantify disparities of income between men and women. But the reality of all these efforts is that in fact equal pay does not exist. The simple reason is that equal pay cannot be linked to unequal access to work in a segregated labour market. There are several other factors, eg educational and conventional, but the main problem is the definition of 'equal'. Is it value of

product? Work done under similar conditions? Should it represent equal effort?[45]

Where equal-pay Acts have been put on the statute books, the discussion tends to be entangled in semantic definitions of 'equal work' and 'equal value'. The point is missed that no matter how 'work' or 'value' is defined (equality not being a mathematical proposition), the causes go deeper into the social fabric. It is the labelling of jobs as 'men's' work and 'women's' jobs which leads to anomalies. It also perpetuates a system of recruitment based on sex rather than capacity and it strengthens unproven beliefs about women's abilities and inabilities as workers.

Most of the 'equal pay' laws stipulate that sex discrimination should be eliminated or excluded from job-classification systems; that procedures should be introduced whereby women workers who consider themselves victims can assert their rights; that all legislation, regulations, contracts or administrative practices contrary to the principle of equality for remuneration should be repealed or declared void. In reality, whether it is France or Belgium or Italy, the range of income received by women at different levels is almost always low. The Nordic countries, which are known for their special protective and 'relatively equal' laws on treatment of women, recently adopted a recommendation 'to coordinate their efforts to provide *adequate* legal guarantees of the equal rights of men and women'.[46] Experience from several countries (including the USA and Canada) has in fact shown that discrimination in the workplace is not easily eliminated by legislation; additional measures in many sectors of life need to be introduced simultaneously.

While it is now being recognized that sex discrimination in wages takes a number of forms in industrialized countries, examples from the present reality in the Third World are beyond comparison and even more unacceptable. In India, where, industrial wages apart, discrimination is a feature of life, the female farm workers are discriminated against not only in terms of wages but also in the quantum of employment. The scene is repeated in Brazil, in Ethiopia and nearly everywhere else.

While there are several ways of counting the economic value of women's contribution, equal-pay policies alone will not open up the closed gates; they will have to be accompanied by new national policies of equal opportunity and the re-education on sex roles of a whole nation.[47]

There has not yet been a systematic inquiry into the nature of constraints in the existing employment structure. How did jobs get labelled 'male' and 'female' in the process of industrialization? How did sexual dualism develop in the course of history, particularly in the last 150 years? How did men assume the role of 'primary' workers, perpetually entitled to labour-force participation and to the acquisition of skills, while women remained predominantly 'secondary' workers and intermittently in the labour force, frequently pushed into low-paying short-term jobs? Why is this pattern of job discrimination repeated everywhere?

To these questions only partial answers have been given. Some authors say it is the nature of industrialization, which transformed society, formerly family-centred. Others suggest that women first appeared in large numbers in the textile industry as cheap labour, and that they always form a 'reserve army' for capitalist production, others blame the invention of the typewriter in 1873; still others claim that women are in any case mainly in the service sector—an extension of 'home-making' activities. Some of the answers may lie in the nature of the capitalist system of production, which drew women out of the home into low-wage slavery. But many questions remain.

Traditionally, the demand for labour has been analysed in terms of skill or educational levels, with the implicit assumption that male and female labour is freely interchangeable.[48] Recent studies have shown, however, that social customs, institutional pressures and even labour legislation have meant that a large number of jobs are reserved exclusively for 'males' or 'females'. This sex-labelling is a constant thread in the history of industrialization.

The marriage cobweb

Economic independence is obviously not enough. In social life, since family has been the centre of a woman's life in history, marriage laws bind her in several knots. The accompanying institutions of marriage seem to have evolved for that very reason.

In some societies,[49] even where the primary earner is a woman, social inequities continue. The institution of polygamy,[50] for instance, is imposed upon millions of women who do not rebel, but instead share the same house with other co-wives. In a recent report on Indian women,[51] the authors state that 'the only personal law which has remained impervious to the changing trend from polygamy to monogamy is Muslim law'. Even

in Hindu society, where bigamy is an offence, bigamous marriages are still prevalent.[52] Under the present law only the wife and her family can sue the man for bigamy. In Andhra Pradesh, it was found that some women were forced to sign a document depriving them of their legal right to redress, so that their husbands could remarry. A wife choosing another woman for her husband is not an unusual scene in many societies.

Therefore, it is not strange that the authors of the Indian report strongly recommend that there can be no compromise on the basic policy of monogamy as the rule for all communities in India.[53] One cannot resist the temptation to add that what Engels said long ago is true even today—monogamy is institutionalized for women only. And yet, as traditional societies wake up to the modern world, the movement towards monogamy is considered a sign of progress.

That the institution of marriage and its regulation is one of the main pillars of social injustice can be borne out by illustrations from several countries. The controversial Marriage Act (1974), codified for the first time in Indonesia, introduced several innovations.[54] The controversy revolved around the problem of how to reinterpret the Koran and still be radical. Apart from raising the minimum age of marriage of women from fourteen to sixteen, it granted equal rights to both parties to divorce. Both of these elements in that society are quite revolutionary, considering that earlier it was thought that such an important decision as divorce could not be left in the hands of women 'as they are guided by sentiments rather than by reason'.

But these thoughts were obviously not in the minds of those who formulated the most radical marriage law in the history of mankind. The first article of the Chinese Marriage Law of 1950 enunciated the following: 'The feudal marriage system, based on an arbitrary arrangement compelling the *superiority of man over woman* and ignoring the interest of children, is abolished....' This is the first marriage law which has legally recognized this notion of 'superiority'. The provision adds: 'A new democratic marriage will be established, based on the free choice of monogamous partners with equal rights for both sexes and protection of the legitimate interest of children.'[55] This particular marriage law had two objectives: to combat the ancient feudal structure and to encourage the responsibility of women.[56] These political and social aims were achieved through a single piece of legislation.[57] Add to this the struggle against 'bourgeois morality'—an all-inclusive term in China for all that threatens family stability or prevents women from exercising their re-

sponsibility as mothers and citizens in ways not related to 'patriarchal puritanism'—and a multitude of upheavals are injected into the social fabric.

The difference between this law and other contemporary laws on marriage is that in one article, fundamental attitudes are changed: 'Husband and wife are equal companions, living together and enjoying equal status.' This may seem 'declaratory' in certain societies and, for a western lawyer, this might even leave the door open for various interpretations and misinterpretations. But it has been suggested by several authors that most of its clauses have in fact been interpreted, in China, in favour of women. The burden of proof for divorce in this way has been shifted on to men, who can no longer use the traditional reasons or whims to get rid of a partner.

What is evident from the above illustrations is that discrimination does not arise out of legislation, but from practices originating in the psychological and cultural environment. The paradox is that in societies with highly sophisticated legislation, social discrimination takes many subtle forms and requires radical measures to eradicate it. Laws can be and have been used as agents of rapid social change. But they have been also abused throughout history to subordinate women. The lawmakers in history have obviously not been women.

Towards a Generalized Scheme of Preference for Women (GSPW)

What does this brief glance at women signify in the broadest sense? It suggests that 'educational attainments', 'participation rates', occupational structure, private and public laws, family-planning systems,[58] technological advance and above all socio-cultural attitudes are all weighted against them. Across distance and boundaries in history and society, women have been placed on pedestals as goddesses, but imprisoned within domestic injustice (custom has been nothing but a tyrant hidden in every home). They have been romanticized in literature and lyrics, but commercialized in life.

Of late, much has been said about the Third World and the establishment of the new economic and social order. Alternative development strategies and models have been presented on various aspects of this question in 'highly intellectual circles'. Several schools of thought have emerged on the elements of international economic relations. The development of the poor world has become the object of a number of economic theories. But in all this—remarkable though it is—the best minds of the day have successfully omitted any reference to the place of women in the development process.

And yet out of over 800 million illiterates, 600 million or three-fourths are women; together with children, they constitute again three-fourths of the undernourished. In the Third World, about 80 per cent of the age group from six to sixteen that is without any schooling are women. Of those who drop out from school, women are an overwhelming majority; in rural areas 75 per cent of the agricultural labourers are women. These inescapable facts could be multiplied. But the important point is that the hard core of the development problem is constituted by women. In an unequal world, women are the most unequal even among the unequals.

While we consider different methods of abolishing poverty and removing inequities among nations and within nations, there has been little recognition of the fact that no development strategy, no matter how pragmatic, can function without touching the hard core of the development problem. Thus, there is an urgent need for a new policy,[59] a new strategy at national and international levels, in which 'special preferences' to facilitate access to education, employment and political participation are major components. In other words, continuous, consistent and systematic policies of 'discrimination in favour'[60] will have to be devised to pull up this mass of degraded humanity. This will not only redress the historical imbalance, but also push the whole of society upwards to a higher level of advancement.

This means externally, in society, women will have to be given preference over men in all areas of life, but internally, within their own persons, they will have to re-educate themselves to be less dependent. The first step will have to be towards increased awareness through self-education. Life cannot be lived vicariously through second-hand experiences. Women do not have to reflect the mysteries of life through the mirror of men's lives. They must themselves see the new dawn through their own eyes.

Self-reliance is a long road as hazardous for women as for nations.

Notes

1 The views expressed here are personal and may not be attributed to the International Labour Office, of which the author is a staff member.

2 In the United Kingdom alone, no less than forty-six seminars and meetings were scheduled for 1975. In India, countless meetings took place in all the states and leading journals in many countries carried special issues on women. See in particular: *Ceres—FAO Review on Development*. March–April 1975; *Signs* (Journal of Women and Culture in Society, University of Chicago Press), Vol. 1, No. 1, autumn 1975; *Social Scientist*

(Journal of the Indian School of Social Sciences), special number on women, November/December 1975, p. 40–1.

3 The UN system produced a number of statements and passed a number of resolutions, the most important of which are: UN General Assembly, Resolution 3010 (XXVII) of 18 December 1972, proclaiming the year 1975 as International Women's Year; the programme outlined in the Economic and Social Council Resolution 1849 (LVI) of 3 June 1974; Statement by the UN Secretary-General on 11 December 1974 (press release SG/SM/270/HR/236); ILO, Resolution Concerning a Plan of Action with a View to Promoting Equality of Opportunity and Treatment of Women Workers, sixtieth session, June 1975; and the unanimous resolution of the UNCTAD Board, sixth special session, 10–21 March 1975 (*UNCTAD Monthly Bulletin*, No. 104).

4 Mao Tse-tung said that a Chinese man had three mountains on his back: the first was the oppression from outside, because China was colonized; the second was the feudal oppression of two thousand years of authoritarianism; and the third was his backwardness; but that a woman had four mountains—the fourth being a man. See 'Women' in *Quotations from the Chairman*, Peking, Foreign Languages Press, 1967, Chapter 31.

5 Based on UN and ILO statistics.

6 For a global view see: ILO, *Woman Power: The World's Female Labour Force in 1975 and the Outlook for 2000*, Geneva, August 1975.

7 Aristotle obviously did not believe in empirical evidence. In addition, he thought that 'the affection between husband and wife is the same as that which exists between the government and the governed' (I A K Thomson, *The Ethics of Aristotle*, Harmondsworth, Penguin Books, 1966). But, apart from the views of Aristotle, in contemporary Greek society there are other examples of women—such as Electra, Medea, Phaedra—in a whole line of heroines who turned their back on what were considered to be women's virtues.

8 Manu was the famous codifier of Hindu laws, who it is believed lived around the sixth century BC. Cited in the Report of the Committee on the Status of Women in India, *Towards Equality*, Government of India, December 1974, p. 40. That this belief continued to guide Hindu polity is clear from another statement made by a great Indian poet, Tulsidas, who likened women to drums, morons and cattle, in the fifteenth century.

9 The list of publications is long, but the earliest title which treated this subject seriously is Mary Wollstonecraft's *A Vindication of the Rights of Women with Strictures on Political and Moral Subjects* (1792). Considering the time in which she lived, she had mastered the subject of women. She drew up a rigorous indictment of society—its restrictions, instructions and exploitations—for making woman what she was instead of what she might be.

10 Discrimination based on political and religious beliefs, race and colour is well known in contemporary society, but all these forms seem to merge into the vast pool of discrimination based on sex.

11 It is difficult to summarize the various images of women in Hinduism through the ages. They have been described as the embodiment of purity and spiritual power on the one hand and on the other viewed as being essentially weak creatures constantly requiring the protection of man—as their god.

12 There is a delightful dialogue with his disciple Ananda, revealing Buddha's attitude towards women, as he lay on his deathbed. Ananda asks:

'How are we to conduct ourselves, Lord, with regard to women?'
'Do not see them, Ananda!'
'But if we should see them, what are we to do?'
'Abstain from speech.'
'But if they speak to us, Lord, what are we to do?'
'Keep wide awake, Ananda.'
Cited in C Humphreys's *Buddhism*, Penguin Books, 1958, pp. 38–9.

13 A large part of the recent campaign in China against Confucianism is connected to the rigid hierarchies which particularly belittled women by asserting the superiority of man. See the *Peking Review*, Nos. 10, 13, 14, March and April 1974.

14 An attack on the militants has come from another quarter, which has linked sex and power in history, concluding that the contemporary women's liberation drive towards a decrease in sexual differentiation, to the extent that it is leading towards androgyny and unisexual values, implies a social and cultural death-wish and the end of the civilization that endorses it. See Amoury de Riencart, *Sex and Power in History*, McKay, 1975.

15 The revolt made famous by Aristophanes.

16 It has been estimated that over one-sixth of the professional staff in the secretariat of the UN are women, a higher proportion than in other agencies or many national governments. But the composition of the general-service staff continues mostly to reflect the bias towards industrial countries and the statistical pyramids mirror the ratios of the international secretariats in which women are almost invisible in the decision-making structures. For example, see: ILO, *Composition and Structure of the Staff of the ILO*, Geneva, 1974, Table V (GB. 199/PFA/10/9, 199th session). The interesting points are that there are no women professionals in grades P2 and P3 in the age group under 26 and no P4s in the age group between 26 and 35. There are no women D2s (senior directors) but ILO has recently appointed a woman Assistant Director-General. For problems affecting the status of women in the United Nations, see the *Report of the Ad Hoc Committee*, Geneva, 14 May 1975 (FICSA/C/XXVII, Paper No. 34) and the petition (text in *Action*, 21 May 1975) signed by over 2,750 staff members.

17 Esther Boserup is an exception to the other economists who has devoted considerable attention in her writings to analysing the contribution of women in agricultural production in the Third World. See her *Women's Role in Economic Development*, London, 1970.

18 Apart from the United Nations World Conference of the International Women's Year in Mexico (June 1975), similar postures were also reflected in the ILO's Committee on Equality of Opportunity (sixtieth session, June 1975). Protracted discussion on the choice of principles of economic and social development took place at both meetings, creating fundamental differences of approach among the participants from industrialized and Third World countries.

19 In Iran until recently, a woman could not leave the country without her husband's written permission (see S Farman-Farmaian, 'Women and Decision-Making with Special Reference to Developing Countries', in: *ILO Symposium on Women and Decision-Making: A Social Policy Priority, Geneva, 17–19 November 1975*).

20 In India, according to one estimate for 1971, there were only 150,000 women out of a total working population of 264 million who could be categorized as

professional. Interestingly enough, 20,000 of them were doctors. The large number of female doctors is correlated also to social attitudes, for many women would not consent to be treated by male doctors.

21 In some parts of India, with the dowry a woman is given a present of written instructions (a set of 'golden rules') at the time of her marriage. The essence of these is absolute obedience to the husband—especially when he summons her to the 'couch'.

22 According to recent estimates (with serious problems of definition), more than half, ie 52 per cent, of the world's labour force or about 300 million women work in the agriculture sector. Of these, 245 million are living in Third World countries. The proportion of women in agriculture is particularly high in China (75 per cent), Western South Asia (82 per cent) and Eastern Africa (86 per cent).

23 The President of Mexico characterized them by saying that women in the industrialized world 'are the dependent subjects of a way of life in the development of which they have no active part', while the women in the Third World 'are the proletarians of the proletariat'.

24 *New York Times*, 26 June 1975.

25 Institute of Cultural Action (IDAC), *Towards a Woman's World*, Geneva, autumn 1975 (Document No. 10).

26 According to various estimates, the largest percentage (83 per cent) of the female labour force is employed in the agrarian sector. The reason for this may be historical but the present 'agrarian development policy' has had damaging effects, reflected in the rise of female agricultural labour and decline in the peasantry. The much larger number of women agricultural labourers is explained by the fact that the men in the family are counted as smallholding cultivators and women as full-time agricultural labourers.

27 Graziela D Torricelli, 'Engulfed in Myths', *Ceres*, March-April 1975, pp. 46–9.

28 According to Francisca Pereira, Governor of the Bolama region in Guinea-Bissau, 'there was no room for sex discrimination during the struggle', ibid., pp. 40–2.

29 But the number of women was very small and did not very much affect rural women.

30 G Ginsburg, 'The Rôle of Law in the Emancipation of Women in the Democratic Republic of Vietnam', *American Journal of Comparative Law*, p. 649.

31 Earlier, in many parts of China it was considered dishonourable for a woman to work.

32 Elisabeth Croll, *The Women's Movement in China* (a selection of readings, 1949–73), Anglo-Chinese Educational Institute, 1974 (Modern China Series No. 6).

33 Unesco, *Statistical Yearbook*, Paris, 1973.

34 Eliane Roques, 'L'éducation comme moyen de corriger les inégalités entre les sexes et de changer les mentalités', in: *ILO Symposium on Women and Decision-Making....*, op. cit. According to many sociologists, until the twentieth century the high rate of infant mortality on the one hand and the absence of birth control on the other, coupled with a relatively short life expectation, obliged women to dedicate the greater part of their life to procreating and educating their offspring. Not surprisingly, fathers concluded that the education of a son was a better investment than that of a

daughter (Torricelli, op. cit., p. 46).

35 And not as liberated compared to European women, seems to be the view of Monique Rivet; see 'Sisters', *Esprit*, No. 4, April 1975, pp. 513–29.

36 Svetlana Turchninova, 'Trends in Women's Employment in the USSR', *International Labour Review*, Vol. 112, No. 4, October 1975, pp. 253–64.

37 Published figures for employees in industry under federal jurisdiction show that in October 1971, 45.9 per cent of women earned less than $2.50 an hour compared with 8.2 per cent of men. See 'FEP Legislation', *Labour Gazette*, anniversary issue, 1975.

38 For an explanation of the meaning of 'economically active' in international terminology, see *Woman Power....*, op. cit., p. 4.

39 Ibid., p. 4, no. 2.

40 The concept of 'man-hours' needs to be redefined and the term 'man-hours' replaced by 'work-hours'.

41 See Robert Lekachaman, 'On Economic Inequality', *Signs*, autumn 1975, pp. 93–102.

42 ILO, *Equality of Opportunity and Treatment of Women Workers*, 1975, Report VIII, sixtieth session.

43 The first demand was made as early as 1880, when a convention of the Knights of Labour in the USA adopted a resolution on the subject. Equal pay was the subject of studies before 1900 in England and the USA.

44 In 1952, the ILO adopted a Convention on Equal Remuneration (No. 100) which by 1974 had been ratified by some seventy-five countries. It may be noted that among the countries which have declined to ratify it are Australia and the USA.

45 Much has been written on this subject, but for a summary view, see Harriet Zellner, 'What Economic Equality for Women Requires', *American Economic Review*, May 1972.

46 Anna-Greta Leijon, 'Sexual Equality in the Labour Market: Some Experiences and Views of the Nordic Countries', *International Labour Review*, August/September 1975, pp. 109–23.

47 For a historical summary see Alice H Cook, 'Equal Pay: Where is It?', *Industrial Relations*, Vol. 14, No. 2, May 1975.

48 Sylvana Zaia Maccan and Michael Bamberger, 'Employment and the Status of Women in Venezuela', *Development Digest*, Vol. XIII, No. 3, July 1975, pp. 61–6.

49 For example, in Maipur (India), some parts of Thailand and several tribes in Africa.

50 Economic gain seems to be the main motive for polygamy.

51 *Towards Equality*, op.cit.

52 Interestingly enough, the percentage of bigamy is higher among Hindus than Muslims.

53 This is only one aspect of the life of Indian women—their overall position varies according to social milieu, religion, caste, class and above all income. Indian society illustrates some of the practices which continue not only in India but in many other societies.

54 Katz and Katz, 'Indonesian Marriage Law', *American Journal of Comparative Law*, Vol. 23, No. 4, autumn 1975.

55 Compare the clauses of the various marriage decrees in Russia from 1917 to 1926, when the consolidated code sanctioned marriage and divorce without the necessity of registration at all. See *Codes of Law on Marriage, the*

Family and Guardianship, Moscow, RSFSR, 1937.

56 Proclaimed by Mao Tse-tung on 1 May 1950 and adopted by the government and the political consultative conference of the Chinese People's Republic on 1 December 1951.

57 For detail see Julia Kristeva (trans. Ellen Conroy Kennedy), 'The Women of China', *Signs*, autumn 1975, pp. 57–81.

58 In many countries women have not been consulted on the matter of birth control. Medical innovations have frequently been imposed upon them. In countries where family-planning programmes had a marginal impact on birth rates, sociological surveys showed that resistance to new methods did not stem from women.

59 Some elements of the Plan of Action adopted in Mexico (June 1975) will have to be examined more carefully by national planning bodies.

60 Quite the contrary was advocated in the United Kingdom Home Office report *Equality for Women* (Her Majesty's Stationery Office, September 1974, Cmnd 5724). Discussing the scope of anti-discrimination law, the report states: 'It also follows that the meaning of unlawful discrimination is that it will be unlawful to practise "reverse discrimination" ' (ie to discriminate in favour of members of one sex). For example, an employer who has traditionally excluded women from senior managerial positions will not be entitled to appoint women to such positions in preference to men. The employer's obligation will be to consider suitably qualified male and female applicants on their individual merit.

Cultural Aspects of the Crisis in Industrial Societies

by Jacques Berthelot

Introduction

The following study is intended to contribute to the identification of the deep roots of the crisis in the world capitalist system, and more generally, in industrialized societies. This identification leads to an analysis of the steps to be taken to make the functioning of a truly self-managed socialist society a practical proposition.

Beyond the socio-economic aspects, on which analyses of the crisis are generally centred, since they are the most concrete and easily grasped, the present study stresses the broader cultural, ie ideological, aspects, which are ultimately more far-reaching than the former. This identification is vital, for the coming to power of a left government, and even the widespread adoption of formal worker-control structures, will not be sufficient in themselves to construct tomorrow a model of society eliminating the chief alienations, if the break with capitalism is restricted to the modification of the relations of production without tackling the cultural superstructure, the dominant ideology and the myths which the system has made the conditions for its reproduction.

In fact we need to comprehend fully all the aspects of the present crisis which, though it may have less serious social repercussions for the west than the crisis of the 1930s, is much more serious on the world scale and is, moreover, of quite different dimensions. There is, in fact, a true crisis of civilization, a crisis of development, to the extent that thirty years of exceptional economic growth in the rich western countries are revealed as having been bought at the price of a continuous impoverishment of Third World countries and, in addition, accompanied by a decline in the quality of life and of social relations in the rich countries and by growing ecological disequilibria throughout the world. For the most part, the populations of the rich countries have not yet fully appreciated the real extent of the crisis, for their governments have chiefly blamed this on the energy crisis and the petroleum-producing countries, and life styles—and above all the system of values which informs them—have not yet been questioned.

We thus need to undertake a radical critique of the cultural system and of the ways and means by which it is imposed on people, with a view to drawing up the foundations for a new set of values in the absence of which an authentic and durable socialist society cannot be established. It would really be naive and illusory to believe that the modification of the relations of production would be sufficient to modify in turn, like magic, the ideological roots that the system has deeply implanted in people's minds. At any rate, without looking at them particularly as models, we

have merely to compare the examples of the USSR and China in order to realize that besides an important difference in the degree of centralization of the relations of production, there exists an essential difference in the nature of the socialism that is being built in the two countries, which stems precisely from the attitude that they have taken vis-à-vis the capitalist cultural system.

Without claiming to provide an exhaustive catalogue of the various components of the cultural system of industrial capitalism, we shall limit ourselves here to evoking the three principal myths on which it is founded, namely:
The myth of the individual.
The myth of productivity.
The myth of the consumer.

The myth of the individual

Although the philosophy of individualism was the basis of most social structures prior to liberal capitalism, finding favourable ground in basing itself on man's egocentric tendencies—even though it is also possible to develop his 'convivial' capacities—it is certainly liberal capitalism that rehabilitated it at the moral level and sanctioned it at the scientific.

This philosophy of the liberty of the individual thus rests on the principle or postulate of individual ownership of the means of production. We know that, in practice, this has paved the way for the law of the jungle —the law of supply and demand—in social relations. The general application of the principle of private accumulation of benefits and public responsibility for costs has thus led on the one hand to the concentration of power, knowledge and property in the hands of a minority and, on the other, to the enslavement, alienation and pauperization of the great majority (absolutely or relatively according to whether it consists of the Third World countries as a whole or the industrialized countries). In spite of all the economic and social ravages that it has wrought, the individualist postulate has been hard to kill for, in the first place, it has known how to camouflage and transfer its excesses over time and space, to where they are least obtrusive and on to categories of people less capable of defending themselves and, in the second place, it has known how to legitimize itself in penetrating the other levels of the superstructure.

The transfer of the forms and impact of capitalist exploitation

On the first question, it is clear that capitalism has evolved considerably

in the west for more than a century, acceding progressively to adjustments that have brought about a definite rise in absolute living standards generally, and even acquiring on occasion the appearance of a genuine reformist socialism. But this appearance fades very rapidly when the price which has had to be paid for this rise in the material living standards of the masses in the west is properly understood. The price is ultimately a double transfer, of the forms and of the impact of capitalist exploitation: the transfer of the forms of exploitation of the masses of the west which lead to their growing alienation and the transfer of the principal impact of the exploitation on to the populations of the Third World, with the complicity of their ruling classes.

As for the masses in the west, there cannot be too many illusions about their real wellbeing, in spite of appearances. For one thing there still are social categories among them, even if they are minorities, whose basic needs are not adequately met: immigrant workers, the old, the handicapped, in particular. But what is more important is that the real wellbeing of the majority should not be mistaken for the ability to dispose of an increasing quantity of goods and services. These, having been created exclusively in relation to profit, are incapable of satisfying real needs and owe their importance solely to advertising barrages that play on the instincts to possess and dominate. The effect is to produce immense wastage of material resources and to accentuate human alienation by the reduction of people to the level of passive individual consumers, and also by the increasing frustration of their affective needs and of their need for social communication. The deterioration in the social climate, which has been accelerating in the west for a number of years (there are many symptoms, including crime and drug-taking), constitutes a significant index to the real wellbeing that prevails. (These aspects will be looked at again in the analysis below of the myth of the consumer.)

But the highest price has undoubtedly been that paid by the masses in the Third World, who are exploited through the collusion of their bourgeoisies and bureaucracies with those of the northern hemisphere, which utilize them as a driving-belt in return for a share in the benefits of capitalist exploitation. Not only are the masses in the South more and more alienated, on the pattern of those in the North, they are also the principal source of surplus value, especially for the transnational corporations, and they are, in the great majority, on the way to a growing and absolute pauperization.

Legitimizing the individualist thesis

The identification of the origins of these 'perverse effects' of the world capitalist system, in which more and more experts and political leaders at the national as at the international level are interested, is not easy, however. The philosophy of individualism is in fact hard to counter because it has succeeded in permeating every level of the superstructure: the theory underlying the various social sciences; law and morality; religion; the education and information system; and finally, culture, properly speaking, and leisure activities. It therefore has to be exposed at these various levels, where it is concealed.

Theories have been elaborated for all the social sciences—especially sociology, psychology and economics—that are today very sophisticated, and supposedly highly scientific (a claim reinforced by mathematical and statistical modelling). The sad fact is that, although their developed theory is consistent with the individualist thesis, this theory does not achieve a proper understanding of reality. This is not a bit surprising, since man himself is not simply an individual but is also a social being, a personality, ie an entity both affecting and affected by all other people (whether consciously or not), including those most remote in time and space.

If we look just at 'economic science' we find that by the logic, coherence and sophistication of its development in the different sectors of economic analysis, the whole neo-classical theory is very seductive. As however the analysis is shown to be less and less capable of revealing the character of real economic phenomena, its theoreticians, far from questioning their theory, have the audacity to claim that it is for the economic circumstances to adapt themselves to it willy-nilly, since their economic scenario describes an optimum situation. Since this optimum (of Pareto) is realizable in a situation of pure and perfect competition, it is allegedly advisable to promote 'free' exchange; yet the reality is increasingly that of a world of oligopolies and transnational monopolies. It is true that it is those who hold this theory who profit—in the short term, at least—from these monopolies. It is also true, as we have already stressed, that the theory often seems to fit reality if actual conditions are not examined too closely, in so far as the external diseconomies and other alienations escape our observation. Whence the apparent 'scientificness' of the neo-classical micro-economy (and of its extensions at the level of management, for example), and the more clearly felt lack of 'fit' of the corresponding macro-economy. But how can we accept the hypotheses

of the marginal optimum, of the maximum 'utility' which the totality of individuals are supposed to draw from goods and services, each person making their subjective choice with each having a weight equal to the others, and the utility being measured by market value? Can we really believe that these various hypotheses are not themselves also in conflict with reality and with each other? If it is difficult in effect to define the optimum in relation to objective utility, ie to the needs of a given society, when this is characterized by profound social inequalities, is it not equally clear that subjective utility is itself an illusion, since the choice of each is conditioned by the choice of others and by advertising? Surely, too, admitting market value as the measuring-rod of utility amounts to denying that the price structure is the reflection of power relations among social groups, which in turn invalidates the hypothesis of equal weight accorded to each in the determination of the optimum.

It is obvious that the content of the law (in its different branches, constitutional and administrative law, civil and commercial law, and criminal law, in particular) has been so structured as to authorize and strengthen capitalist relations of production, and thus social inequality, on the basis of the law of private property (the *jus abutandi*). It is not always realized that public morality is its continuation at the non-institutional or informal level, and this code of good conduct in society is itself fundamentally individualist. In fact, practically the only behaviour to be considered reprehensible is that which threatens the rights of the individual (and particularly property rights), whereas failings with regard to society are hardly penalized, even being largely regarded as inherent, witness the reactions towards such institutions or phenomena as income tax, customs and excise, social security, military service, the vote, environmental nuisances and pollution, the highway code, favouritism in office and the influence of cliques.

When it is a question of overriding individual or family interest, this is essentially for the benefit of a limited collective interest, but there is scarcely a thought, either at the educational level (in the home or in school) or in adult social life, for localizing all actions within the framework of the widest general interest.

Although the Christian doctrine is in essence personalist and congregational, the historic practice of the Church (no doubt owing to its temporal interests and its alliance with the state since Constantine) has been to justify and defend private property, including the means of production, as being indispensable in safeguarding freedom of conscience. In this

way the Church has made itself the accomplice to injustices committed in the name of this private property that it sanctions, forgetting that those who were propertyless had not perhaps enjoyed complete freedom of conscience, forgetting sometimes also to grant the same freedom to non-Christians (evangelization has often been pursued in the wake of, and has even been the pretext for, colonial imperialism and has served simultaneously to convey the values of western capitalism, values which have had nothing in common with the Christian gospel).

Even though times have greatly changed and many Christians, clergymen among them, are now in the forefront of social struggles, it is still the case that, in the name of freedom of conscience, but also because of a view of the life of faith that is still too narrowly religious and in the last resort individualist (and which, like liberal morality, practically ignores the idea of collective sin), the Church as a whole is careful to take a stand and to instruct the faithful against social and political positions that conflict with those of the established powers. The result is that the Christians still constitute, in their majority, the chief prop of liberal capitalist societies.

The left has generally analysed well the biased character of the dominant information (mass media) and educational system, which perpetuates the individualist ideology, extolling competition and individual success and suppressing the critical spirit and the creative imagination. But it is questionable whether the socialist conception of culture and of leisure breaks sufficiently with the bourgeois conception. The latter, essentially directed towards aestheticism, art for art's sake and intellectual glitter, is thoroughly elitist and has more the effect of confirming its practitioners' membership of the élite than of being a vehicle of profound social communication. At the same time, at the other end of the social scale, the system condemns the masses to 'cultivate' bars, the Tote, *Ici-Paris* and *Intimité*, not to mention pornographic films—*panem et circenses*.

The emergence of a durable socialist society of participation necessarily depends on a rise in the cultural level of the majority, and thus on a break with the alienation that is reinforced by heavy drinking, gambling and poor-quality intellectual fare. A people's culture to replace this can only succeed if it gives a higher value to bodily expression than to purely intellectual expression, and if it draws in particular on the stock of regional popular traditions.

The myth of productivity

Socialism cannot be reduced to the equation 'socialization of the means of production plus technical progress' (itself translated nowadays as 'self-management plus the computer') if we grant an equal and independent importance to the two terms. We forget all too easily that technical and scientific progress is never anything but a means and that it often runs counter to social progress, in spite of what the technocrats say. Thus we have reached the stage of justifying nuclear weapons and the massive sale of arms by the need to amortize by mass production the heavy research expenses that this industry can afford, inasmuch as this research subsequently benefits key industries across the board, notably aeronautics (cf Concorde), nuclear plants, data processing, and even medical research. Furthermore, there can be no falling behind—for this means dependence on other industrial powers—in these 'strategic' areas.

Without wishing here to open the debate and decide whether it would be necessary, for a future socialist government, to continue the breakthrough in these different 'key' sectors—for the present direction of production certainly cannot be reoriented overnight—we must, however, ask whether the gains in these modern technical advances are real, both for industrialized societies and for Third World countries. If the argument about Concorde is easy enough to resolve (all the more so in that its class character is obvious), that about nuclear energy is much less clear (as the current discussion shows), while as far as the computer is concerned, it is not at all clear to date that the overall evaluation is positive, either socially or economically. The speeding up of communications that it has unquestionably hastened in every sphere of activity has in fact brought about, more than anything, a concentration in structures and powers, but for all that it has not for the most part brought reduced costs.

More generally, we must expose the race to create structures and 'over-efficient tools' (Illich) of endlessly increasing techno-economic excellence, for these non-'convivial' tools introduce, in their train, more and more serious alienations, which are unfortunately not taken into account. It must also be understood that much of the considerable technical progress of the industrialized countries is not due essentially to the inventive capacities of their scientists and engineers: this progress has only been possible at the price of the plundering and wastage of the energy resources and raw materials of producer countries. Clearly, if these resources had been paid for at their planetary social opportunity cost (ie guaranteeing suitable revenues to their producers and safeguarding the rights of future generations), a great number of technical advances would never have emerged, because of lack of profitability.

But the problem is much more serious for Third World countries. After first exporting to them our fetish for 'technical progress' and for 'modernism', we have exported and are increasingly exporting to them our own production techniques which, with their high capital intensiveness, are in many cases evidently incompatible with their needs, taking into account the abundance of unemployed and underemployed labour. The considerable and continuous technical advances of the industrialized countries, derived from their endowment of far more substantial capital investments, and the belief fostered by the industrialized countries among the Third World countries in the need to make use of the very latest technical advances in order to speed up their growth, are spurs to the former to continue the cultivation of precious markets and, to the latter, to pursue the development of their underdevelopment.

In this respect an authentically socialist society should no doubt look upon the production of knowledge, in its technological applications in particular, as part of the class of production goods for socialization, including them in the category of international public goods—treating them in the same way as the air and the sea, for example—for this would allow us to suppress one of the principal levies perpetuating the domination of the industrialized countries over the Third World. In this context it is hard to understand why inventors appropriate with patents and licences all the profits of inventions that are 99 per cent founded upon earlier scientific capital, to which all countries have contributed down the ages. However, the free use of designs and production processes would not really reduce the dependence of the Third World countries if prior research is not carried out into technologies that are adapted to them. In practice, nothing has yet been done in this field, and when it is it will be quite the opposite of 'turn-key' factories (with the exception of some very limited sectors).

The myth of the consumer

The problem of consumerism goes much farther than the defence of consumers against abuses and wastage arising from advertising, and ecological protests against every form of pollution and nuisance. It consists in fact of questioning the actual nature of the needs that the consumption invited by the market economy claims to satisfy. We know that the only consumption proposed, or rather imposed, by advertising (and from which our social norms derive) is that which enables manufacturers to maximize their profit, while the needs that do not produce profits and, *a fortiori,* which people cannot afford to pay for, are only satisfied at a minimal level compatible with the maintenance of the politico-social equilibrium of the whole system.

But we need to go further and understand that, once basic needs are met at a decent level, in housing, clothing, nutrition and health, the individual's ceaseless race to consume more and more can hardly increase our wellbeing and is to some extent incompatible with the existence of a convivial society.

Indeed, since individual consumption itself is essentially a social act, enabling each person to situate and identify themselves on the social scale and to define their relationship to others (by identification and by differentiation), the improvement of wellbeing—which is the actual object of development—can only come about through an improvement in social relations and not through endless competition to possess more —which is the perspective of growth. The logic of wellbeing is indeed the logic of want; there is no want for material goods (obviously, beyond a minimum physiological threshold) unless a lack is felt in relation to others, ie unless there is sharp inequality of incomes. But the satisfaction of desires does not produce lasting wellbeing in itself if the want is not expressed outside oneself. The search for wellbeing solely through the satisfaction of individual consumption (even if this is cultural consumption) is thus illusory, and it would be pretentious to believe that we are happier today than our grandparents were, who used oil lamps and travelled in horse buggies (to the extent, at least, that their basic needs were fulfilled), or that our children will be happier in the future when they are eating nothing but frozen food and communicating by means of colour videophones. No, apart from the satisfaction of fundamental needs—which has been achieved for the majority in western society (but often inadequately, as in housing)—the improvement of wellbeing can only come through a greater transparency in our social relations, in the interaction of man with man and not with objects, and this can come about only by a more egalitarian division of individual incomes and by an increase in collective consumption (at least, in that which is convivial). It does not, of course, consist of advocating zero growth, rather of changing the content and distribution of the product, and to some extent, too, the rhythm of production, in order for growth to be compatible with the two preceding requirements.

In another way, the improvement in wellbeing will spring from a fairer sharing out of responsibilities—possible through self-management—not only because such sharing is the best guarantee of the satisfaction of real needs, but above all because the most vital human need is ultimately that of dignity, of being perceived as a person and as equal by others, and

thus as being a co-author of future society (even though an immense effort to eradicate alienation may need to be made in this respect).

Beyond market value, and even use value, itself in the final resort a quite relative notion and a trap which Marx himself did not completely avoid, it must be admitted with him that the aim of political economy is really 'the production of man by man' and not the fetishism of market goods. Putting it another way, as long as consumerism is not demystified, even self-management will be inadequate by itself to prevent forms of competition and of social stratification from developing at the level of consumption. If the bases of the capitalist cultural system are retained, the class struggle will also be retained, having simply changed its ground and provisionally absorbed self-management, reduced to a capitalism of groups.

Here again the most serious consequences of the mythology of consumption are to be found in the Third World. In fact, not only do the perspectives of endlessly increasing consumption in the industrialized countries leave no chance that the ever more numerous starving of the Third World, and their children, will one day attain a humanly decent level, because of the limits on world resources, but the same life styles (with consumption that may conceivably be even more extravagant) will necessarily be adopted by their governing classes, at least as long as cultural dependence on the industrial capitalist model and domination by transnational corporations endure. And yet, what visitor to these countries has failed to be struck by the hospitality and *joie de vivre* of the as yet unacculturated peoples of the Third World who, in spite of the precariousness of their material resources, have been able to conserve an intense vitality in their social relations, as well as a sense of the symbolic exchange, of the gift and of the feast. What a cultural lesson, costing nothing, for the 'developed' countries!

Some ideas for action

It is as easy to draw up a rapid inventory of the principal institutional forms in which the myths of the consumer, of productivity and of the individual are embodied, as it is difficult, if we are serious in our wish to build a socialist society, to deduce an operational strategy at both the personal and the collective level to combat them. The discussion here will be limited to some observations on the general approach that may be followed and to a few examples.

The first step is to analyse our past and present behaviour and to take

note of the extent to which, and in what way, we collaborate, individually and collectively, with these myths. In this exercise, we should cherish no illusions. We are all accomplices, at one level or another. We obviously cannot be members of a society and remain completely on the sidelines, ie without adopting some of the thought and behaviour patterns that this society favours. A few examples ought to convince us. We must simply be aware of this and be honest about it.

At this point, some may be tempted to lay down their arms and conclude that, inasmuch as we are practically all accomplices to some degree, we might as well stick strictly to the rules of the game, at least until such time as there is a radical change in the political and economic bases of the social system. But we have already rejected the thesis that a change of infrastructure would be sufficient radically to modify the social system by automatic modification of the superstructure. We also need to remember that social changes are always the acts of a minority of militants. There is therefore no alternative: having recognized what our personal share of responsibility is through our attitudes and actions, we have to accept the fact of our inconsistency if we are to control it.

From this point on, there are no ready-made recipes: it is for each person and each social group, through their courage and the margin for manoeuvre that is available to them in their environment, to define a strategy for themselves aiming at increasing coherence in their different objectives and undertakings, both at the personal and at the collective levels:

First at the everyday and personal level, for two reasons: because there cannot be any effective collective action against the prevailing ideology if each of us is not fighting at the family level and as an individual; and also because it is above all in the family that education is acquired and values are forged.

Second at the collective level, for it is only at this level that we can evolve collective practices and institutions.

This identification of our own share of collusion with the ideology of the capitalist system must be carried out in the different areas of everyday life: in the family, at school and at college, at work and in cultural and leisure pastimes, and in religious, trade-union and political activities.

The guiding thread in this identification is to look for those occasions when we put our own interests before the general interest, ie when we try to ensure that the benefits are private but the costs public. This usually occurs in the most natural and legitimate way, without any attempt to

harm others: most frequently our complicity is by omission, or neglect, rather than by positive action. It happens practically every time that we try to maximize an immediate private (or limited collective) advantage, without troubling ourselves over the indirect social consequences, which are generally felt more over the long term.

We shall merely deal here with the way in which the dominant ideology is translated by each and everyone into individual behaviour with regard to consumption and to the education of children and into collective behaviour with regard to trade-union or political activity, and we shall at the same time suggest some possible actions.

The consumer reaction

While it may be true that little can be done to suppress the alienation of producers as long as the capitalist system persists, for consumers the margin of manoeuvre is nevertheless greater. The analysis and the actions are here at two levels:

First, the identification of real needs and of goods capable of meeting those needs, in order to improve the quality of life and to avoid wastage of resources and environmental pollution. The analysis here is linked to that developed in the examination of the consumerist myth, and collective action seems the most appropriate: associations of consumers, of women, of the ecologically minded, of vegetarians, of cooperatives using durable goods communally etc. We shall not enlarge here on this type of action, however important it may be, for it has been closely studied by others.

Second, the level of underlying attitudes and reactions in the acts of buying and consuming, once the types of products that correspond to needs have been properly identified. This is the point we shall develop, basing ourselves in particular on the analyses of Marx.

There is no point in denouncing capitalist profit if, as consumers, we remain motivated by a similar spirit of greed, by the desire for exclusive possession and by an urge to identify with the product—ie reification, fetishism, in a word, alienation—for then we cut ourselves off from the real social relationship, communication with others, in particular with the producers of the product in question. But this is in practice the consumer's general reaction: polarized by the man–object relationship (by use value and above all by 'sign' value, in so far as possession of the goods is supposed to confer definite status on him). the consumer ceases to realize that by the transaction he is also entering into social relations

with producers and that in satisfying his own needs he is also contributing to the satisfaction of theirs (the man–man relation and the exchange value). As Marx notes:

> Our own product seemed to be our property, but in truth it is we who are its. We are ourselves excluded from real property, because our own property excludes all others but ourselves. The value that each of us possesses in the eyes of others is the value of our respective objects. As a consequence, man himself is for each of us without value.[1]

This alienated attitude to the product is naturally reinforced and generalized in the attitude adopted towards the universal equivalent of all the goods and services, namely money.

> Through this alien mediator [wrote Marx] man, instead of being himself the mediator for man, perceives his will, his activity, his relationship with others as a power independent of himself and of others. This is the height of servitude. No wonder this mediator changes into a real god, for the mediator reigns with real power over the things for which it serves as intermediary. Its worship becomes an end in itself. Objects, cut off from this mediator, have lost their value. It is thus only in so far as they represent it that they possess value, whereas in the beginning it seems that money only had value in proportion to the fact that it was it that represented these things. ...This mediator is, as a consequence, the essence of private property, which is lost itself, which has been alienated. ... In place of all the intellectual and physical senses there has appeared the alienation pure and simple of the senses, the sense of property.

Marx's humanism here should be compared to religious humanism, notably Christian humanism ('they have eyes but do not see, they have ears but do not hear. ... You cannot serve two masters: God and mammon'). Of course, this is not to deny—neither Marx nor Jesus did so—the natural and legitimate character of appropriation and the enjoyment of goods, essential to satisfy real needs, but it does mean that we should continue to acknowledge in our attitudes and reactions the existence and needs of others. But we have to condemn the 'rational', in practice very widespread, consumer behaviour that is concerned solely with maximizing the benefits to be obtained from a given income, with getting the best price/quality return, and with achieving the famous 'equalization of the weighted marginal utility', while glossing over the political and social consequences of the fact of conferring privilege on producers and distributors.

Reform of behaviour in this area is thus a matter of working to clarify the social relations of the exchange (a term which should be upgraded), so as to enable the consumer to make choices that take account of the interests of different potential partners in the exchange, and thus to re-establish communication, to humanize the act of consumption. We have to act so

that, as Marx says, 'that which serves as mediator to my life also mediates the existence of others for me. For me, money is the other'. It is therefore not unimportant, when satisfying a real need, that we buy one product rather than another, if we want to show solidarity with a particular category of producers. Even if the product is a bit more expensive, what we then lose provisionally in our pocket is more than compensated for by what society gains, and thus by what we ourselves gain in the long term. For example, it is not unimportant that we buy bananas and oranges rather than apples, if we are supposed to be interested in the Third World and, more specifically, oranges from North rather than South Africa, if we claim to be opposed to apartheid. Likewise, we should buy Third World craft products rather than antiques, if we claim to be living in the present, or the products of a handicapped persons' cooperative or of a factory threatened by closure, and so on.

Modern commercial and production structures are a big obstacle to closing the gap between producers and consumers; the whole scene is played out on the level of a theatre of objects, which are standardized, 'normalized', universalized (with an international division of labour and an international union of consumption, propagated by the transnational corporations), and 'personalized' (so as to extract the consumers' surplus while respecting the code of social stratification), which has the correlative effect of producing docile, standardized, normalized, universalized and depersonalized consumers. We therefore need to evolve entirely new types of distribution, which will help to identify and personalize producers.

One could conceive of 'exchange centres', for example, created on the initiative of consumer associations, that group together the different products of a related category of producers (the opposite of the present specialization in shops by category of product). These could group, for example, products imported from the same country, products of production cooperatives etc. In the same way, the presentation and packaging would highlight the content of the products and would personalize the basic producers, excluding all purely commercial trade-marks and advertising.

The attitude of parents to the education of children

Parents are driven by the laudable desire to see their children 'succeed' socially, but all too often this expresses itself as a wish to see their children reach the ranks of the privileged in society, especially in

choosing the jobs that are most highly paid or most highly regarded by the present establishment. Everything is done therefore to prepare them to become doctors or technocrats, for example, and many things are sacrificed to this end, including at times the gifts and qualities of the child. The logical tendency is to underwrite an educational system oriented to the creation of élites and to scholastic competition at the earliest age.

There is no dispute about the need to allow everyone to develop their talents to the maximum, but the educational system cannot push the development of the talents of a minority to the maximum without noticeably sacrificing the development of those of the great majority. Children's talents should be evaluated and developed more with regard to the needs of the collectivity than to the financial profitability that they enable the individual to achieve.

The aim of parents' associations and of family guidance should be to let the child reveal and develop its own gifts in relation to the needs of the collectivity, independently of profit and prestige.

Collective action at trade-union and political level

When the aim is to obtain the maximum support for a successful strike or electoral campaign, trade unions and political parties (the left included) are generally obliged, to be effective, to alert workers and voters only to the targets and themes that will pay off in the short term. Without denying the need to proceed by stages in the 'conscientization' of party workers and of potential electors, it is nevertheless very dangerous to conceal from them, even during *ad hoc* actions, certain of the essential dimensions of the social reality, which forms a whole. For experience shows that trade-union and political life is largely made up of a series of episodic struggles and short-term crises. The price to be paid for this is trade unions of the United States type or simply European social democracies, in which the major if not exclusive preoccupation is to increase the material advantages of wage earners; the trade unions end up by adopting purely corporatist policies, which ease the integration of workers into the capitalist system. Generally speaking, Third World themes and even the theme of worker-management are hardly popular among the Euro-American masses, and the trade unions and left-wing parties have their share of responsibility for this. None the less, it is impossible today to claim to be a socialist for one country only, ignoring the world dimensions of the capitalist strategy. When we see that the policies for

international cooperation of certain large European countries with social democrat majorities hardly differ from those of countries with a conservative majority, we are led to question the nature and internal quality of this socialism. So no one should be surprised when another ballot brings a conservative majority back to power: if nothing has been done to revolutionize attitudes and behaviour in depth, these necessarily evolve towards conservatism.

Note

1 Karl Marx, *Economic and Philosophical Manuscripts* Paris, 1844 (Lecture Notes No. 21).

Alternative Life Styles in Rich Societies

by Johan Galtung

Is there a need for alternative life styles?

There seem today to be two ways of arguing in favour of alternative life styles in the rich countries, one of them negative, the other positive.[1]

The negative point of departure is the one that is most commonly used in the debate because it ties in with the general feeling of 'crisis', particularly after the oil boycott organized by the OPEC countries. At this point, however, it should be noted that the feeling of an impending crisis may be almost a defining characteristic of western civilization, one of those things that moves people into action, mobilizes new forces and for that reason contributes to the generally expansive nature of western civilization in general and western capitalism in particular.[2]

Most thinking in this connexion is tied to our consumption styles, and one talks with justification about 'high-consumption, high-energy societies'. Underlying this is a vision of 'low consumption, low-energy societies'. But we have to spell this out: 'consumption' and 'energy' with respect to what? Since material factors and energy are at stake, this is no doubt with respect to *material* needs, such as the needs (not necessarily in order of priority) for: food, clothing, housing, health care, the implements of education and transportation and communication facilities. By and large the problem of the Third World countries is to guarantee for all a social minimum, a *floor*, where the resources needed for the satisfaction of these needs are concerned. But there is also the corresponding problem of the industrialized countries: to define and live according to the idea of a social maximum, a *ceiling* beyond which we should not go. And that leads us straight into the *negative* reason for arguing in favour of new and lower-consumption life styles.

More precisely, there seem to be four lines of thinking that all lead to the same conclusion—that the present expansion of consumption cannot continue—and hence to a rationale for a discussion of a ceiling to consumption, a social maximum.

First, there is the idea of *nature's limited capacity*. To meet the seven needs listed above material production is required (eg to produce hospitals and schools, health equipment and textbooks); nature is finite, and would not allow an application of the Kantian principle of consuming as if the rule of your action could be a universal rule. Thus, if everybody in the world were to be housed according to the standards adopted by rich people in the industrialized countries, available resources of capital, materials and labour for all purposes would be drained off for this one function of the building industry.[3]

Second, there is the idea of *man's limited capacity*. To satisfy all seven needs the old principle of the golden mean seems to apply: too much food is evil, too much living space makes communication between family members difficult, too much communication leads to information overload etc. It may be argued that this does not apply to, for instance, health, and in an abstract sense there is of course no upper limit to how healthy we can be. But there is an upper limit to the consumption of health services, as has been argued forcefully recently by Ivan Illich:[4] to become a client in that system, ie a 'patient', may in itself produce ill health. There is a point beyond which consumption of the resources becomes counter-productive to need-satisfaction.[5]

Third, there is the idea of a *limit to inequality*. When some countries or some people, and particularly when some people in some countries, have much more of these goods than others have they possess a resource that can be converted into power. For instance, if the élite in a country has access to better health services than others (or easier access to the same health services, which amounts to the same[6]) this may increase their life expectancy. Lower morbidity may make them more efficient and lower mortality makes them last longer; to last longer, in turn, means more time to accumulate experience that can be converted into power over others. Thus, the argument has been and will continue to be that there is a limit to how much inequality the world as a whole and the individual country can stand without becoming a caricature of what a society with a minimum of built-in social justice should be like.

Fourth, there is a *limit to exploitation*. The raw materials to meet these seven needs have to come from somewhere, and the question is asked with increasing force: could it be that this 'somewhere' could use these raw materials themselves, even that they could make better use of them or at least that they have more need for them? This question can be asked in an industrialized/Third World countries context, but it can equally well be asked in a regional context within countries all over the world. It is a general centre/periphery problem, since under the dominant economic system in the world today production factors are moved towards the centre, where raw materials, labour and capital are brought together in big organizations so as to produce to meet demands, particularly those articulated in the centre.

Take, for example, the consumption of meat. According to the first argument the consumption should be lowered because there is not enough grassland etc that through cattle can be converted (inefficiently) into

meat—that land should be used for other purposes. According to the second argument, too high meat consumption should be avoided on the grounds that it is dangerous to health. According to the third argument consumption should be equalized so that all peoples and/or races are equally physically strong, since strength may be converted into any kind of power.[7] According to the fourth argument meat consumption drains resources away from periphery countries that require them for their own need-satisfaction—maybe to produce meat for their own masses. In each case the conclusion, lower meat consumption in the centre countries, is the same, but the premisses are somewhat different. To what extent all, some or none of the four arguments are empirically tenable varies in time and space; usually if one does not hold one of the others does—for such is the nature of our centre/periphery world.

One could now argue further and say that if the present trend continues all these four factors will take on an increasingly serious character. Thus, nature would be depleted and polluted, man would be even more of an overconsumer than today, the gaps, the inequalities would continue to expand and the exploitation would take such magnitudes that sooner or later peripheries within and between countries would organize themselves into actions considerably more dramatic and belligerent than the very limited, highly non-violent action initiated by the OPEC countries. No imagination is required to spell this out in detail; it is unnecessary, but it constitutes a rich basis of negative arguments in favour of alternative life styles.

Let us then turn to the *positive* arguments. There are good reasons why they should be emphasized much more: they immediately change the focus of the debate in a more constructive direction and may also generate a type of optimism that can be converted into imaginative action. Obviously, the negative approach will also call for imagination and creativity—but it is just as likely to call for efforts to preserve the *status quo* (with some very minor and largely symbolic concessions). Among these efforts the obvious possibilities are military intervention, direct or indirect, and incursions in general into Third World countries, fostering more or less fascist regimes inside industrialized and Third World countries alike. Hence the urgent need for more positive argumentation.

One way of arguing here could be based on answers to the question: what do people in rich countries do when they are in a position to do what they want to do? One simple way of approaching that problem would be to study what such people do during vacations. The idea of paid mass

vacation is a rather recent one whereas the idea of upper-class leisure is ancient—it is the former, not the latter, that is of interest here. The answer we get from studying these patterns of behaviour is certainly not an unambiguous one, but there are some relatively clear patterns. And many of them go in one direction: to indicate that *many people seek a simpler life*. In practice this means that almost no effort is spared in order to get to a primitive hut, a camping place, in general to places where one can live in much closer contact with nature, be close together (for instance in a small tent or a trailer), perhaps get food more directly from nature through hunting, fishing and gathering, engage in some physical work etc. When saying 'no effort is spared', we try to indicate that this form of vacation is not necessarily, when seen in its entirety, a low-consumption, low-energy form. Thus, considerable energy is sometimes used (eg in the use of charter flights) in order to take people to the object of a simpler life. But this may also be seen as a result of distortions that have taken place in our societies, and not as a necessary mechanism—just as is the fact that many people seek not low- but high-consumption life during their vacations, and save money during the rest of the year for that purpose.[8]

Without necessarily idealizing people's vacation behaviour let us now try to see what people seem to be after during that month or so of the year. One thing is absolutely clear: they want exactly an *alternative life style,* and the simple hypothesis might be put forward that those who enjoy (or suffer from) high consumption during their ordinary life seek low-consumption life styles during vacation, and vice versa. To the extent that this is true one might take a lead from that point and suggest that the good society would be precisely the society that could offer a number of different life styles, not only one life style different from the high-consumption, high-energy one dominating the industrialized world today. That idea will be developed later, suffice it here only to point out the following: whether people go in for one form or the other during their vacation they seem to try to organize themselves so that certain *immaterial* needs are satisfied. What are these immaterial needs?

One short list might look like this: togetherness, friendship, love, sex; free time, ie unprogrammed time; experience, new challenges, new inputs; some opportunity for creativity, work rather than job; self-realization, self-actuation, self-fulfilment; wellbeing, happiness; a sense of the meaning of life, of existence.

It is unnecessary to go into the definition or any philosophical discussion

of these terms—they can be taken just at their surface meaning, in a simple, unanalysed way, since that is the way people in general take them. Nor is it necessary to go into any detail as to how modern, rich, industrial society has a tendency to counteract many of these needs, perhaps all of them. One point should be made however: the assumption is that this is what people seek during vacation, not necessarily what they get. Mass tourism, for instance, may offer many opportunities for togetherness, but time will tend to be programmed, with little scope for creativity, not many of one's own abilities are made use of, and so on—a sign that through mass commercialized tourism, standard patterns of our ordinary existence have penetrated into our leisure time.

But the positive approach to the problem of alternative life styles is not simply a question of asking what the style of life is that gives a high level of satisfaction of immaterial needs. Something also happens to the approach to material needs; not that the needs disappear but their mode of satisfaction changes. As mentioned earlier: in some vacation patterns there is a search for more genuine food, if possible for food that is unmediated by industrial food processing. Clothing becomes more informal, often more personalized—and this type of clothing has already to some extent penetrated daily life. The style of housing changes: it is interesting to note that people when they are on holiday often seem to live much more closely together, to the point that there is more physical contact, more immediate awareness of other peoples' bodily existence. As to health, there is the idea of seeking health directly, through nature, through a healthy life. And the same with education; although this factor is subdued through mass tourism and certain values associated with vacations (don't bring your work with you!), one can say that many people in fact get a very substantial educational stimulus during vacation, often in a non-formal way without knowing it.[9]

What about transportation and communication? While not denying the tremendous importance of motorized vacation, it is also clear that the vacation is the period when people 'regress' to more 'primitive' ways of moving around: hiking, cycling, riding, canoeing etc. Again the point is the same: the motorized, modernized part is often a way of getting people to the place where a simpler life can be enjoyed. Moreover, it is probably a period when people engage much more in *conversation.*

In other words: this is the period in which *material needs are satisfied in a different way, often a simpler way, and where more scope is given to the immaterial.* With all the provisos mentioned above we permit our-

selves to take this as an indication of two things: not only that many people want an alternative life style, and are willing to sacrifice quite a lot in order to get it, but also that the alternative life style, at least for very many people, seems to be located in the general direction of simplicity. If it could be demonstrated that everybody during their vacation only tried to get more of what they get anyhow in ordinary life, then this would be a tremendous affirmation of ordinary life and leave little scope for basic change.

Hence, we can derive some optimism from people's vacation behaviour; the many and obvious deviations from the pattern we have indicated may to a large extent be seen as penetration or spill-over from industrialized society into the leisure sector, sometimes even as a deliberate fight against alternative styles.

Alternative life styles: a sketch

In general, then, our model of a lower-consumption alternative life style for rich countries would take as a point of departure the dialectic between working time and leisure time, 'regular life' and 'vacation life' as indicated above—always tempered by the dire necessity (for the four reasons mentioned) of a social minimum for Third World societies at the lower level of material consumption and energy consumption. And a general model, formulated in one sentence, would not be to argue in favour of one alternative style to the present one, but of alternative styles within the same country. Generally speaking: how could the positive elements of the vacation style mentioned above expand from, let us say, 10 per cent of our annual cycle today to 25, 33 or 50 per cent, perhaps to 66 or 75 per cent? What kind of a mix could we imagine in our societies between what we have today and another style, making it possible, even easy, for people to oscillate between the two?

The answer to this is clearly not to go on holiday for half of the year, two-thirds of the year or three-quarters of the year—for the vacation as we know it today is itself a product of the society in which we live and has certain highly artificial characteristics, some of them mentioned above. Rather, the point would be to let some of the positive characteristics penetrate our existence more profoundly. One way of approaching that problem would be to ask how production and consumption for material needs could take place in such a way that immaterial needs would be much better satisfied.

Let us try to say something about this, taking the material needs one by one. The general tenor of these remarks certainly goes in the direction of

a lower level of material consumption, in other words the lower level of what today is defined as standard of living, but only in so far as this leads to a higher level of satisfaction, of happiness, of meaningfulness. It is further assumed that work could more deliberately be orgaized into sectors: one that is highly capital- and research-intensive, even automated, in other words with very high productivity; and another sector, which would be dominant in many regards, that would be more labour-intensive. In general, formal, regulated work would occupy fewer hours than it does today and give more time for informal work of a more labour-intensive character, to some extent re-creating crafts, local production, small economic cycles etc. This can best be discussed by looking at the material needs one by one. But the general logic is clear: rather than a high-productivity society supported by some pockets of low productivity (eg the family, the vacation patterns mentioned), it would be a low-productivity society supported by a high-productivity sector. The general thrust would be towards low-consumption, low-energy societies by strengthening such sectors of society. An immediate implication is reduced production and consumption for non-basic material needs. But the basic material needs are still there, and the question is how they can be satisfied in a way that at the same time can satisfy immaterial needs.

Food There is scope for highly intensive agriculture and industrial food production, but there is also scope for more home production. Thus, why couldn't apartment houses have good collective ovens for baking bread just as today many of them have collective facilities for laundry? Then there is the general movement towards some way of growing food even in one's own apartment, using all kinds of devices to grow it. This is an individualized, distorted pattern—much better would be some way in which the cities could grow their own food not on a family-by-family basis, but for instance on a block-by-block basis. Needless to say, this would then have to be taken into consideration by architects from the very beginning. New research into forms of three-dimensional agriculture would be needed, possibly putting to use the high-rise apartment buildings in our city by having food-producing plants growing up the walls, supported by the structures.[10]

Clothing The basic point here seems to be to make clothes last, clothes with which one can identify more so that people literally speaking are more surrounded by things they love. Again the same point comes up: why shouldn't big apartment complexes have collective rooms with equipment installed for making clothing, not just collective rooms for washing ready-made clothes? But there is also scope for continuation of

the present dominant pattern—the whole idea of our argument is not to abolish such a pattern, but simply to roll it back, to some extent, by leaving room for alternative ways and means of production and consumption.[11]

Housing One basic point for housing seems to be to make houses that do not reproduce the division of labour of our societies, mirrored in the division of space of our cities with one part for work, one part for living. This distinction should immediately make us suspicious, for there is no sharp line between work and life: to work is to live, and to live is to work—to a large extent—which means that houses in general and apartments in particular should be made in such a way that much more work can take place inside them. Today's situation makes a caricature of homes in the rich countries: they are used for sleeping, quick hurried eating in the morning, then are left empty for a considerable part of the day, and are made use of during the late afternoon and the evening only. It would take no great imagination to envisage a much better use of housing whereby people to a large extent could take their work home and depend on communication and transportation for messages, supply of parts, dispatch of ready-made products etc. In other words, one could imagine a system in which transportation and communication would be automated, highly effective and at the same time people would to a much larger extent be permitted to work in their homes, together with the people they like to be together with, and when they like. Again, it should be emphasized that this is only seen as a complementary pattern, not as *the* alternative pattern to the present life style based on commuting between work and home. The idea would simply be to move things and information rather than people.

Apartments have probably come to stay, but facilities for food-making could be more collective, there could be canteens in apartment houses, libraries and study rooms, in addition to the various facilities already mentioned and, of course, kindergartens. The collective unit living in an apartment will probably decreasingly be the family and increasingly some other group, like the communes that have been developing recently in several western countries (and Japan). In sum, it is the re-creation at the local level, but within the modern city setting, of many of the patterns we normally would associate with village cultures, yet dramatically different from villages because it would still offer the vast variety, even the anonymity of city life.[12]

Health There should be much more emphasis on healthy life, much less on highly capital- and research-intensive health services, in order to repair the damages brought upon us by our present life style. But again the argument would be the Chinese 'walking on two legs': maintaining and further developing modern medicine, at the same time bringing in traditional medicine, increased capacity for self-healing, more responsibility for others, more ability to comfort, support and live with the diseased and disabled, the sick and the old and the crippled. Again this calls for new architecture, integrating all those in our society defined as 'deviants' and put into corresponding institutions. No doubt there is very much to learn from the Chinese in this field.[13]

Education One would imagine a de-emphasis on schooling and a re-emphasis on education, for instance the creation in all neighbourhoods of 'educational cafeterias'. They would be institutions that look very much like cafés, bistros, Bierstuben—but the 'waiters' would be educational facilitators and in the 'kitchen' they would have books, learning material of various kinds, and people who can put them together so as to provide a team sitting around a table with a good educational 'meal' for the evening. Public libraries were originally intended to have this function but have somehow become much too similar to museums, for which reason the Bierstuben model just mentioned might be better.[14]

But the fundamental point would be to break down the walls between work and school by permitting children and adolescents to have serious work tasks from the very beginning. Very much of this could be done at the local level as soon as the neighbourhood is able to reconquer the right to produce food and clothes and to design its own housing: children and adolescents would simply participate in all this. Discussions as to how it should best be done would probably be the best educative experience that could be imagined. It would be concrete and at the same time call for the general, abstract knowledge that grows out of real problems.

Transportation In transportation the general idea would be to de-emphasize private travel by motor-car, and to put much more emphasis on collective transportation and such vehicles as bicycles. Motor-cars should be banned in cities and used for long-distance inter-city traffic only; collective transportation within cities should be made free. At the same time bicycles should be improved, eg by making cycling less lonely (the Viet-Namese have shown how bicycles can be coupled together very easily), by devising good protection against rain and bad weather in general, and by having some kind of bicycle lift (similar to a ski lift) for

gradients that are too steep for people to cycle up without assistance. (Such bicycle lifts should not cost much in terms of energy.)

Needless to say, in doing all this one would not only live a much more healthy life, one would also open cities up to become what they should be: giant market-places of ideas, places where people meet, where togetherness is cultivated, where aesthetic values can be enjoyed, where politics can be exercised, something like the old city-states. A walk in Dubrovnik is all that is needed to understand the sense of physical and spiritual wellbeing that can be derived from cities organized in such a way.[15]

Communication Communication is either based on electromagnetic waves, and not so energy-consuming, or on printing, and in that case highly paper-consuming. If effective ways of recycling paper can be found, or some substitute for paper, there is no reason to assume that communication could not basically continue the way it is except for one factor: the form is much too asymmetric today. Radio, and even more television, has a highly feudal structure, emanating from one point, fragmenting the viewers who sit isolated one from the other in front of their TV sets, making it highly possible for an élite to manipulate the masses. Forms of communication should be evaluated according to their structure, and new forms should be developed that would permit more participation and two-way communication. Cable television at the neighbourhood level is a good example here, call-in programmes also make the process more symmetric, but no doubt the future could bring many innovations that are structurally more satisfactory if research were focused in this direction. The same applies to printing: it ought to be much easier to make newspapers, journals, magazines and books by means of cheap printing methods. Access to photocopying devices and mimeographing devices should be guaranteed to everybody, and at a very low price.

One cannot conclude this type of discussion without some words about *energy*. Behind everything mentioned above is the need for energy—partly for production, partly for transportation/communication—and the way the energy problem is attacked in what has been said above is evidently along three lines.

First, there is the idea of production with less use of energy. Of course, when production becomes more labour-intensive more human beings need more energy input, a more calorie-rich diet, but this added energy

input would be of a considerably lower order of magnitude than what is needed for highly capital- and research-intensive production.

Second, there is the idea of less energy for transportation/communication. The basic pattern here would be that of moving people less, making cities in particular and societies in general in such a way that people can do more of their work at home. The assumption is that it is less costly energy-wise to move information and some things than to move people, and by and large this should be correct.

Third, there is the idea of alternative energy sources. Human muscle power is introduced in cycling, and one would add a grid consisting of energy based on non-depletable sources: wind, tidal and other waves, geothermal gradients, sun, waste from organic production and consumption. Taken individually these do not offer solutions, combined they go far towards solving energy problems. But once more the idea would not be to rule out what today are conventional forms of energy, but to roll them somewhat back, to put ceilings on their utilization and to create a much more flexible, diversified energy pattern which would also be much less vulnerable in times of crisis.

In this connexion there is also a structural problem: energy should be produced in such a way that centre/periphery gradients do not arise too easily. Ideally energy should be created where it is consumed; it should not be created in one central place in the country or the region and then distributed through complicated lines of transmission. Thus, windmills constitute relatively ideal forms, as is wave-energy and tidal-energy-based energy production in countries with very long coastlines and a narrow hinterland—and as are waterfalls in countries with very many of them, but not in countries with very few waterfalls, artificial or natural. But once again, this cannot be taken too far and there is scope for both forms. But the present system is far too centralized and among other things makes for societies in which people increasingly become dependent and 'clientelized'.

Conclusion

Is it reasonable to assume that a society along the lines we have sketched above would meet our requirements better than what we have at present? This question has to be discussed in an international, a national and a human context.

Internationally the assumption is, more or less, that at some time raw materials in general, and energy in particular, may no longer be forth-

coming from the Third World countries. There may also be a similar movement within the industrialized countries: that the periphery in these countries will be increasingly hesitant when it comes to giving away these precious products, and will increasingly insist on processing them, and consuming the products, themselves. Rich countries and rich regions will then have to fall back upon their own resources, and it is assumed that these will be sufficient provided consumption needs are better tailored to these supplies. Since this situation is likely to arise sooner rather than later alternative life styles do not constitute a philosophical solution to an abstract problem, but a way out of a political situation that otherwise may take the form of an extremely dangerous crisis, pregnant with the possibility of a world war, direct and indirect intervention in Third World countries and repression in rich countries to suppress movements sympathetic to the Third World.

It is assumed that this is the context which the rich nation-state will find itself in, and that this will bring about a need for increased self-reliance internally and also for increased cooperation between rich countries that are close together geographically, politically and culturally, eg such groupings as the Nordic countries, the European Community countries, the East European socialist countries and the Mediterranean countries. Parallel to a decrease in so-called North-South trade we would therefore envisage an increase in North-North trade (and, of course, an increase in South-South trade, but that is not the topic of this paper), at least within regions and subregions.

This politics of increased regional and national self-reliance in the rich world will have to be coupled with the politics of local self-reliance in that world, at the subnational level. Generally this will go together with increased 'nationalism' of a local character, a phenomenon that has already been observed in the rich world for a long time. Thus, we would generally predict an escalating tendency for 'minorities', ethnically or territorially defined (or usually both), to assert themselves and to couple their demands for increased political autonomy to a local self-reliance that will have to be based on an alternative life style of the type mentioned. It is from such groups rather than from the centre that initiatives for change are likely to come.[16]

But what about the human aspects, particularly the 'immaterial needs'? In general it can be argued that they stand a better chance of being realized in the type of society outlined above than in present-day western industrial society, at least for the most part.

Take for instance 'togetherness'. The argument above is that division of space the way we have practised it, between town and countryside, between working and living inside towns, keeps people apart and segments them internally so that it becomes impossible to gain control over one's own existence and to be together with other people except in a very limited setting. The vision given of working and living more closely together inside cities is aimed precisely in this direction.

Take 'creativity'. By making production more labour-intensive and, more important, less standardized, the scope for creativity can be regained. What is being said is essentially this: take all the energy that people use for hobbies in order to have an outlet for creative impulses in an industrial society and put it to more productive uses, letting creativity serve a more definite purpose, without in any sense disparaging non-instrumental creative work.

Take the need for 'new experience'. In a society of the type indicated work would be less routinized; no day would have to look precisely like yesterday; there would be elements of surprise and possibilities for creating separate, individualized life styles or special styles for the collectivity one belongs to. A condition for this, however, is that basic control over the conditions of one's own existence is firm and local, which means some contraction of the economic cycles.

Take the need for 'self-actuation': no doubt this type of society can make use of many more human faculties, particularly if one does not let the pendulum swing entirely to the other extreme in an effort to 'turn back to nature', to re-create some type of village and city-state existence left behind by history. Such efforts are vain, but efforts to integrate the two types of existence, high consumption with low consumption, high energy with low energy, are much more challenging and offer much more variety.

Take 'happiness'. Is it reasonable to assume that this type of society will offer broader scope for happiness? Not necessarily in a flat trivial sense of that word, in the sense of constant euphoria, but in the broader sense of challenges, of possibility to realize one's own potential in solidarity with others and indeed in solidarity with future generations, of *being*, not of only *having*. In this sense the possibilities should be very rich indeed.

And in that would also lie the key, or one of the keys, to the question of 'meaningful life' in general, and individual life in particular: a process of

inner human enrichment, where such things as insight, joy and happiness are meaningless unless one also contributes to the insight, joy and happiness of others.

Would people in rich countries like a life of this type?[17] Maybe it is a bit like asking the alcoholic whether he would prefer a life without alcohol, or the drug addict a drug-free existence. The vision of an alternative existence has to be strong and highly positive, *and* the supply of the intoxicating substances has to be reduced, perhaps down to zero, for a clear affirmative answer, backed up with action, to be forthcoming.

And that is more or less our situation, addicted as we are to material goods. It is only the combination of limited supply and a strong positive vision that may make us change our ways. The former condition will probably be taken care of in the future by the peripheries we have dominated so successfully in the past. For the latter—for the idea that an alternative life style could be a *better* life, not an emergency solution that as in war is abolished once the war is over—we ourselves have to be responsible.

Notes

1 This paper was first published in *Development Dialogue*, the journal of the Dag Hammarskjöld Foundation, 1976:1. I am indebted to Anders Wirak of the Chair in Conflict and Peace Research, University of Oslo, for very useful comments, as well as to participants at the annual meeting of the World Future Studies Federation, Berlin, 30–31 May 1975.

2 Consequently, studies like *The Limits to Growth*, perhaps also *Das Kapital*, the former critical of economic growth, the latter of capitalism, should not be seen as critical of western civilization. Rather, they are an integral part of that civilization, supplying crisis awareness that will stimulate achievement and counteract any sluggishness. Thus, it is very possible that both books have served as forewarnings for a capitalism gone stale, and have increased the general level of inventiveness.

3 Of course, the simple alternative is not to apply the Kantian norm but to maintain an extremely asymmetric distribution of the fruits of the non-human environment by direct and indirect (structural) violence.

4 *Deschooling Society* (1971) and *Medical Nemesis* (1975).

5 And this is the point where overdevelopment may be said to set in: the means available for the satisfaction of human needs are too abundant, to the point of being counterproductive.

6 Thus, privilege in Eastern Europe, including (indeed) the USSR, does not necessarily imply availability of other goods, but easier access to them (and often also to those of a higher quality).

7 To the young Gandhi this was an important point: he was convinced that the British derived much of their strength from being meat-eaters. He later on found for himself a form of fighting and collective self-assertion highly compatible with a strict vegetarian diet (*satyagraha*).

8 The general thesis is, possibly, that people seek something different during their vacation time. Consequently vacation should not be seen as an isolated pattern, but always as dialectically related to regular life, and more particularly as a compensation for the monotony of alienating work.

9 'I met so many interesting people'—of course, there are also interesting people around in ordinary life, but there are barriers against open conversation. In a camping place, or sharing the same T-bar in the most ordinary ski resort, conversation is more easy and open for insights, eg into other life styles, how life looks seen from other angles in domestic and global society etc.

10 Containers with many holes, filled with soil, also make for three-dimensional agriculture (eg for tomatoes), with the plants growing out of the holes (water can be supplied from the top).

11 And this is not merely because the dominant pattern is hard to roll back completely but also because it has positive features. Thus, it probably gives better protection against nature and may serve to even out some of the asymmetries of economic geography (by moving factors and products around).

12 On the other hand, that anonymity may also serve as a protection in some periods of life, giving an opportunity for some withdrawal. What is harmful is to have no choice but to be condemned to city anonymity. For some reflections on this and similar themes relating to the human habitat, see Johan Galtung, 'Human Settlements: A Theory, Some Strategies and Some Proposals', paper prepared for the UN Habitat Conference in Dubrovnik, 20–23 May 1975 and for the 1975 Dag Hammarskjöld Project.

13 But the Chinese seem to have a sense of inclusive collectivism that makes them all feel members of the same giant community—a theme very different from western individualism and separation of human beings into groups of various kinds. See Johan Galtung and Fumiko Nishimura, *Learning from the Chinese People*.

14 See Johan Galtung, 'Schooling and Future Society', *School Review*, 1975, pp. 533–67.

15 As a personal observation: in the main street of Dubrovnik my own little boy goes wild with enthusiasm, runs around and bumps into people, enjoying the freedom to move combined with the visibility of so many things in a city built for people, not for motor-cars (only an occasional ambulance).

16 One typical recent example is the Scottish claim on offshore oil and the London idea that 'it belongs to the whole country'. It should be noted that what Scotland wants to use the oil for is not necessarily an alternative life style, however, but a better basis for high-consumption, high-energy life.

17 One way of finding out is to ask them. An interesting study was carried out in Norway by the People's Action for a New Life Style, published in *Ny Livsstil*, 4–5 October 1975, based on data collected on a representative sample (600) in August–September 1975. People were asked whether they felt the Norwegian standard of living was 'too high', 'about right' or 'too low'. The answers were: 76 per cent, 22 per cent and 1 per cent. Interestingly enough the answers did not correlate much with social position. The highest income group and the highest education groups tended somewhat more in the direction of 'about right' (25 per cent and 34 per cent rather than 22 per cent). When asked what they would prefer, 'a quiet, simple life with all necessary goods but limited income and career opportunity' or 'high

income, many material goods and many possibilities for career—but success both at work and during free time' 74 per cent preferred the former and 23 per cent the latter (31 per cent in the highest income group, 38 per cent in the highest education group). Thus, the tendency is quite clear.

One should not generalize this to rich countries, or even to Scandinavian countries, however. According to a Swedish public opinion poll similar questions were asked at about the same time and showed very clearly that the majority of the Swedish people (six out of ten) does not want to reduce working hours if it implies reduced income (*Sydsvenska Dagbladet*, 27 October 1975).

2 National Experiences and Strategies

Brazil: Growth Through Inequality

by Paul Singer and Bolivar Lamounier

The evolution of the Brazilian economy, 1955–75

The years of industrialization: the great leap

In the second half of the 1950s, the process of industrialization which had been taking place in a discontinuous way since around 1935 underwent a clear acceleration. This period was marked by the transfer of the capital to the Central Plateau, construction of an extensive highway system linking, via Brasília, different areas of the country, establishment of the automobile industry, expansion of the steel industry, construction of hydroelectric power stations etc.

It was a strong acceleration of a process already taking place by means of the establishment of new production capacity in both insufficiently developed activities and in activities which did not yet exist in Brazil. The choice of activities to be expanded resulted from projections of demand, based on past experience, which meant implicitly sanctioning the pre-existing social structure and its resultant income distribution. In that way, it was considered as 'natural' that the industries which should grow more would be those producing durable consumer goods and, among these, above all the automobile industry. Therefore, without much awareness of what was being done and the consequences for the future, it was decided (a) that the country would become quickly urbanized and (b) that the new urban structures would be based on individual transportation—the car—not on a mass transportation system. Today, the consequences are more evident, at a time when national production of cars, trucks etc is about 1 million units per year, while only São Paulo city has an initial subway line operating.

The acceleration of growth obviously required a heavy mobilization of resources. The idea was to carry out this mobilization through market mechanisms, conditioned by adequate state action. In short, it was a question of financing the projects resulting from the targets plan (Plano de Metas) that gave substance to the official development plan, without apparently harming other activities. The form chosen was to direct public capital and subsidized private capital to privileged areas. In a first stage the sector that led the process was building and civil engineering, owing to the great volume of public works, including the construction of Brasília: between 1955 and 1957, the real output of the building industry grew 18 per cent while that of manufacturing increased by only 11.4 per cent. Next, when the industrial investments started to come to fruition, the leadership passed to manufacturing, whose real output grew by no less than 62 per cent between 1957 and 1961, while that of the building industry increased by only 20 per cent.[1]

The resources necessary both for direct investment by the state and subsidies for private capital were generated mainly by deficits in the federal budget, covered by money issue. The government simply spent more than it collected in taxes, using the buying power which it created itself. Apparently, resources had arisen from nowhere, an illusion that can easily occur in a capitalist economy, in which each operation seems to submerge into the enormous number of transactions which take place at every moment. As a matter of fact, the factors of production bought with money issued by the government were taken away from other activities with less competitive power. It is possible, for example, that agriculture had to relinquish a good part of its resources for the carrying out of the industrialization process.

Although there is no doubt that the opening of important federal roads, like the Belém–Brasília road, linking the centre to the northern parts of the country, allowed the integration into commercial agriculture of areas till then unoccupied or only used for subsistence economy, there is no doubt either that the oldest agricultural areas in Minas Gerais and Rio Grande do Sul had to pay a considerable price in terms of labour and markets as well (part of which were taken over by the new pioneer agriculture). Another sector which paid a price was handicrafts and small industry, which was not able to withstand the competition of the large firms when new roads allowed the products of the latter to reach the markets of the hinterland. The crisis of the traditional and partly obsolete textile industry in the North-east was notorious and served to stress the contrast between the opulence produced by the accelerated industrialization in and around São Paulo—the industrial heart of Brazil—and the worsening misery in the peripheral areas marginalized from the process.

It should be noted that between 1950 and 1960, a decade of intense industrialization, manufacturing employment *fell* from 9.4 per cent of total employment to 8.8 per cent. Although the total number of industrial jobs increased from 1.6 million to 2 million during this period, this number rose less than total employment. This can only be explained by the fact that the reduction of jobs in handicrafts and in small industry partly offset the large increase of employment in large industry.[2] Large industry was the great gainer from accelerated industrialization: not only because the roads provided for the first time a unified national market where they could expand, but also because they benefited from an endless series of favours, which went from tax exemptions to external economies subsidized by the state, not to mention long-term loans at negative real interest.

Investments and the state In order to see how these changes happened, it is necessary to reconsider how the resources which accelerated the accumulation of capital were mobilized. According to the classic capitalist model, company and family savings are directed towards the capital market through financial intermediaries (banks, insurance companies etc), where the interaction of supply and demand redistributes them among the firms which intend to make investments. In Brazil a capital market capable of playing such a role did not exist (and does not exist even today). In the new sectors to be expanded, there were no firms capable of capturing either individual savings or the savings of companies already in existence, the savings of the latter normally being reapplied in the same business.[3]

In fact, there were no market mechanisms that could carry out the intersectoral resources transfer required by the continuation of economic change. The tendency to reinvest profits ossified the productive structure of the economy, reproducing on an increasing scale the same division of labour and, therefore, keeping the economy at the same level of development. In order to resolve this impasse, clearing the way for structural change, the state had to take over the function that the classic model attributes to the capital market and to redistribute resources itself.

Of course, the state started to play this role before 1955, but it was after this year that it really became the driving force of capital accumulation. When the state issued money, it levied an indirect tax on all transactions to the extent that the monetary demand made prices rise. In this way the state induced 'forced savings' which, already socialized, fell into its hands. When the state started big development projects, the result of forced savings appeared under the form of public savings, which were either directly invested by the state or handed over to private companies in the form of long-term fixed-interest loans (in the end, interest was lower than inflation).

One could ask why the state did not try to collect the same resources in taxes, burdening the higher income groups and at the same time keeping prices stable. The answer is that this alternative seemed to be politically not feasible. It was not possible to punish economically any group in a direct and open manner, although, as we saw above, such punishment was applied but *mediated by market mechanisms*. Small industry ruined, agriculture made stagnant by migration to the cities, regions impoverished by marginalization, these were the victims of a slow and continuous haemorrhage, apparently caused by 'natural' processes. Obviously, their

reaction against this, at the political level, was not of the same nature as that which powerful groups would unleash if they felt affected by fiscal expropriation. Thus, the line of least resistance, at least in the short run, was to use inflation as an instrument for inducing forced savings.

Inflation, wages and foreign capital Nevertheless, inflation resulted in the final instance from the attempt to invest more of the national product than was being spontaneously saved. This inflation could be considered cost inflation, since competition for capital goods, inputs and skilled labour was increasing the costs of production of consumption goods, which 'naturally' forced up their prices. Rises in the cost of living reduced the value of wages, which were only readjusted once a year, so that the workers were obliged to restrict their expenditures on consumption, thereby carrying out forced savings. It is clear that, under these circumstances, the growth of the demand for labour could not have resulted in an increase of real wages, although in specific areas of the country where industrialization was concentrated a near-full-employment situation came about. As a matter of fact, the most which the trade unions achieved in this period was periodically to restore real wages to their former level, whence they were soon pulled down by persistent rises in prices.[4]

The acceleration of economic change also required the expansion of imports of equipment and know-how, but there was no room for this in the balance of trade. This was the post-Korean War period, during which the decline in raw material prices did not fail to hit Brazil, worsening its terms of trade. If the international situation in this period was not favourable to the expansion of exports, it presented, however, increasingly good prospects for obtaining foreign capital in the form of direct investments. The period of post-war reconstruction in Europe was ending and US capital thus released, added to that coming from Europe (principally from the Federal Republic of Germany), was seeking new areas for investments. That is why an important part of the industries then established—above all, the manufacture of motor-cars and tractors, shipbuilding and the manufacture of electrical and electronic equipment—was dominated from the start by subsidiaries of the transnational corporations.

At the end of the 1950s, the economy was growing at full speed. However, the contradictions resulting from this acceleration were starting to arise: the rate of inflation was going up increasingly, as we have seen above, and the workers' real wages, despite rises in productivity, tended

to fall.[5] In order to recover their buying power, the working class had to show an ever increasing militancy, which would lead, in the medium term, to the political radicalization of the urban masses and, to a lesser extent, the rural workers. In the North-east, the small farmers, organized in 'Ligas Camponesas', started to come into conflict with big landowners, while in Rio Grande do Sul, the state government itself denounced the impoverishment of the state: the policy to accumulate by means of forced savings was being rapidly exhausted because of political reaction against such an unbalanced model of social exploitation.

From 1962 on the rate of economic growth started to fall, reaching its lowest point between 1963 and 1965, when *per capita* income actually fell. The economy remained depressed, except during short periods of expansion, until 1967.

The immediate causes responsible for the fall in the level of activity were the measures adopted, from 1963 on, to lower inflation, in particular credit control. These measures aimed to control price increases by restricting monetary demand, implying a model in which state intervention is reduced to a minimum and all priority is given to 'private enterprise' (which means actually private capital). The alternative would be to slow inflation by means of greater state control over supply, subjecting the economy to increasing planning with social objectives, in particular income redistribution.

In March 1964, the elected government was overthrown and replaced by an autocratic régime, which immediately started to carry out the first alternative. Inflation was thus controlled, but its rate decreased to 'tolerable' levels only in 1967.

Although the military *coup* restored the confidence of native and foreign capitalists, investment remained at a low level until 1968. The main reason for this was the fact that domestic demand was severely depressed by a wage policy that reduced the real incomes of the great majority of wage-earners.

The military régime began then to create non-inflationary forms of mobilizing resources for accumulation. Public revenue was increased through tax reform, which could not be resisted anymore by interest groups. Smaller real wages resulted in higher profits, part of which were taxed away. The state then returned such resources to private capital, to be used for investments in favoured areas. Investments by the state itself

were also expanded. Price controls became more widely embracing, the result of which was an acceleration in the concentration of capital, since marginal high-cost firms had to close. The resistance of small producers was steam-rollered in the name of the 'search for efficiency' by a technocracy more powerful than ever.

The long period of prosperity

Any time-series for the Brazilian economy shows that 1968 was the year when it turned upwards. This upward turn was the result of a change in economic policy: the fight against inflation was considered as won and acceleration of growth started to get top priority. From 1967 onwards large credits from the BNH (National Housing Bank) were put into the building industry and in 1968 its output grew 23 per cent relative to the previous year. This was the beginning of the boom which soon after involved the car industry and other sectors producing durable consumer goods.

In order to stimulate demand, credit mechanisms were activated on a large scale. In the case of the building industry the BNH offered massive loans to builders, allowing them to accelerate their projects and thus shorten the capital cycle, reducing costs. At the same time the BNH provided buyers with long-term loans whose balances were readjusted every three months according to inflation. The programme failed in the case of poor wage-earners since it contradicted the wages policy (which only allowed annual wage rises) with the result that a large part of the borrowers stopped paying their instalments, many of them ending up being evicted. But the programme was a success with the new middle class, whose income tended to grow faster than inflation. It was not only a tremendous stimulus to real-estate activities (including speculation) but also to sectors which supplied the building industry, such as the non-metallic-minerals industry, the engineering industry, the electrical-goods industry etc. In the case of durable consumer goods a sophisticated finance system was created, capable of attracting private savings with the offer of 'monetary correction' (indexation), and allowing financing of sales.

In this way an effective demand for industrial goods was stimulated. This led in a first stage to the growth of supply by the increasing utilization of productive capacity. In fact, demand was predominantly directed towards certain sectors of industry since it was the result of a process of income concentration which gave first place to the needs of a relatively

small élite. In the period 1968–71, the transport-equipment industry (in which motor-cars predominate) grew at 19.1 per cent per annum, the electrical-equipment industry (which includes domestic appliances) grew at 13.9 per cent per annum, while the textile industry grew at only 7.7 per cent per annum, the food industry at 7.5 per cent per annum and the footwear and clothing industry at 6.8 per cent per annum. One can see that production of durable consumer goods, which are mainly purchased by high-income groups, grew at two or three times the rate of non-durable consumer goods, which are purchased by the entire population.

The one-sidedness of this growth was even greater because the rise in production of non-durable goods was in good measure directed to external demand. A recent study shows that no less than 67.6 per cent of the rise in production of clothing and footwear in the period in question corresponds to increase in exports, while in the case of the food industry this figure was 45.3 per cent and for textiles 14.3 per cent.[6] In contrast, the export component was only a small part of the increase of transport-equipment production (2.1 per cent) and electrical-equipment production (7.2 per cent). One can say, therefore, that from 1968 onwards industrial growth occurred in an uneven manner in a double sense: (a) industries which produced durable consumer goods, machinery and intermediate goods grew much more than the non-durable goods industries; and (b) while the former expanded in response to a strong rise in internal demand, the latter grew in response to external demand.

Growth and export strategies The expansion of Brazilian industrial exports was made possible by a favourable situation in the international market and a generous policy of tax exemptions and subsidies on the part of the government. The favourable international situation was a result of a process of economic integration in the capitalist world which began (or, arguably, resumed) at the end of the Second World War. After the General Agreement on Tariffs and Trade (GATT) was put into effect, trade, above all between industrialized countries, rose in volume, with its rate of growth being persistently higher than the rate of growth of production. This great expansion of world trade took place within the framework of an even greater expansion of the transnational, so-called multinational, corporations. These tend to make capital internationally mobile by allocating their investments to countries in which factors of production are relatively cheap.

As was seen above, Brazil was the object of the expansion of the transnational corporations in the second half of the 1950s but strictly as a

function of its internal market. The big motor-car, electrical-equipment and chemical companies etc established subsidiaries in Brazil at that time with a view to ensuring a part of its domestic market. It was not thought then that these industries could come to be profitable by supplying the external market. The situation changed in the 1960s, and not only for Brazil. From that period onwards, big international capital, seeing that labour reserves were being exhausted in Europe, started to look for favourable conditions in non-industrialized and semi-industrialized countries for the expansion of industrial production without incurring costs which seemed to them prohibitive. It is certainly no coincidence that export of capital to the non-industrialized market and the counter-flow of exported manufactures to industrialized countries grew at a time when mass immigration of workers from the Mediterranean periphery to Western Europe assumed gigantic proportions.

The almost explosive expansion of Brazilian exports (and not just industrial exports), whose dollar value grew from 1.654 million in 1967 to 8.655 million in 1975—367 per cent in eight years, or around 22 per cent per year—made possible a basic change in development strategy. It allowed resources to be brought from outside at a much higher level than in the past. In order to get an idea of the sum involved it is enough to observe that Brazil's external debt rose from US$4,400 million in 1969 to over US$20,000 million in 1975. Such a great availability of external resources gave economic policy greater freedom to (a) allow by means of extra imports the opening of bottlenecks caused by inelastic supply in the short run of certain goods, and (b) supplement internal savings with external finance in order to acquire capital goods (generally from abroad).

Therefore, the new strategy was based in good measure on the opening up of the economy. This meant that the priorities in the industrialization process stopped being the necessities of the internal market alone, but started to be necessities of the world market as well. As resources available for investment at any moment are limited—we are thinking of real resources: labour of different skill levels, equipment, raw materials—their utilization is being increasingly conditioned by the objectives of integration of the Brazilian economy into the international division of labour. This integration is clearly no longer on the basis of being a mere supplier of raw materials, but rather as a supplier of industrial goods as well. Therefore, the criterion of 'comparative advantage' in investment allocation returns. This means that instead of expanding the manufacture of technologically sophisticated equipment, which can be 'easily' acqu-

ired abroad, Brazil expands sectors such as footwear, textiles or even office equipment, whose products compete more 'easily' abroad.

In this change of strategy, Brazil ceded to the admonitions of the liberal economists who populate international economic and financial institutions and who always condemned 'exaggerated' import substitution. In this manner the country sold its birthright for a mess of pottage: external aid. It has forfeited its right to try to reach the technological frontier and, one day, become a fully developed nation. What else can a strategy mean which leads to the expansion of production and export of shoes, or even data-processing-system components, and to the import of equipment to manufacture shoes and of computers? There is no doubt that a division of labour based on 'comparative advantage'—each country specializing in what it can produce at the lowest cost—between 'advanced' countries and 'backward' countries can only result in the consolidation of inequalities and the deepening of the dependency of the latter on the former.

Therefore, the opening of the Brazilian economy to the external market, which was characterized as well—as it had to be—by a great expansion of the transnational corporations in almost every sector of the economy, produced a clear increase in financial as well as technological dependency. Important Brazilian firms which had mastered the technology in their areas of operation were bought by transnational corporations or joined them in association. It was only in areas where state firms operate—mainly in oil, transport and mining—that the penetration of the transnational corporations was somewhat obstructed, their participation being restricted to joint ventures in association with public capital and sometimes with Brazilian private capital too.

Bases and limits of economic growth The long boom which began in 1968 was based, therefore, on the following elements: (a) a rising internal demand for durable consumer goods due to income concentration and financial mechanisms which made possible greater consumer credit; (b) rising external demand due to the liberalization of international trade and export subsidies; (c) a strong injection of external resources which complemented internal savings and allowed the elimination of inflation-causing bottlenecks by means of a super-elastic import capacity. What had not become evident, and what constitutes the missing fourth element in this picture, is an *increasing* rate of investment.

It is true that according to official data there was, in fact, a rise in the rate of investment, as measured by the relation between gross fixed-capital

formation and gross national product. This fluctuated around 15 per cent in the recession period between 1965 and 1967, returned to its normal level of between 16 and 17 per cent in 1969 and jumped to 21.0 per cent in 1970, 21.7 per cent in 1971, 22.0 per cent in 1972 and 22.6 per cent in 1973.[7] What is important, however, is to compare these rates of investment with the rate of expansion of output. In a period of reduced growth, such as 1965–67, a rate of investment of 15 per cent could even be excessive, perhaps causing a rise in idle capacity. In the period 1968–69, in which increased growth could count upon considerable reserves of idle capacity, a rate of investment of 16 or 17 per cent may have been sufficient. But if this spare capacity gradually started to become exhausted, as it inevitably had to, then it is doubtful that rates of investment of 22 or 23 per cent were enough to sustain an average annual growth rate of 10 per cent.

From 1973 onwards the growth of the productive forces started to come up against a series of 'physical' barriers: the transport system became unable to bear an increased flow of goods (mainly at harvest time); many raw materials (from paper to steel) and finished inputs (from packing materials to fertilizers) became scarce in both the internal and the external market; other services, such as the telephones for example, began to break down under the weight of excessive demand. The rise in the rate of inflation which took place in and after that year, in spite of all the rigidity of the price-control system, was the result of the contradiction between an increasingly powerful impulse to accumulate and the restricted real resources available to do it.

Investment and external dependency Resources for investment depend in the short run on the country's import capacity and on the production capacity of the set of activities which produce means of production. It is necessary to realize that in the short run not only is this production capacity fixed, but also that one cannot ignore the time necessary for it to come into use, that is, the time which elapses between the order for a certain amount of fixed capital (or the formulation of a project on which a decision to invest is based) and the moment at which this new productive capacity comes into operation. A good part of the physical barriers which limit the impulse to grow in Brazil today result precisely from the fact that crucial decisions to invest were taken too late. An example of this is the steel industry, whose production in the last few years has been expanding at rates lower than demand, causing increasing steel imports. The formation of big plans for steel expansion which intend to turn Brazil into a major steel exporter in the 1980s are no solution to the bottleneck steel constitutes today.

An indication of the exhaustion of the capacity for producing means of production is given by the increasing share of imports in their total supply. Thus, in the case of the mechanical industry, for example, the import share increased from 28.2 per cent in 1965 (a year of very low investment), to 35.6 per cent in 1970 and to 40.4 per cent in 1972, in spite of increasing investments in the industry: 97 million cruzeiros in 1967, 135 million cruzeiros in 1968 and 193 million cruzeiros in 1969 (in constant 1969 purchasing power).[8]

At present there are two obstacles to a sufficiently rapid expansion in the production capacity of equipment in Brazil: the opening of the economy outwards, which does not stimulate investments in the substitution of technologically complex imports; and the lack of human resources and material. As for the first obstacle, it has already been analysed above, and it is enough to add that the world recession which began in 1974 somewhat dulled the appeal of the strategy of growth directed 'outwards'. This had led to the adoption of measures which tend to stress import substitution again. The practical effects of these measures, however, will only be felt within a few years, since they result in investments in the medium and long run in basic industry. But in the longer run it is the second obstacle that is important: a significant expansion of equipment production in an economy with the degree of industrialization already achieved by Brazil implies the mastery of new production processes, new in the sense that they have been developed more or less recently in the great industrial centres. Consequently, a whole programme of preparation of scientists, technicians, managers and specialized workers would have to be put into operation, besides the creation of the necessary institutional base. This means that raising investment to a level that could sustain a growth of output of around 10 per cent per year requires not only an adequate volume of resources to be saved but also requires a series of measures of qualitative type which, it seems, have not yet been contemplated.

Another way of seeing the problem would be the following: in order to keep the economy growing at 10 per cent per year it would be necessary to transfer a considerable part of the labour force from the production of means of consumption to the production of the means of production. This transfer cannot be effected by the usual market mechanisms, simply because it is a question of establishing activities that do not as yet exist in the country and cannot be found in the perspectives of any of the existing companies. This is the case, for example, in the aeronautics industry, which stagnated, being reduced to some small private firms, until the

government decided to create a state enterprise which appears to have opened up prospects for significant progress in this field. Such initiatives—state companies with adequate budget finance and far-reaching plans—would constitute the minimum institutional base on which a new state of development could be inaugurated. But, even if this were already done, the transfer of labour to new areas of great technological complexity would require an intense preparation which would in any case take time.

One has to conclude, therefore, that the period of rapid growth of the Brazilian economy between 1968 and 1974 was basically a period of recuperation from the recession of 1962–67, whose possibilities are now exhausted. On the surface this exhaustion shows in the form of pressure on the balance of payments and on the level of prices. Symptomatically, both the deficit of the former (around US$1,300 million) and the growth of the latter (around 35 per cent) reached record levels in 1974. But control of the balance of payments and inflation are only the immediate questions which force the state to curb growth. The intrinsic situation is the inability of the system structurally to transform itself so as to expand the production of capital goods and make the rate of investment independent of the import capacity. In 1974 the objective necessity of increasing investment contributed at least as much as rises in oil prices to the doubling of imports by value in relation to the previous year. It is clear that while an essential qualitative part of investments depends on imports, the rate of growth of the economy will be a function of the vicissitudes of the international economy.

Wages policy and income distribution

As can be seen, one of the basic conditioning factors of the process of growth of the Brazilian economy from 1968 onwards was the wages policy implemented after the establishment of the new régime in 1964. At the level of the firm the formula adopted for wage settlements and the introduction of the Fundo de Garantia de Tempo de Serviço produced a reduction in the cost of labour-power. Together with the gains in productivity that were achieved, this led to a rise in the gross surplus per unit produced and thereby stimulated the intensification of the accumulation process in the country.

Meanwhile, at the level of income distribution the results of the wages policy were quite clearly concentrationist. This can be confirmed by observing Table 1.

Table 1 Income distribution in Brazil as percentage of total income and *per capita*

Income group	1960			1970			Change in *per capita* income over the decade
	Absolute	Accumulated	*Per capita* income	Absolute	Accumulated	*Per capita* income	
	(%)	(%)	(US$)	(%)	(%)	(US$)	(%)
Richest 1 per cent of the population	11.7	11.7	3,242	17.8	17.8	6,644	105
Next 4 per cent	15.6	27.3	1,081	18.5	36.3	1,726	63
Next 15 per cent	27.2	54.5	502	26.9	63.2	669	33
Next 30 per cent	27.8	82.3	257	23.1	86.3	287	12
50 per cent with lowest income	17.7	100.0	98	13.7	100.0	102	4
Total/Average	100.0	100.0	277	100.0	100.0	373	34

Source João Carlos Duarte, *Aspectos da Distribuição da Renda no Brazil em 1970*, Censo Demográfico, Instituto Brasileiro de Geografia e Estatística (IBGE), 1970; Fundação Getúlio Vargas, Centro de Contas Nacionais. (Reproduced from: Fernando Henrique Cardoso, 'O Model Brasileiro de Desenvolvimento', *Debate e Crítica*, No. 1, July 1973.)

It can be seen that the fruits of Brazilian economic growth in the 1960s were distributed in an extremely unequal manner: the proportion of income appropriated by the richest sections of the population grew between 1960 and 1970, while the opposite applies for the poorest. This tendency seems to have been maintained in the last few years, as can be seen by comparing data from the 1970 Census and the Pesquisa Nacional por Amostra de Domicílios (PNAD)—the national survey by sample of dwellings—for the last quarter of 1972 (see Table 2).

The data show a tendency for the groups at the top and the bottom of the income pyramid to increase, with a consequent reduction of the intermediate groups, whose incomes vary between 1 and 3 minimum wages.

The growth of the base of the pyramid is even more serious if one takes into consideration the fact that the advance of the capitalist economy in

Table 2 Income distribution in Brazil: proportion of population with monetary income

Year	Income in minimum wages						
	Less than 1	1 to 2	2 to 3	3 to 7	7 to 10	More than 10	Total
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
1970	50.3	28.5	10.2	7.1	1.7	2.2	100
1972	52.4	22.8	9.8	9.4	2.3	3.2	100

Source Paul Singer, 'Mais Pobres e mais Ricos', *Opinião*, No. 116, 24 January 1975.

Brazil tends to eliminate complementary sources of income, which are of vital importance for the lowest income groups. In fact, the conclusion of a careful study of the structure of social classes in Brazil states:

> If we take as poor those who have a monetary income of up to 1 minimum wage we have a total of 13,802,000 people in 1972 (which is 52.4 per cent of the population with monetary income); 7,660,000 of these (55 per cent of the total) must have some non-monetary income (comprised of 3 million 'rural property owners'; 2.9 million 'rural workers'; 1.13 million domestic servants—assuming all of them live with their employers—and 0.63 million 'self-employed workers' working in the building industry), but this still leaves more than 6 million people (around 3.5 million urban wage-earners, almost 1.7 million workers self-employed but not registered with the authorities and around 0.8 million 'rural workers' who live in urban areas), who rely on a monetary income of up to 1 minimum wage for their survival. Therefore, examining the condition of the poor, one can understand how the advance of the capitalist economy, which is an essential part of our development, *has destroyed sources of non-monetary income without providing an adequate offsetting rise in monetary income for at least a substantial part of the labour-force.*[9]

In fact, the rise in the monetary income of the population with the lowest incomes in Brazil has been completely nominal in character, given that rises in the cost of living have, as a rule, been greater than rises in the minimum wage. This can be seen from Table 3.

As could not but happen, the loss of purchasing power of the lowest income strata, *and their absolute and relative increase in relation to the country's population,* has led to a deterioration in living conditions and an increase in the working day for a significant part of the working population. Tables 4 and 5 show this clearly.

A look at the *average* real wage between 1962 and 1969 gives additional evidence about the process of income distribution in Brazil. What it shows is that in spite of the fact that the average real wage fell between 1964 and 1967, its fall was markedly less than that of the minimum wage (which fell year after year, apart from 1970, when it showed a small rise), and from 1968 onwards it shows a clear tendency to *rise*. This demon-

Table 3 Real minimum wage in São Paulo (1970 prices)

1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
226.50	261.05	240.18	220.13	234.64	228.37	198.11	190.91	190.31	185.71	187.20	186.45

Source *Anuários Estatísticos do Brasil.* (In: Fernando Henrique Cardoso, 'O Model Brasileiro de Desenvolvimento', *Debate e Crítica*, No. 1.)

Table 4 Number of work-hours needed per month to buy the essential diet[1] (based on the minimum wage in São Paulo)

Product	Quantity	December 1965	December 1971	Product	Quantity	December 1965	December 1971
Meat (kg)	6.0	26h 24m	42h 42 m	Ground coffee (kg)	0.6	46m	3h 38m
Milk (litres)	7.5	4h 15m	5h 22m	Bananas (dozen)	7.5	4h 00m	3h 38m
Beans (kg)	4.5	7h 08m	8h 19m	Sugar (kg)	3.0	3h 48m	3h 03m
Rice (kg)	3.0	3h 45m	6h 03m	Butter (kg)	0.75	7h 19m	9h 23m
Flour (kg)	1.5	2h 23m	2h 09m	Fat (kg)	0.75	3h 44m	3h 18m
Potatoes (kg)	6.0	7h 36m	4h 48m	Total		87h 20m	113h 26m
Tomatoes (kg)	9.0	8h 24m	7h 48m				
Bread (kg)	6.0	7h 48m	13h 30m				

1 The essential diet is a list of items necessary for proper nutrition as determined by law in 1938.

Source Products and quantities: According to Decree-Law No. 399, 30 April 1938. Average price in the *município* of São Paulo, DIEESE. (In: José Serra, 'El Milagro Brasileño: Realidad o Mito?', *Revista Latinoamericano de Sciencias Sociales*, No. 1/2, June 1971.)

strates that one should not treat wage-earners as a homogeneous group. While wage-earners receiving the minimum wage experienced a fall in their real income after 1964, the opposite was the case for labour with higher qualifications and for wage-earners linked to administrative tasks—at least from 1968 onwards. In relation to this phenomenon it is worth stressing that in 1972 *wage-earners constituted no less than 51.9 per cent* of the population whose monthly income exceeded 10 minimum wages. Of this total (consisting of 439,000 wage-earners with a monthly

Table 5
Non-agricultural labour force classified by number of hours worked per week (percentage of persons employed)

Number of hours worked per week	1968, second quarter		1972, fourth quarter	
	São Paulo	Rio and Guanabara	São Paulo	Rio and Guanabara
	(%)	(%)	(%)	(%)
Up to 14 hours	1.6	1.3	1.0	0.9
From 15 to 39 hours	14.8	17.9	11.3	14.4
From 40 to 49 hours	59.4	57.6	59.5	52.9
Fifty hours and more	24.2	23.2	28.2	31.8
Total	100.0	100.0	100.0	100.0

Source
Pesquisa Nacional por Amostra de Domicílios (PNAD), 1968 and 1972. (In: Paul Singer, 'A Economia Brasileira depois de 1964', *Debate e Crítica*, No. 4, November 1974.)

Table 6
Average real wages of persons occupied in industry in Brazil, 1962–9 (1962 = 100)

1962	1963	1964	1965	1966	1967	1968	1969
100	113	110	102	109	107	114	122

income greater than 10 minimum wages) around 200,000 were in 'administrative' occupations, and another 144,000 in 'technical-scientific' occupations, often linked to management itself.[9] Tables 6 and 7 give evidence to support these statements.

Table 7 Tax burden according to profession and type of property-owner

Income/tax element	Factory worker	Bank employee	Soldier	Landowner	Shareholder[1]		Owner of a private company
					1	2	
Annual income (dollars)	540	2,160	5,400	16,200	16,200	32,400	108,000
Annual income (index)	100	400	1,000	3,000	3,000	6,000	20,000
Indirect tax burden (%)	15.69	14.51	13.24	9.75	9.75	6.87	2.82
Direct tax burden (%)	0	1.1	5,58	10.60	6.47	6.85	5.96
Total tax burden (%)	15.69	15.61	18.82	20.35	16.22	13.72	8.78

Source Carlos Lessa, 'A Tributação no Brasil: sua Regressividade e a Repartição de Rendas', 1970. (In José Serra, 'El Milagro Brasileño: Realidad o Mito?', op. cit.)

Welfare policies and economic growth

As indicated in the preceding sections, the main thrust of the Brazilian economic growth pattern has been the expansion of the industrial infrastructure, with scant attention to redistributive measures. That a survey of welfare conditions reveals a dark picture should therefore come as no surprise. Whether we deal with education, housing or public health, there can be no doubt that we are facing one of the most extreme cases of growth without redistribution.

Yet, we should guard against any simplistic interpretation. One is tempted to argue that this case of welfare underdevelopment is the necessary and direct result of technocratic hard-mindedness, of oligarchical control of government, of élite corruption, and so forth. Yet, even though each of these ingredients has been present at one time or another, they are not sufficient to place the Brazilian case in proper perspective.

Roughly speaking, we could think of these major factors accounting for the Brazilian pattern:

First, the conditions prevailing at the start of the process of economic change, in the early decades of this century, were substantially worse than those prevailing in countries of comparable importance, in Argentina for instance.

Second, the political development of Brazil has been characterized by a very slow incorporation of the lower classes into active participation. As a consequence, the bureaucracy and the political groups capable of influencing the allocation of resources have not been forced to pay heed to welfare demands on a regular basis.

Third and finally, the need to adjust national policies to the constraints imposed by the international economic structure severely limited the options as to the allocation of resources.

The sections that follow are not intended to 'prove' these assumptions, but simply to document the degree of welfare underdevelopment of Brazil in the last decade or so. The term 'welfare' as employed in this paper departs somewhat from the more technical usage in economics and related fields. We are not primarily concerned with social security, unemployment compensation and similar governmental programmes, but rather with the overall levels of education, housing, sanitation and health.

Even though, as stated above, we see welfare conditions in this sense as the result of a *pattern* of resource allocation which is in turn the materialization of a whole conception of economic change, it should be clear that the nature of the information available imposes a number of constraints on our manner of approaching these problems.

One such constraint is the need to deal with resource allocation in terms of monetary units, through the budget; or in terms of the number of schools, hospitals and so on; or even in terms of the information available, the quality of which is in some cases a sufficient indication of the remote priority of a given objective in the eyes of the policy-makers. Undoubtedly, a more direct evaluation of the services provided would convey a much darker picture.

This part of the study is divided into four sections. In the first, an attempt is made to place the question of welfare expenditures in comparative perspective, by relating it to levels of economic growth. We are aware of the danger of unduly hypostatizing the concept of 'economic growth'.

Our intention here, as stated, is simply to provide a comparative perspective for the evaluation of past performance. The following three sections deal, respectively, with the educational system, especially literacy and elementary education; housing policies and sanitation; and the health system, in terms of the provision of medical assistance and hospital facilities.

Relationship of welfare expenditure to growth

International comparisons have shown that the welfare expenditures of national governments bear a relationship to overall development: the richer nations spend more money, as a proportion of GNP, than do the poorer nations, so far as education, housing, health and related items are concerned. However, such a relationship is perceptible only in the long run. Far from being an automatic consequence of economic growth, the growth of welfare expenditures is a composite result of economic and 'non-economic', especially political, factors. Far from keeping a linear relationship with the growth of GNP, therefore, it is more likely to exhibit a zigzag pattern, reflecting the political forces involved.

In the Brazilian case, the literature on government planning seems quite consensual with respect to the following two statements, which we shall therefore take as points of departure for the present study. First, it seems to have been in the mid 1950s (and more specifically, in the targets plan of the Kubitschek government, 1955–60) that welfare investments ceased to be conceptualized as an ineluctable *precondition* of growth, and started to become more and more subject to a cost/benefit approach. This is not to say, of course, that such expenditures then began to decrease systematically, but rather that argument for them could no longer rest on those simple old assumptions in which humanitarian motives and common sense appeared indistinguishably blended. Second, a consensus also seems to exist as to the fact that welfare goals have been and remain a very low priority for Brazilian governments. The amount invested in education, health, housing and related services has tended to be well below what would be expected from Brazil's level of economic growth. As a result, no matter what policy is adopted, present governments will necessarily carry a heavy burden, accumulated over decades.

The few existing studies of government action during the last ten or fifteen years, plus the analysis of official statistics and governmental plans, seem to make it very clear that welfare goals remain quite secondary in the thought of the Brazilian policy-makers. It is often pointed out

that, from this perspective, the transition from a democratic to an authoritarian system made no difference at all. Given the narrow social base of the pre-1964 democratic régime, it is said, the policy pattern would have ended up being more or less the same as is now deliberately pursued by technically qualified policy-makers.

These notions, now widespread in the literature about the Brazilian 'miracle', seem to omit a crucial point, namely that once a certain level of material growth has been reached, the key factor influencing the pattern of expenditure, and particularly the option of growth or stagnation of welfare expenditures, is the give-and-take of organized social groups through the political process. The régime established in 1964, often described as an aggressively 'modernizing' technocracy supported by the military, has clearly and strongly denied the legitimacy of such 'political' methods of allocation, making itself virtually immune to societal pressures to increase welfare expenditures. The government's behaviour in this regard can, of course, be explained in many ways, but a crucial factor, as observed above, is that governmental policy-makers cherish a strong belief in their own rationality, and do not deem it rational, at least for the time being, to assign a higher order of priority to welfare objectives.

Education

Public investment in education in Brazil is more or less equally divided between the federal and the state governments; the local governments (*municípios*) account for only 6 to 7 per cent of the total public money spent in this field. The Ten-year Plan of 1967 (which is not actually a plan, but a set of broad guidelines) envisaged an increase in the proportion to be spent by the federal government, with a target of 51 per cent of the public investment in 1976. Public expenditure, in turn, is roughly ten times as large as private expenditure.

According to Douglas H Graham, public expenditure reached 5.8 million cruzeiros (1970 cruzeiros) in 1970; private expenditure in this same year reached 0.6 million cruzeiros. Foreign funds accounted for nearly 0.2 million cruzeiros, thus expenditure totalled 6.6 million cruzeiros, or 3.8 per cent of the gross domestic product.[10] This proportion is the highest since 1960, rising from 2.4 in that year to 3.2 in 1965 to 3.8 per cent in 1969/70. It is therefore possible to say that aggregate expenditure in education has in fact increased, and that this has been mostly the result of increased public investment. Accounting for 82 per cent in 1960,

public expenditure now accounts for almost 90 per cent of the total.[11]

This rise in educational investment as a proportion of the GDP must be qualified, however, in several respects. One, already noted, is that it is mostly a long-term correction for a level which was simply too low. Brazilian governments had been geared towards reasonably coherent developmental policies for one or two decades, and more decisively towards a policy of industrialization since the 1950s, while at the same time doing virtually nothing about illiteracy, inefficient schooling at the primary and secondary levels, or a university system that seemed well on the way to petrifaction. Thus, the increase just observed does not deviate significantly from the pattern of underinvestment in welfare, at least for the time being; it is better seen as a correction for one-sided economic 'developmentalism', which seemed bound to react negatively upon economic performance itself. In addition, the rise in educational expenditure is not as such a sufficient indication of social betterment, since we do not know enough about its structure. A review of some major educational indicators will serve to confirm both of these statements.

Illiteracy Table 8 shows (by region) the evolution of illiteracy in Brazil, for the population of 15 years of age and over, since the beginning of the century. From a uniform and extremely high rate of illiteracy in the adult population, we see that in the 1970s, as in the 1960s, Brazil confronts two problems: that the rate is still very high (39.5 per cent in 1960, 33.6 per cent in 1970) and that it is not at all uniform among regions. The North, East and Centre-West regions are close to the national average, but the

Table 8
Illiteracy among the population of 15 years and over, by region (percentage)

Year	Region					Total	
	North	North-east	East	South	Centre-West		
							(millions)
1900	69.2	79.7	72.7	73.0	–	74.5	13.0
1920	71.4	83.7	75.8	68.0	80.2	65.0	11.4
1940	59.8	76.3	62.8	44.5	70.9	56.0	13.3
1950	60.1	76.2	58.0	43.8	64.5	50.5	15.3
1960[1]	–	66.0	47.5	32.2	–	39.5	15.8
1970	36.0	57.9	34.4	21.6	35.5	33.6	18.1

1 Probability sample, 1.27 per cent of the population.

Source
Censos Demográficos, Instituto Brasileiro de Geografia e Estatística (IBGE).

South and the North-east deviate sharply from it, with rates of 21.6 and 57.9 per cent respectively. The East and South seem better off, but only in comparison with the rest of the country, since their rates of adult illiteracy are just slightly below the national average of other Latin American countries, and far above the rates observed in the now industrialized countries at the turn of the century. Needless to say, these regional inequalities in literacy rates would appear in darker colours if we took specific states, and especially urban–rural settings, for comparison. Thus, within the South-east region, adult illiteracy rates range from 11 per cent in Guanabara to 48 per cent in Espírito Santo. In the North-east region, *where all states have a majority of illiterates in the adult population*, differences range from 50.3 per cent in Pernambuco to 61.7 per cent in Alagoas.

In view of this situation, the government moved to establish the Brazilian Literacy Campaign (MOBRAL) in 1970. Conceived as a vast operation involving the states and *municípios*, the MOBRAL target population was defined as all illiterate adults between 14 and 35 years of age in 457 *municípios* which contain 70 per cent of the country's total population.

Although we do not have data for an adequate evaluation of the results of the campaign, the government inaugurated in March 1974 has implicitly admitted that MOBRAL fell short of its objectives and recommended that new methods or strategies be studied to deal with adult illiteracy. The magnitude of the problem can be gauged by looking at the right-hand column of Table 8: in absolute numbers, the illiterate population over 15

Table 9
Enrolment in elementary schools for the population of 7 to 12 years of age in Brazil as a whole and in three selected states (1970)

State	Population 7 to 12 years (millions)[1] (1)	Number enrolled (millions)[1] (2)	Percentage enrolled (2)/(1)
São Paulo	2.6	2.1	78.8
Minas Gerais	2.0	1.6	79.2
Bahia	1.3	0.6	48.4
Brazil	15.2	10.4	68.1

1 Rounded figures.

Source
Censo Demográfico de 1970. Instituto Brasileira de Geografia e Estatística (IBGE).

years of age *increased* by 2.3 million from 1960 to 1970. Clearly, given the present rates of population growth, the problem is virtually unmanageable unless the population *below* that age is absorbed by the primary-school system.

Elementary school One of the main determinants of the size of the adult illiterate population at a time t_2 is, of course, the rate of enrolment of the non-adult population at time t_1. The proportion of the non-adult population which is *not* at present attending elementary school is therefore the key factor to be considered. Table 9 shows the figures for elementary enrolment in 1970 for Brazil as a whole and for three states: São Paulo, Minas Gerais and Bahia. São Paulo ranks second in the adult literacy rate, and is the country's most populous and economically most important state. Minas Gerais, with the second largest population, is close to the nation's average with respect to adult literacy. Bahia comes after Pernambuco in the adult literacy rate within the North-east region, with 51.6 per cent, being therefore at the upper extreme within that region, as suggested above.

Table 9 shows that 32 per cent of Brazil's population between 7 and 12 years of age (almost 5 million) are not at present enrolled in elementary schools. As pointed out above, none of the North-east states has less than a majority of illiterates among the adult population. Here we see that Bahia, one of those states, enrols less than half of the population between 7 and 12 years of age.[12]

Needless to say, a host of problems, some of which are outside the reach of educational policies, hide themselves behind these figures. It is well-known that the *supply* of educational facilities produces satisfactory returns in enrolment up to a point, but then becomes wasteful. Socio-economic and cultural factors—including the need for the child's labour to supplement the family budget—affect the demand for education, expressing themselves in high drop-out rates. The quantitative importance of these factors can be gauged by the fact that the enrolment figures are always somewhat inflated, including a large number of children who remain in the same grade owing to failure.

Given the figures for illiteracy and elementary education, entirely typical of an 'underdeveloped' nation, it seems pointless, in an analysis of welfare conditions, to study the secondary and college levels in detail. The data presented thus far make it evident that Brazil remains an extremely under-educated society. It is, however, interesting to point

out, in conclusion, with regard to the period 1960–70, that the higher the level of education considered, the higher the rate of growth of the population enrolled. Thus, making 1960 = 100, primary enrolment grew to 133 in 1965, to 172 in 1970; the secondary junior to 180 in 1965, to 339 in 1970; the secondary senior, to 190 in 1965, to 376 in 1970; and finally, the college and higher levels of education, grew to 167 in 1965, to 456 in 1970. These figures seem to indicate that the main beneficiaries of the aggregate increase in educational expenditure (as a proportion of GDP) were primarily the rising middle strata. This is nothing but a hypothesis, which we cannot at the moment examine in further detail, but one that seems consistent with the information presented here and with other studies on Brazilian education.

Housing and sanitation

Housing is an evident and indispensable component of any welfare index. However, even less than in the field of education can we approach the study of housing conditions simply in terms of the supply by governmental or private agents of x units. The housing shortage, like illiteracy, in Brazil and in most other Latin American nations has an overwhelming character, making it ludicrous to take shortage estimates very seriously. We shall thus concentrate our attention on the following two points. First, a brief overview of the housing policies adopted in the last ten years, on the assumption that here we do in fact have important innovations; and second, an overview of indicators of public sanitation, especially water and sewage systems, on the assumption that the minimal quality of housing will be determined, for a long time to come, by the quality of such public services.

The National Housing Bank[13] The basic development with respect to housing was the creation of the National Housing Bank (BNH), in August 1964. The objectives and guidelines for the bank's action (stated in Law 4380, 8/21/1964) were to help promote overall development through the direct and indirect effects of housing projects upon the housing-related industries, and to encourage family savings. The bank is thus seen as an instrument of the government's planning machinery. Through Law 5.107 (9/13/1966), which created the Fundo de Garantia por Tempo de Serviço, an all-inclusive social security fund, it was established that the resources from this source would be utilized by the BNH, but with the proviso that an average return rate would be guaranteed through realistic investment and monetary correction instruments. Thus, although the government recognized the need for special subsidies

for low-income housing projects, the BNH, and the whole financial system articulated with it, were from the beginning conceived within more or less strict investment criteria, and not as a means to provide low-cost hosing. This view is reflected in the plans of the bank for the period 1968/70, which envisaged the construction of 378,000 units for middle income groups (subdivided into 113,000 middle high and 265,000 middle low) and 313,000 units for low income groups. In terms of the amount to be invested, these targets meant that 20 per cent of the resources destined to the urban housing market would be allocated to the low income projects, with the remainder more or less equally divided between the two middle income projects. Of course, these figures may seem meaningless without a more detailed study of the bank's criteria to discriminate among the income groups just mentioned, but they seem sufficient to highlight the constraints in the bank's possible role as an instrument for providing low-cost housing. Let us now turn to sanitation and water indicators in order to make at least a broad evaluation of the housing at present utilized by the majority of the population.

Water and sewage systems According to the statistical yearbook, there were in Brazil in 1970 slightly more than 18 million private occupied households, $4\frac{1}{2}$ million more than in 1960. Table 10 shows their distribution according to water source utilized and type of sewage system.

With respect to water supply, although well below half the households were linked to the public network in 1970, there is a perceptible increase from 21.0 to 32.8 per cent. As to sewage, however, there has been, if anything, a deterioration in conditions: while the public network reached 17.5 per cent of the households, as against 13.9 per cent in 1960, the

Table 10 Occupied private dwellings according to source of water supply and type of sewage installation (percentages of total)

Year	Total dwellings	Water			Sanitary installation			
		Public network	Well or spring	Other or Without information	Public network	Septic tank	Rudimentary cesspool	Without installation or Without information
1960	100 (13.5 million)	21.0	33.1	45.8	13.9	12.0	25.1	49.1
1970	100 (18.1 million)	32.8	24.7	42.4	17.5	9.5	33.3	39.8

Source *Anuário Estatístico do Brasil*, 1971.

percentage of those utilizing a rudimentary cesspool rose by 8 per cent, reaching 33.3 per cent in 1970. In addition, it is necessary to point out that the census lumped the category 'other forms' with the category 'without information', in the case of water; and the categories 'without installations' and 'without information', in the case of sewage. The category resulting from this procedure is the largest, with respect to water as well as to sewage, thus making the data here presented quite inadequate for a more refined analysis. In addition, strong regional inequalities are evident with respect to both water supply and sewage. While in the developed South-east region at least a bare majority (51.6 per cent) of the households is served by the public network, this proportion is only 12.4 per cent in the North-east. The distribution according to sewage facilities follows the same pattern. The increase in the number of *municípios* (local governments) between 1960 and 1970 was not followed by a parallel increase in the construction of sewage systems. The percentage of *municípios* with public sewage systems thus declined from 32.7 to 26.1 in that decade. Needless to say this pattern reflects itself in sharp regional inequality. Thus, while in the State of São Paulo 62.0 per cent of the *municípios* were provided with public sewage, in 1970, the comparable proportion for Bahia was only 15.0 per cent.

Health

As with housing, it seems unnecessary to emphasize once again that health levels are notoriously low in Brazil. Brazil entered the 1970s making international news with respect to public health: bad news, such as the spread of epidemic diseases and the stabilization—if not, in fact, an increase—of high levels of infant mortality. The interpretation of these and other occurrences in this area must of course be left to health experts, although we can take note of the fact that many of them have emphasized socio-economic conditions, most notably those related to malnutrition and environmental factors.

Water and sewage systems, considered in the previous section, are undoubtedly indicators of such health-relevant socio-economic conditions. Our intent here is to consider briefly some indicators of the *supply* of financial, hospital and human resources. These are obviously under the purview of governmental policy; in fact, all three are keystones in health planning. And here again, it seems possible to conjecture that governmental policies had negligible influence in the changes recorded during the decade. The pattern of low priority and inefficient planning, typical of the whole welfare field, seems to have been kept. The conse-

Table 11 Infant mortality in São Paulo (per 1,000 live births)

1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
82.5	83.2	81.0	82.3	71.8	73.9	76.8	78.9	72.4	84.1	81.4

Source João Yunes e Vera Ronchezel, *Evolução da Mortalidade General, Infantil e Proporcional no Brasil* (mimeo.)

quences, however, were bound to be extremely negative, owing, among other things, to the reduction of real wages, as shown in other parts of this paper.

The resources allocated to the Ministry of Health in the federal budget have been declining systematically. Taken as a proportion of the actual expenditures, such resources amounted to 4.11 per cent in 1955, 3.95 per cent in 1960, 2.67 per cent in 1965 and 1.11 per cent in 1970.

In order to estimate the magnitude of health expenditures as a proportion of the gross domestic product, it would be necessary to study not only what goes on at the state and municipal levels, but also a complex and (unlike the field of education) *fast-growing private sector.*[14] Such an effort is clearly beyond our present scope, but it seems in order to stress that the relative reduction of health resources in the federal budget may be associated with this trend towards the privatization of medical services. While the number of public and private non-profit hospitals grew slightly between 1965 and 1970, the number of private profit hospitals rose from 945 to 1,708. The latter category thus became the largest, so far as number of hospitals is concerned. The public and private non-profit categories reduced their relative participation in the total.

This trend towards privatization, combined with declining real wages and abysmally inadequate sanitation conditions, cannot fail to elicit serious concern. Even though we lack information for an evaluation of recent performance, it is entirely obvious that Brazil cannot yet boast acceptable levels of health conditions.

Notes

1 Data from: Fundação Getúlio Vargas, *Conjuntura Econômica*, No. 9, 1971.
2 In 1949, companies employing up to five workers were responsible for 12.2 per cent of employment and 9.7 per cent of total industrial value added. By 1959, these percentages had fallen to 8.5 per cent and 4.4 per cent respectively. In exchange, the participation of companies with 500 or more workers in employment and industrial value added rose from 24.7 per cent and 27.1 per cent in 1949 to 29.0 per cent and 36 per cent respectively in 1959. (Figures of the industrial censuses for 1950 and 1960.)
3 This is, in general, the behaviour of firms managed by their owners: these tend normally to keep to the areas with which they are most familiar, reapplying profits in their own company. When it becomes obvious that the company can no longer be profitably expanded, they normally put their profit into land or fixed-income investments.
4 In order to get an idea of the extent of the process, the following figures are enough: between 1955 and 1962, real wages of workers in manufacturing increased 12.3 per cent only (1.7 per cent a year), while their productivity rose 72.8 per cent (8.2 per cent a year). The difference was particularly great in industries producing durable consumer goods and capital goods, where an increase of real wages of 11.5 per cent contrasts with a rise in productivity of 121.4 per cent in this period. See: A Candal, *Industrialização Brasileira: Diagnóstico e Perspectiva*, Rio de Janeiro, Ministério do Planejamento, 1969, Table 31.
5 The index of real wages of industrial workers (1955 = 100) fell from 113.2 in 1958 to 112.3 in 1962 (Candal, op. cit., Table 31).
6 W Suzigan *et al.*, *Crescimento Industrial no Brasil*, Rio de Janeiro, IPEA, 1974, Table II.18.
7 See: Fundação Getúlio Vargas, *Conjuntura Econômica*, March 1976.
8 See Suzigan, op. cit., Tables II.5, II.9.
9 Paul Singer, 'Quem São os Ricos no Brasil', *Opinião*, No. 119, 14 February 1975.
10 D H Graham, 'The Growth, Change and Reform of Higher Education in Brazil', in: Riordan Roett (ed.), *Brazil in the Sixties*, Nashville, Vanderbilt University Press, 1962.
11 This has been consistent with a reduction of the relative amount destined to education in the expenditure of the federal government.
12 It would be necessary to correct these figures for the fact that at least a small fraction may have completed their elementary schooling, and may even be already enrolled in the first grades of the secondary. This, however, would not significantly alter either the magnitude or the regional differences shown in the table.
13 See: *Plano Estratégico de Desenvolvimento, 1968–1970*. On the BNH, see also: Gabriel Bolaffi, *Aspectos Sócio-Econômicos do Plano Nacional de Habitação*, University of São Paulo, 1972 (dissertation); Luis Aureliano Gama de Andrade, *Política Urbana no Brasil*, CEBRAP, 1975 (mimeo.).
14 A recent study argues that public expenditure on health has grown somewhat faster than the GDP between 1965 and 1969. See: F A R Silva and D Mahar, *Saúde e Previdência Social*, IPEA, 1974, p. 83 (Relatório de Pesquisa No. 21).

Mexico: A Commentary on the Satisfaction of Basic Needs

by Cynthia Hewitt de Alcantara

Introduction: the historical background

The Mexican Revolution of 1910–17, one of the most devastating examples of civil strife in the twentieth century, grew out of the misery of masses of people in both countryside and city whose standard of living had declined precipitously during the course of several decades of economic modernization associated with the authoritarian administration of General Porfirio Díaz. The prerevolutionary modernizing effort was concerned with the industrial reorganization of some sectors of agriculture, manufacturing and mining by national entrepreneurs, heavily dependent upon foreign capital and technical assistance; and it was oriented initially in large part towards export. Detractors among contemporary exponents of liberal capitalism criticized Porfirista modernization for its lack of nationalism, social consciousness and efficiency: pervasive nepotism and corruption not only impeded the optimum allocation of resources, but the formation of a more widely based entrepreneurial class as well. Those who laboured in the fields and factories of Porfirista Mexico, often forced into the proletariat by the arbitrary seizure of their property, simply abhorred it for its inhumanity.

It has been estimated that, between 1898 and 1911, real wages throughout Mexico declined 25 per cent, while the mortality rate (between 1895 and 1910) increased from 31 to 33.2 per thousand.[1] Much of the Mexican population was literally approaching starvation, not because of any uncontrollable natural disaster, or any immediate disequilibrium between population and natural resources, but quite clearly as the result of a highly discriminatory distribution of wealth and power. The situation was particularly desperate in rural areas, where (by 1910) 1 per cent of the people owned 97 per cent of the land.[2] When the anti-Porfirista movement broke out in that year, the question of securing a minimum standard of living burned in the minds of the great majority of those who joined the revolutionary armies.

During the following decade, internal warfare reduced the livelihood base of the Mexican population still further. In the countryside, villagers fled to remote highlands to escape marauding armies; cultivated fields were systematically destroyed, livestock slaughtered and houses razed in an attempt to eliminate the guerrilla base of peasant opposition to Diaz (and later, continued resistance to those who, although opposing Diaz, sympathized with large-landholding interests). In the cities, the disruption of agriculture and industry meant generalized misery. The extent of the suffering which characterized these years is reflected in the fact that between 1910 and 1921 the population of Mexico declined from 15.2 to 14.5 million. Production in mining dropped 40 per cent; in industry, 9 per

cent; and in agriculture, so precipitously that pre-revolutionary levels were not regained until 1925.[3]

Nevertheless, despite the seriousness of the problem of economic reconstruction which faced the nation after 1917, the defeat of the Diaz régime and the success of representatives of organized peasants and workers in making their demands heard in the councils of the new government produced the conditions for undoubted improvement in the level of living of those who had been least fortunate before 1910. With support from a formidable contingent of armed peasants, it was possible to begin the process of returning thousands of hectares of land usurped by Porfirista *hacendados* to the village population which had formerly worked them. Rural people returned from the hills to take up subsistence farming once more, and although their production might not immediately have entered the channels of a national economy, it allayed hunger in parts of the countryside. Where large commercial farming enterprises had not been destroyed during the fighting, however, and where no surrounding traditional communities had ever laid claim to this land, the situation of salaried agricultural workers continued precarious. The owners and administrators of such enterprises were uncertain of their future, and hesitant to resume operations on a large scale. Urban workers were similarly affected by the uncertainty of private investors and the disorganization of government, but they could count at least upon the support of trade unions, whose importance in the new balance of power taking shape at the end of the Revolution was not inconsiderable. What might have been absent in terms of an immediate improvement in monetary income was to some extent compensated for by the obvious change in status which strong interest groups conferred upon their members. Dignity, in the countryside as in the city, was an important component of an acceptable standard of living.

Constitutional guarantees of the public welfare

Throughout the Revolution, and immediately following it, a series of decrees and laws was promulgated in various sectors of the anti-Diaz forces, reflecting the concern of those who had been most oppressed under the Diaz régime with the assertion of their economic and political rights. These were drawn together and codified in the Constitution of 1917, the most advanced social document of its day and still the formal basis of Mexican political life. The nation which emerged from seven years of civil strife was pledged to democracy, not as a simple exercise of power by a numerical majority, but as a 'way of life founded upon the

economic, social and cultural betterment of the population'. Two articles were particularly relevant to attaining this goal.

The first, Article 27, formed the basis for all future land-reform efforts and justified those already tentatively under way. It vested the ownership of land and water in the hands of the nation, which could impose upon private property 'such restrictions as the public interest might require'. Provision was made for the return to rural communities of land taken from them during the previous half century and for the expropriation of large landholdings in certain situations to be defined by supplementary law. Owners of the latter would be indemnified according to the declared cadastral value of the land. State governments were to form agrarian commissions to regulate the process and to fix maximum limits agricultural on properties; and, most significantly, they were to consider what should constitute the patrimony of the [rural] family', which would be 'inalienable and not subject to seizures or charges of any kind'.[4]

A second area of the Constitution of 1917 of great importance for the future welfare of the Mexican population was Article 123, the declaration of rights of the working man. In it the right to organize, bargain collectively and strike was categorically confirmed. Workers were guaranteed an eight-hour day, equal pay for equal work, the end of child labour, assistance from employers in obtaining adequate housing, sickness and accident insurance, as well as the yearly distribution of a part of the profits of each enterprise among employees. As in the case of the peasantry, concern with some attention to a minimum standard of living was manifested in the provision that a minimum wage should be established which would 'be considered sufficient, taking into account the conditions of each region, to satisfy the normal necessities of life for the worker'.[5]

Obstacles to implementation of constitutional welfare provisions (1920–33)

The realization of the ideals of human welfare contained in the Constitution of 1917 would have required the immediate and continued activity of a strong, united state. In fact, however, Mexico emerged from the Revolution divided into numerous zones of influence, each presided over at the regional, and even the local, level by separate military leaders, at times ideologically committed to meeting the needs of the workers or the peasants, but often most concerned only with maintaining personal power. Since not only political reality, but also the federalist nature of

the Constitution itself, stressed the primacy of public administration at the state, rather than the national, level in dealing with local problems, the implementation of welfare programmes depended very much on the balance of power in each region of the country. There were areas, like Yucatán and Michoacán, where strong peasant organizations (still armed and militant) supported military leaders of an agrarian persuasion in daring programmes of rural reorganization, including not only the redistribution of land, but also the initiation of rural savings and loan associations, producers' and consumers' cooperatives, and agricultural schools. And there were others where cooperative ventures were undertaken among urban workers. But in general, the period from 1920 to 1934 was marked by the predominance of caution and inactivity in matters of social welfare at the national level, in an attempt at uniting the country through absorbing both landed and industrial interests opposed to reform, as well as the most outstanding leaders of popular causes, into the newly forming governing élite of the country. It was a strategy of individual, not group, mobility; and it tended to stress economically (although certainly not politically) unproductive expenditures on administrative expansion over significant investment in the public welfare.[6]

The difficulty of reconciling the very different visions of the good society held by various groups in post-revolutionary Mexico is clearly illustrated in the debate over agrarian organization which marked attempts to implement agrarian reform during this period. Those who had integrated the peasant army of Emiliano Zapata in the south came from villages with a tradition of communal landholding, and they therefore thought in terms of the destruction of the *hacienda* system and the reinstitution of viable communal agriculture, integrated into a wider framework of cooperative services at the regional level. The ranch hands and small farmers of the north, followers of Pancho Villa, were accustomed to think in terms of private property, and preferred the granting of farms to individuals, in plots of up to twenty-five hectares. A good number of the military leaders who became politically powerful during the Revolution, finally, had ties to large landholding interests and imagined any grant of land as a simple expedient to quiet rebellious peasants by permitting them to supplement their daily earnings on *haciendas* with a little subsistence farming; they did not envision the break-up of the *hacienda* system at all.

The definition of the kind and amount of land which should form the livelihood base of the rural population, and the way in which it should be held, therefore varied continually. In general, for those who could buy land, from *haciendas* exceeding the maximum size limit or from the

government (at moderate prices), and who thus were to constitute a group of private proprietors, generous upper limits tended to be legally established.[7] The question of minimum limits was not considered until 1945, when the pressure of population on smallholdings brought the crisis of farmers at or below a subsistence level to the attention of the government. In that year, a minimum limit equal to the amount of land requiring 240 work/days of labour for its cultivation, or the amount required to sustain a 'normal family', was set, but could never be enforced.[8] Despite an obvious tendency towards the polarization of latifundia and minifundia, the expressed purpose of agrarian legislation dealing with the use of private land nevertheless continued throughout the post-revolutionary period to be the encouragement of a 'rural middle class', holding roughly twenty to fifty hectares of irrigated land or its equivalent in land of lesser quality (stipulations of the colonization laws of 1923, 1926 and 1950). The futility of the ideal will be illustrated below.

For those who could not buy land, but were to receive it from the state, a system of landholding known as the *ejido* was employed. This system grew out of the pre-conquest experience of indigenous groups with communal tenure, as well as the later Spanish custom of setting aside certain lands for the use of the entire village. Land granted in *ejido* tenure belonged to the community with which it was associated and could not be alienated or sold. It might be exploited communally, as was the custom in any number of traditional villages throughout the nation before the Revolution, or it might be distributed among the population to be worked individually and passed on from one generation to the next. Until 1934, this kind of grant to rural people tended, in the circles controlling national policy, to imply charity or tutelage. President Calles, for example, noted in the mid-1920s that 'our goal must be private property; the *ejido*, with its communal restrictions and protection, should be a school from which *ejidatarios* graduate in time as small farmers'.[9]

The minimum legal size of the *ejido* (and, it should be stressed, therefore its *de facto* maximum size) was first fixed in 1920 as the amount of land necessary to provide a head of family with double the amount he could earn yearly as an agricultural labourer. This provision was modified in 1922 to specify 3 to 5 hectares of irrigated land; 4 to 6 hectares of good rain-fed land; or 6 to 8 hectares of unirrigated land of other types. Since the amount of land actually made available to the *ejido* programme by the government was far from sufficient to meet the demands of those with a claim to it, these minimum standards were never met, even after the stipulation in 1927 that they must be adhered to even if a part of the

claimants in each village had to be denied participation in the reform. As figures in Table 1 indicate, the average size of grants made during the 1920s was so small, and the quality of the land so poor, that the exercise could only be seen as a stopgap measure to provide a certain level of subsistence to those involved.

The Cárdenas strategy for improving the standard of living of peasants and workers (1934–40)

Upon the assumption of the presidency by Lázaro Cárdenas in 1934, the direction of Mexican development changed drastically, and with it the possibilities for implementation of the kinds of welfare provisions set forth in the Constitution. Cárdenas, as James Wilkie has noted, was a proponent of the 'active' state. During his administration, the *laissez-faire* policies of his predecessors were cast aside, much as Roosevelt repudiated the philosophy of Hoover in the USA. Government expenditures began to be withdrawn (proportionately) from administration, and

Table 1 The course of land distribution in Mexico, 1915–70

President	Number of hectares (thousands)	Number of recipients (thousands)	Average number of hectares received (1)/(2) (thousands)	Quality of land: Irrigated (%)	Quality of land: Rain-fed (%)	Quality of land: Uncultivable (%)
	(1)	(2)	(3)	(4)	(5)	(6)
Carranza (1915–20) and De la Huerta (1920)	382	77	4.9	2.5	42.8	54.7
Obregón (1921–4)	1,731	154	12.3	3.1	28.4	68.5
Calles (1925–8)	3,173	292	8.6	3.2	27.2	69.6
Portes Gil (1929–30)	1,436	187	7.7	2.9	22.4	74.7
Ortiz Rubio (1931–2)	910	57	16.0	2.4	18.8	78.8
Rodriguez (1933–4)	2,056	158	13.0	4.4	25.2	70.4
Cárdenas (1934–40)	20,107	763	26.4	4.9	21.1	74.0
Avila Camacho (1941–6)	5,307	112	47.3	1.6	17.9	80.5
Alemán (1947–52)	4,210	91	46.2	1.5	19.7	78.8
Ruiz Cortines (1953–8)	3,564	196	18.2	1.2	24.8	74.0
López Mateos (1959–64)	7,935	255	31.1	0.8	18.2	81.0
Díaz Ordaz (1965–70)	24,491	397	65.9	0.5[1]	8.2[1]	91.3[1]

1 1965–8.

Source Columns 1, 2 and 3, 1915–70: Rosa Maria Tirado de Ruiz, 'Desarrollo Histórico de la Política Agraria sobre Tenencia de la Tierra, 1910–1970', in: Ifigenia M de Navarrete (ed.), *Bienestar Campesino y Desarrollo Económico*, Mexico City, 1971, pp. 53–4.
Columns 4, 5 and 6, 1915–68: Comité Interamericano de Desarrollo Agrícola and Centro de Investigaciones Agrarias, *Estructura Agraria y Desarrollo Agrícola en México*, Mexico City, 1970, Vol. I, p. 88.

to be channelled towards public investment in sectors of the economy which would stimulate employment and raise the level of living of the population. The outlay for 'social' programmes such as health and education reached 18.3 per cent of the entire federal budget between 1934 and 1940—a figure not again equalled until 1958. National regulatory agencies of primary importance for the future economic growth of the country were inaugurated; and perhaps most important of all, nationwide confederations of workers and peasants were formed to bring the masses of the nation systematically into the process of decision-making from which they had been progressively excluded since 1920.

For Cárdenas, the *ejido* system of land tenure was not an instrument of charity, but the basis for the cooperative reorganization of the countryside. Taking advantage of new provisions in the agrarian law of 1934, he began the process of expropriating some of the best irrigated land of the country, up to that time part of relatively modern commercial farming enterprises, and delivering it to landless labourers whose lack of membership in traditional communities with long-standing claims to land had always before excluded them from the agrarian reform programme. Thus the standard of living of the rural proletariat was significantly affected by state policy for the first time since the Revolution. The average amount of land delivered to each beneficiary was greater than it had ever been before and more irrigated land was made available. By 1940, the part of the entire agricultural population of Mexico that had benefited through grants of land had grown from 21 to 42 per cent.

In the most prosperous areas of commercial farming affected by the Cárdenas land-reform programme, expropriated enterprises were not divided among beneficiaries to be worked as separate smallholdings, but formed the basis of a new concept of organization: the 'collective' *ejido*. These *ejidos* were in effect producers' and consumers' cooperatives, managed by elected officials responsible to a National Ejido Credit Bank, which was constituted to provide the economic resources and technical assistance necessary for the successful operation of large commercial farming ventures. Land-reform beneficiaries, including some of the poorest strata of the Mexican peasantry, were to be involved not in a simple salvage programme to keep them from starvation, but in an effort to make of them as relatively prosperous a rural middle class as that earlier envisioned (but never actively promoted) by proponents of private property.

A key element in the Cárdenas programme of rural development was the

organization of local, regional and national interest groups which were to take an active part in bettering all aspects of peasant life. During the period 1934–40, the relatively better-endowed regions of Mexico were the scene of historic experiments in cooperative public-health programmes, literacy campaigns, the institution of regional agricultural schools, mutual insurance companies, women's organizations—all responsive to, and at times completely managed by, land-reform beneficiaries themselves. The effect upon the standard of living of participants was, according to contemporary accounts, remarkable.[10]

In urban areas, the Cárdenas emphasis on cooperative organization, collective representation and attention to 'social investment' was also of importance in raising the standard of living of the working class. Between 1934 and 1940, organized labour, represented by the united Confederation of Mexican Workers (CTM), acquired a power never before possible. With the full support of the government, the CTM utilized the right to strike to insist upon a greater share of the economic wealth of the country: there were more strikes during the Cárdenas period than at any other time before or since, and these disputes, brought before official arbitration boards, were almost always decided in favour of the workers. Not only were the minimum needs of union members taken into account, but the capacity of employers to pay as well (a tactic which in practice redounded overwhelmingly in favour of employees).[11] Entrepreneurs who complained of the difficulty of the situation were advised by Cárdenas to deliver their companies to the government or the workers for their administration, as in fact occurred in the case of some sugar refineries and saw mills, and during the forced expropriation of private interests controlling the railways and the petroleum industry.

The implications of rapid industrialization (1940–70)

A significant danger of too complete a unification of popular interest groups within a national polity would seem frequently to be, however, the ease with which masses of workers or peasants or other low-income groups can be made, not co-participants in a process of socio-economic betterment, but captives of a national government no longer responsive to their needs. This occurred in Mexico after 1940. Ironically, the noteworthy improvement in dignity and economic opportunity implied for much of the population of the nation in the Cárdenas programme served as a kind of cushioning mechanism restraining active insistence upon continuing improvement once the Cárdenas period had ended. In the coming decades, trends in the living standards of the majority were not at

all positive; but a sufficiently large group of beneficiaries of the Revolution (closely linked in the popular mind to Cárdenas) had been constituted to allow the relatively passive acceptance of growing inequality (and in some cases indifference towards the forceful suppression of protest).

Between 1940 and 1970, Mexico underwent an industrial and an urban revolution, without having first finished the task of resolving the most pressing problems of the rural population. Under the direction of a coalition of anti-agrarian and commercial-industrial interests, the federal government abandoned the kind of development strategy based upon the wide participation of small rural producers and urban workers in the process of economic growth, for which Cárdenas had stood, and substituted for it a dedication to rapid industrial expansion at all costs. The immediate economic justification for the new strategy was the international market for manufactured goods stimulated by the disruption of trade during the 1939–45 war; and the immediate political justification was a fear of socialism.

An industrial programme of the kind which came to dominate post-war public policy in Mexico could not, by its very nature, have been expected to produce significant short-term improvement in the living standards of the majority of the population. Rapid industrialization within a relatively free market required the immediate attraction of private domestic and foreign capital, and therefore the promise of considerable profit. Foreign investment was encouraged through the postponement of taxes on profits, and thus the limitation of public revenues, at the same time that massive federal and state expenditures were undertaken to create the kind of physical infrastructure propitious for industry. In the budgetary squeeze which followed, 'social' investment was sacrificed. Domestic, as well as foreign, investors were further encouraged through the implementation of a series of protectionist policies which raised prices to consumers and, in retrospect, implied considerable inefficiency in the use of the industrial plant of the nation. And through the political manipulation of the Mexican Confederation of Labour, the cost of 'abour was kept consistently low.

When this industrializing drive got under way, the economic dislocations of wartime had created an artificial labour shortage: the *bracero* agreement with the USA alone drew several hundred thousand men out of the domestic labour market during the mid 1940s, at a time when the effects of the Cárdenas programme of rural investment were still being felt in the countryside and the new effects of increased industrial investment in the

cities. But with a post-war birth rate of 3.6 per cent per year, such a shortage quickly disappeared. The post-Cárdenas strategy of development was not flexible enough to adjust to these changing circumstances: the technology upon which it was based in industry as in agriculture was a sophisticated importation from the most modern centres of capitalist production, stressing the intensive use of capital, not labour. Therefore the burgeoning urban growth which accompanied the concentration of industrial investment in a few key cities was associated with widespread unemployment and poverty.

The kind of grass-roots rural development programme undertaken by Cárdenas, which might, if continued, have stemmed to some extent the flood of migration from countryside to cities, characteristic of Mexico since 1940, was not consistent with the priorities of the new strategy of modernization. Rapid industrialization required the provision of a considerable 'marketable surplus' of agricultural products, and that surplus, it was felt, could be more easily provided by large private farms than by small family operations or cooperatives. Public investment in the countryside was therefore markedly limited after 1940 to developing the few centres of irrigated commercial agriculture promising the greatest increase in productivity in the short run, while the vast majority of the smallholders (whether private or *ejidatario*) of the nation were abandoned to eke out a living as best they could. In addition, within irrigated areas, support was so completely withdrawn from the collective *ejidos* created during the 1930s by the Cárdenas government, and so completely given to large private holdings, that the former disintegrated into bickering factions incapable of utilizing the resources once at their disposal; and the greatest part of their land and labour was drawn under the control of private *rentiers*.

There is no doubt that the immediate goal of post-Cárdenas policy, economic growth, was achieved by the strategy described above: the gross national product of Mexico grew at around 6 per cent per year between 1940 and 1968, and the *per capita* product at roughly 3 per cent.[12] Manufacturing production, which had increased at a compound annual rate of 4.6 per cent between 1930 and 1940, grew 8 per cent per year between 1940 and 1950, 7.3 per cent between 1950 and 1960, and approximately 8.2 per cent between 1960 and 1968.[13] By 1970, Mexico was in the industrial vanguard of Latin America. And agricultural output had increased 4.6 per cent per year between 1935 and 1967—a figure approached by no other country in Latin America in the same period.[14] But the benefits of this remarkable record of growth have reached an

ever-narrower segment of the total population, with disastrous implications for the general welfare—and thus, in the long run, for the continued economic development of the country.

Deterioration of the rural livelihood base and the reinstitution of marginality in the post-1945 period

Despite the fact that the history of Mexico was marked, between 1910 and 1940, by a revolution, a sweeping though abortive effort at land reform, and the laying of the institutional groundwork for future industrialization, it must be remembered that at the outset of the post-1945 period the country was still predominantly rural and that most rural people still lived in small traditional communities far removed by distance and culture from the commercial, agricultural and industrial centres in which efforts at raising living standards were concentrated during the Cárdenas administration. This predominance of traditional organization was considered a national weakness by those who led the post-1945 modernizing effort, just as it had been deplored by many members of earlier post-revolutionary governments who engaged in spending limited sums on missionary efforts to eradicate it. But in fact, it was one of the great strengths of the nation. Through integration into cohesive local societies, many rural people enjoyed a sense of security and of dignity which was a basic element in a satisfactory design for living. They may not have produced much more than they needed to assure a subsistence diet, their housing may have been rudimentary, and their technology simple. But they could often count upon a well-established web of relations guaranteeing assistance in times of need; they could be relatively sure that each head of a family had a voice in community affairs; and they tended to share a common and satisfying interpretation of the meaning of life.[15] Even when rural people did not live in such a community, but in former strongholds of capitalist agriculture not originally organized to maximize the personal security of the majority, they were likely to have participated during the late 1930s in the Cárdenas effort to build a modern institutional structure which would guarantee a certain minimum level of physical wellbeing, as well as experience in local decision-making, to land-reform families. Insecurity and physical want were certainly not absent from the Mexican countryside at the turn of the 1940s, but they were kept in check to a considerable extent by prevailing forms of social organization.

During the 1940s and 1950s, however, a fundamental change occurred in the way of life of most rural people, and this change set in motion a process of pauperization which spread quite quickly from the countryside to the city. The causes of increasing rural impoverishment were many: population growth, related to the implementation of immunization

campaigns; declining yields in basic crops (most particularly in traditional communities), as a result of too constant a utilization of fragile soils once rotated over longer periods, as well as lack of access to elements of modern agricultural technology which might have increased productivity to an extent more nearly proportional to the requirements of a growing population; incorporation into wider regional and national markets on terms unfavourable to rural buyers and sellers; changing aspirations within communities once stratified according to the degree of effort expended in community service, but increasingly affected by the pretensions of urban consumer society. Under such conditions, much of the post-war rural population of Mexico became not only objectively poorer than in immediately preceding decades (in the sense that the material resources at the disposal of the majority were no longer sufficient to meet minimum physical needs and the social ties of previous periods could no longer guarantee an acceptable degree of security), but also subjectively so (because traditional aspirations and values no longer upheld the superiority of traditional rural, over urban, ways of life). It was the latter element in post-war poverty which especially distinguished it from the pre-revolutionary decline in levels of living in the countryside discussed earlier and which encouraged a different response to impoverishment. The peasantry of early twentieth-century Mexico was willing to take up arms to defend a traditional way of life against visible agents of an exploiting urban society; but by mid century, surrounded by an expanding middle-class consumer society exercising a more diffuse kind of domination, organized protest against deepening poverty was far less frequent than migration to urban areas.

An indication of the growing insufficiency of the livelihood base of the post-war rural population is provided by a comparison of agricultural census figures for the period 1940 to 1960. In the former year, an average of 1.6 members of the rural labour force were sustained on each holding in the country; but twenty years later, the average had grown to 2.3. That most holdings did not have the resources to meet the requirements of population growth is clear from the conclusions of a comprehensive study carried out by the Interamerican Committee for Agricultural Development: in 1950, 1.3 million 'infrasubsistence' holdings, constituting 54 per cent of the total in the country, were so small and poorly endowed with natural and/or technological resources that they provided employment for less than one person per year and an average annual income of 490 pesos. Another 800,000 holdings (32 per cent of the total) were classified as 'subfamily', employing less than two men per year and producing an average annual income of 2,400 pesos. Together, these two

categories accounted for only 28 per cent of the agricultural production of Mexico. During the following decade, the proportion of all 'infrasubsistence' and 'subfamily' holdings remained virtually constant, but their participation in the agricultural product of the nation declined to 21 per cent. Increasing agricultural output and wealth was concentrated within 3.5 per cent of all holdings in the country, employing an average of 4 to 12 men per year (in the case of 'medium multifamily' farms) or more than 12 men (in the case of 'large multifamily' farms) and providing 54 per cent of all agricultural production in 1960. The family farm (requiring 2 to 4 work/years of labour and providing an average gross income of 11,500 pesos), so often lauded in official considerations of the ideal livelihood base of the rural population, comprised only 13 per cent of all holdings in 1960 and accounted for 25 per cent of Mexican agricultural output.[16]

The capacity of most traditional smallholdings and *ejido* plots to absorb a rapidly growing rural population was therefore very low (although, it should be noted, these two groups provided more employment opportunities per hectare than large private farms engaged in a relatively capital-intensive kind of cultivation).[17] Comparing the average productivity of the labour force on infrasubsistence holdings with that on family farms in 1950, one investigator concluded that underemployment on the former was of such magnitude that 1,247,000 people could have been totally withdrawn from the infrasubsistence labour force if it had been equipped to produce as much per work/year as family farms produced. When this figure was added to census reports of open unemployment in the countryside (reaching over 40,000 people) and the number of children between 8 and 11 years of age reported employed in agriculture, it could be estimated that the agricultural sector of Mexico sustained the equivalent of 1,287,362 unemployed people in 1950.[18]

There are, quite obviously, other ways of calculating rural unemployment and underemployment, and each approach produces a different estimate of the seriousness of the problem. A summary of various estimates is provided in Table 2. No matter what method is used, it is clear that the total number of the under- and unemployed in the countryside increased inexorably from 1950 onward, and that throughout the period under discussion the agricultural sector may have sustained almost double the number of people for whom it could provide full-time employment.

The seriousness of growing underemployment, as urban economists quantify it, was compounded by the breakdown of cooperative systems

of production in indigenous and modern *ejido* communities alike, and the disintegration of both traditional and modern mechanisms of social security which protected the least economically productive members of society from indigence. Underemployment in a traditional or cooperative setting was not necessarily structurally related to poverty; but an individual inability to find and maintain sufficiently remunerative employment in a modern setting meant want. As the number of rural families without access to land grew inexorably during the post-war period, they had increasingly little hope of mitigating the economic effects of underemployment through recourse to informal or formal social ties of assistance.

Quantifying the advance of proletarianization within the rural population of Mexico, like estimating underemployment, can of course only be an approximate exercise, suggesting trends rather than providing definitive answers. According to national census figures, the number of day-labourers dropped slightly between 1940 and 1950, from 1.9 to 1.6 million people (or 50 and 33 per cent of the agricultural work force), most probably reflecting migration rather than a real decline in the number of landless. Then it grew spectacularly, reaching 3.3

Table 2 Three estimates of the magnitude of unemployment in the agricultural sector, 1950, 1960, 1970

Unemployment alternatives	1950		1960		Projection to 1970	
	Number of unemployed (thousands)	Percentage of agricultural work force	Number of unemployed (thousands)	Percentage of agricultural work force	Number of unemployed (thousands)	Percentage of agricultural work force
Alternative I[1]	1,287	27.0	1,327	22.0	1,368	17.0
Alternative II[2]	461	9.5	989	16.0	2,096	27.0
Alternative III[3]	2,680	55.5	3,106	50.4	3,597	46.0
Total agricultural work force	*4,824*	*100.0*	*6,145*	*100.0*	*7,828*	*100.0*

1 'Equivalent unemployment' (calculated by comparing productivity of labour on infrasubsistence holdings with that on family farms, and converting underemployment to unemployment), plus 'open unemployment' (reported in the census), plus children from 8 to 11 years of age working in agriculture.
2 'Equivalent unemployment' (calculated by comparing productivity of labour on private holdings of less than 5 hectares with that on large private holdings and *ejidos*, and converting underemployment to unemployment), plus 'open unemployment' (reported in the census), plus children from 8 to 11 years of age working in agriculture.
3 Total number of work/days available minus total number of work/days worked.

Source Manuel Gollas, 'El Desempleo y el Subempleo Agrícolas en México', in: Edmundo Flores (ed.), *Desarrollo Agrícola*, Mexico City, Fondo de Cultura Económica, 1972, p. 216.

million day-labourers (54 per cent of the agricultural work force) in 1960, even after migration must have siphoned off a good many more of those who might otherwise have worked for a wage in the countryside. And in 1970, it declined once again to 33 per cent of the agricultural labour force, or 2.5 million people.[19] Some of those included in the day-labouring category during each period were not entirely landless: the census shows, for example, that more and more land-reform beneficiaries dedicated a part of their time to wage labour from 1940 onward. But by far the majority were, and for them, as for others who could count on a little extra income from land of their own, changes in the supply of and demand for hired help during post-war decades were disastrous.

Between 1950 and 1960, population pressure and the mechanization of large private farms reduced the average number of days of work available to individual day-labourers from 190 to 100 per year, at the same time that real minimum wages rose insufficiently even to recover their 1939 level. (Estimates of the decline in real wages in the countryside between 1939 and 1959 vary from 7 to 24 per cent.)[20] From 1960 to 1970, real minimum wages rose (see Table 3) but were very seldom enforced: field-work carried out by the Centre for Agrarian Studies in the mid 1960s, for example, showed underpayment in the most advanced commercial farming areas of the country of from 9 to 17 per cent, and far more exploitative arrangements in some of the more isolated strongholds of export crops.[21] And the average number of days of work available to each field hand must certainly have declined further during that decade, although data from the 1970 agricultural census shows only that 84 per cent of all landless labourers worked less than one-half of all available days in the year. As a result of unusually low wages and declining opportunities for employment, the average monthly income of a farm labourer was still lower in 1968 than that of any other working man in the country (500 pesos for the former, compared to 725 pesos for construction workers and slightly over 1,000 pesos for workers in manufacturing, mining and commerce), and only one-half that to be found in the agricultural sector as a whole.[22] Agricultural workers could count upon no job security, no union organization, no medical or educational services. They were quite literally 'marginal' to the process of post-1945 economic growth, not in the sense of having failed to contribute to it (for the low wages paid to the agricultural proletariat have obviously played an important part in the development of modern capitalist agriculture in Mexico), but in the sense of having lost a certain indispensable, personal place in the process of production and having become (as individuals, though not as a group) replaceable.

If the preliminary figures of the agricultural census of 1970 prove reliable, the same must be said of most of the cultivators of smallholdings in the nation. According to the census, published in 1976, 60 per cent of all the holdings of the nation produced only 0.8 per cent of the total value of agricultural products in 1969 and provided those who worked them with an average annual income from farming of 291 pesos. Twenty-one per cent more accounted for only 2.8 per cent of the agricultural production of the nation, providing an average annual income from farming of 2,969 pesos. Thus as many as 81 per cent of all smallholdings in Mexico contributed a scant 3.6 per cent of national production, while 3.3 per cent of the largest commercial farms produced 81 per cent of total output. Even allowing for a generous margin of error in these figures, a rapid deterioration in the livelihood base of most rural people between 1960 and 1970, as well as their growing expendability from the point of view of the national economy, would seem patent.

Table 3
Evolution of general and rural minimum wages in Mexico, 1940–74 (national average)

Year	Undeflated pesos		1950 pesos		Exchange relation	
	General (1)	Rural (2)	General (3)	Rural (4)	Urban/rural (1/2)	Rural/urban (2/1)
1940	1.52	1.30	5.37	4.59	1.17	0.85
1950	3.35	2.66	3.35	2.66	1.26	0.79
1960	9.89	8.83	4.83	4.31	1.12	0.89
1970	24.91	21.20	9.33	7.94	1.18	0.84
1972	29.29	24.94	9.99	8.51	1.17	0.85
1973[1]	34.56	29.43	10.11	8.61	1.17	0.85
1974[2]	39.38	33.52	9.26	7.88	1.17	0.85
Average annual rates of growth (per cent)						
1940–50	8.2	7.4	−4.6	−5.3	0.7	
1950–60	11.4	12.7	3.7	4.9	−1.2	
1960–70	9.6	9.2	6.8	6.3	0.5	
1970–2	8.4	8.3	3.5	3.5	−0.4	
1972–3[3]	18.0	18.0	1.2	1.2	0.0	
1973–4	13.9	13.6	−8.4	−8.5	0.0	

1 17 September to 31 December 1973.
2 To deflate the minimum wage for 1974, the national consumer price index was used.
3 January–August 1973.

Source
Martin Luis Guzman Ferrer, 'Coyuntura Actual de la Agricultura Mexicana', *Comercio Exterior*, Vol. 25, No. 5, May 1975, p. 575. Guzman deflated minimum wage figures with the cost of living index for working men in Mexico City.

Marginality in the cities

In search of a more certain or remunerative source of livelihood, millions of rural families moved to the principal cities of Mexico during the quarter century following the war, tripling the urban labour force between 1950 and 1970 and placing an extraordinary burden on the capacity of an expanding industrial economy to provide employment. Several studies of migration and employment during this period suggest that job opportunities in industry and commerce grew sufficiently rapidly during the decade of the 1940s to absorb a good many migrants into urban society at levels above the minimum wage. But as the number of new arrivals increased and the requirements for training and experience as well, a growing proportion of the urban population of Mexico could no longer find a stable, productive place in the occupational structure of the cities. Therefore more and more of the people who found their way into the cities from the 1960s onward maintained themselves and their families through offering services, a great many of which were as temporary as they were badly remunerated. The street vendors, shoeshine boys, car attendants, sanitation workers, gardeners, servants and others like them crowding Mexican cities in the post-1945 period were, like the rural proletariat described above, entirely interchangeable. Their labour enhanced the comfort of those whose background and skills guaranteed permanent employment, but they were not a necessary part of the productive apparatus of the nation—perhaps not even, as in the case of the rural proletariat, in the sense of providing a reserve labour force, for much of the marginal population of the cities did not have the preparation to assume industrial or commercial positions. Only in the case of the construction industry and traditional trades was there a flank of the urban industrial economy which could be breached by a considerable number of recently arrived rural migrants, although not with any guarantee of economic security.

The complex of underemployment and unemployment characteristic of urban marginality is just as difficult to quantify as that of rural areas. Muñoz, Olivera and Stern estimated that at least 24 per cent (or 535,000 people) of the economically active population of the Federal District were dedicated to marginal occupations (defined as those providing less than the minimum wage to most of those engaged in them) in 1970;[23] and this figure coincides rather closely with the proportion of the entire national population employed outside agriculture which, according to the 1970 census, earned less than the minimum wage in that year. If one goes a step further in elaborating the concept of underemployment, and inclu-

des not only that part of the population obtaining an unusually low income but also that part earning a higher income but working so small a part of the year that its average income would not reach the minimum wage if it were prorated, it would seem that as much as 35 per cent (780,500 people) of the economically active population of the Federal District could have been considered underemployed in 1970, compared to only 20 per cent of the labour force of the next fifteen largest cities of the nation combined.[24] And open unemployment has apparently doubled in the nation's capital every decade since 1940, reaching over 100,000 people in 1970 and then jumping to as many as 222,000 four years later.[25] The latter figure makes it painfully clear that the economy of the Federal District is now not only unable to utilize the skills and talents of its adult population optimally (as high rates of underemployment would indicate), but also is in fact unable to find a place for many of them at all.

In general, then, the strategy of modernization implemented in Mexico since the war uprooted a large part of the population of the country and separated it from traditional means of obtaining a livelihood without providing modern institutional mechanisms sufficient to guarantee even a minimum level of economic security in the new order of things. Almost a million people throughout the nation as a whole were without work at the time of the 1970 census. Three million more worked six months or less in 1969, and an additional 1½ million worked no more than nine months. The number of people earning less than the minimum wage approached 5 million. Examining this situation in detail, a government study group concluded in 1970 that between 35 and 45 per cent of the work force of the country (or between 4.8 and 5.8 million people) were underemployed, producing an 'equivalent' unemployment figure of 3 million.[26]

The question of how so many chronically under- and unemployed people survive is an important one, for very few of them have any claim at all to public assistance. Unemployment insurance, it is true, is one of the benefits provided to members of the Mexican Social Security Institute, established in 1943; but the latter are a relatively privileged group within the urban industrial and commercial sectors, and constituted in 1970 only one-fifth of the population of the country. They are not by any means the hard core of the employment problem. The same could be said of unionized workers (only 38 per cent of the total non-agricultural wage-labour force), who can count at times upon strike or pension funds. The overwhelming majority of the under- and unemployed can only fall back upon informal networks of mutual assistance among family and

friends which gives them the possibility of claiming a small part of the resources of others in moments of most desperate need.[27] Without such arrangements, to some extent transposing the social mechanisms of solidarity once predominant in traditional communities to modern rural and urban settings, the extreme insecurity of marginal groups would be a material impossibility.

Wages and prices

The relatively free play of market forces during the post-war modernization of Mexico has not only excluded a growing part of the population from stable participation in the productive process, but it has also denied to many of those who have participated steadily, and whose labour has in fact formed the basis of economic growth, an adequate remuneration for their efforts. This has been the case not only in the sense that wages and salaries have not increased proportionately to productivity (and concomitantly to national income), but also in that buying power has declined over long periods, as increases in wages have fallen behind rising prices for basic consumer goods. Large sectors of the working class have therefore been chronically unable to meet what they have considered to be their basic needs, even though they have been permanently employed.

When compared with the experience of many Third World countries, inflation in post-war Mexico has on the whole been relatively modest. Nevertheless the cost-of-living index for working people in Mexico City rose 700 per cent between 1939 and 1960 (400 per cent between 1939 and 1950).[28] and neither labour unions nor government intervened forcefully to ensure that wages kept pace with that increase. It has been estimated that real wages in the cities therefore declined 6 to 10 per cent between 1940 and 1960.[29] This loss coincided with a rapid increase in productivity, thus transferring more and more of the benefits of economic growth from labour to capital. While some 54 per cent of the national income was attributable to the former in 1939, by 1946 that proportion had dropped to 39 per cent and only returned to one-half of total national income in 1960.[30]

By the late 1950s, it was becoming apparent to many observers of Mexican society that declining purchasing power within important sectors of the population was beginning to pose a serious threat not only to continued economic growth, but to hopes for future political stability as well. National industry was reaching the limits of a narrow internal market, and a significant part of the urban and rural working class,

engaged in more and more frequent outbursts of protest, was reaching the limits of its patience. To deal with the problem of putting more purchasing power into the hands of the majority, a National Minimum Wage Commission was therefore established in 1963 to conduct studies of trends in prices and wages throughout the country and to exert ultimate control over the hundreds of local boards which had, since the 1920s, rather independently set the minimum wages in each county.

During the period of study preceding the founding of the commission, there was some discussion of the advisability of establishing guidelines for the measurement of basic needs; and in fact, one expert presented a tentative calculation of the minimum wage necessary to provide an urban family of five with the necessities of life. His estimate, based on very modest requirements (such as an average daily calorie intake per person of only 2,000), suggested that the minimum wage in effect at the time (1963) was sufficient to cover only 82 per cent of the basic needs of a working-man's household.[31] It would therefore have seemed imperative to continue this line of investigation and to revise wage and price policies in the light of new insights into the cost of a minimum level of living. This was, however, not a possibility allowed by the balance of power within the commission, which like its local counterparts was a tripartite council of employers, workers and government, in which the first of the three clearly predominated. From its founding until the early 1970s, the commission limited itself to investigating trends in prices, wages and economic productivity in over one hundred economic zones of the country and urging upon local boards the setting of minimum wages which would maintain or increase the participation of labour in the economic product of each area, whether or not that participation was of a sufficient magnitude to provide the basic necessities for each worker's family. In 1974, a calculation of the cost of the latter for a working-man's family of five in the Federal District (97.13 pesos per day for food, shelter, clothing, cleaning articles, schooling, transport and medical care) showed the minimum wage in the nation's capital to be 30 per cent below the lower limits of a satisfactory income.[32]

Despite this absolute insufficiency of efforts to provide a 'living wage' to the urban working class in Mexico, it should be noted that, relatively speaking, the real minimum wage grew at an average rate of 6.8 per cent per year between 1960 and 1970, reflecting a certain improvement in the buying power of workers after the formation of the commission (see Table 3). But since less than 30 per cent of urban labour as a whole has been covered by minimum wage regulations (and since evasion by emp-

loyers has been notorious), an unfortunate effect of this increase in the wages of some has been a relative worsening of the buying power of those not receiving such benefits, for they have had to pay the higher prices which have inevitably followed rising minimum wages. At the same time, both groups (whether receiving the minimum wage or not) have been drawn into the market for consumer goods which objectively they cannot afford, and have all too often used small wage increases to buy on credit, at prices very much higher than they would otherwise be. In such cases, a small pay rise may often be the pretext for beginning a process which lessens the capacity of many families to meet the more basic requirements of daily living.

The problem of controlling consumer prices and checking the unethical manipulation of credit began to be attacked seriously during the early 1970s, when inflation once again cut severely into real minimum wages and brought sharp protests from organized labour. One instrument of use in regulating the retail price of basic commodities had existed for a decade—the National Company for Popular Subsistence (CONASUPO) —which not only bought certain staples at a guaranteed price in the countryside, but also sold them at a low (and sometimes subsidized) price in the cities. The geographical range of action of CONASUPO was relatively limited, however, and the number of products few. It was only after 1970 that retail outlets of CONASUPO began to dot middle- and working-class neighbourhoods, offering a variety of foodstuffs and household products at prices which challenged near-by storekeepers to compete. The problem of many low-income customers continued, however, to be their need for credit, which CONASUPO could not extend. For members of the organized working class, this serious constraint on taking advantage of the best prices was partially removed through the founding of a Fund for Workers' Consumption, which provided the institutional means necessary for a working man to pay cash for many kinds of consumer goods, thus escaping embroilment in an instalment plan, and to have that payment discounted at later intervals from his salary. Nevertheless, for most of the labour force of the country, recourse to high-priced credit, with all that it implied for reducing real purchasing power, continued to be a necessity.

In 1974, federal price-control legislation was implemented in an effort to slow further deterioration in the real wages of the majority. Replacing a rather rigidly designed and little implemented law of 1950, the new document specified twenty-two items of 'first necessity', the price of which would be maintained if required through federal intervention in

production, processing and distribution, and placed many other goods within a system of periodic revision in which prices would be raised or lowered if the cost of production could be shown to have risen or dropped more than 5 per cent from a base point. The problem with such an approach, as in any attempt at price control in a relatively free-enterprise economy, was its enforcement. In areas like the Federal District, the law was of more benefit to the consumer; in small towns and in the countryside, except where CONASUPO had been able to establish a store, its impact was far less noticeable.

Income

Not all people, obviously, have suffered primarily the negative effects of post-war modernization in Mexico. The same process which impoverished lower income groups and those least thoroughly integrated into a modern national culture also expanded the limits of middle-class consumer society and provided unprecedented opportunities for businessmen, middle-level employees, professionals and civil servants to purchase material comfort. The favourable position of the middle class in the post-war period stands out in Table 4, which quantifies the proportion of family income distributed among various socio-economic strata between 1950 and 1969. In the former year, the middle and upper-middle classes

Table 4
Distribution of family income in Mexico, 1950, 1958, 1963, 1969

Income group	Percentage participation in family income			
	1950	1958	1963	1969
Lowest 20 per cent	6.1	5.0	4.2	4.0
30 per cent below the median	13.0	11.7	11.5	11.0
30 per cent above the median	21.1	20.4	21.7	21.0
15 per cent below the top 5 per cent	19.6	24.3	24.3	28.0
Top 5 per cent	40.8	38.6	38.3	36.0
GINI (coefficient of income concentration)	0.50	0.53	0.55	0.58

Source
Wouter van Ginneken, *Mexican Income Distribution Within and Between Rural and Urban Areas*, Geneva, ILO, July 1974, p. 99. (World Employment Programme Working Paper WEP2–23). The figures for 1950, 1958 and 1963 were taken by Ginneken from Ifigenia M. de Navarrete, 'La Distribución del Ingreso en México: Tendencias y Perspectivas', *El Perfil de México en 1980*, Mexico City, Siglo XXI, 1970, p. 37.

of Mexico (appearing in the table as '15 per cent below the top 5 per cent') received 19.6 per cent of all disposable family income; but two decades later, their share had increased to 28 per cent. During the same period, by comparison, the participation of the poorest 50 per cent of the population declined from 19.1 to 15 per cent, and that of the organized working class (the next highest 30 per cent of the population) remained stationary. The top 5 per cent of all families, while losing some ground between 1950 and 1969, still received 36 per cent of all disposable income in the country in the latter year.

The coefficient of concentration of income in Mexico has thus come with the passage of time to be one of the highest in the world; and this growing disparity in life chances presented to various socio-economic groups has widened the subjective sphere of poverty as surely as the growth of a marginal population has widened it objectively. Higher and higher limits of material display have been set by increasingly affluent middle and upper classes as the *sine qua non* of respectability, but the relative ability

Table 5 Average monthly household income by deciles in Mexico and average annual rate of growth, 1950, 1958, 1963 and 1969 (1958 prices)

Deciles	Average household income (pesos)				Annual increase (%)			
	1950	1958	1963	1969	1950–8	1958–63	1963–9	1950–69
I	258	297	315	367	1.8	1.2	2.6	1.9
II	325	375	356	367	1.8	−1.0	0.4	0.5
III	363	441	518	550	2.4	3.2	1.0	2.1
IV	421	516	598	641	2.5	3.0	1.2	2.2
V	460	608	738	825	3.6	3.9	2.6	3.1
VI	526	789	834	917	5.2	1.1	1.6	3.0
VII	669	842	1,056	1,283	2.9	4.6	3.3	3.5
VIII	823	1,147	1,592	1,650	4.2	6.7	0.6	3.7
IX	1,033	1,820	2,049	2,384	7.3	2.4	2.6	4.5
X	4,687	6,605	8,025	9,352	4.3	3.9	2.6	3.7
Of last decile								
5 per cent	1,693	2,866	3,724	5,501	6.8	5.4	6.7	6.4
5 per cent	7,679	10,339	12,324	13,203	3.8	3.6	1.0	2.9
Total	975	1,339	1,608	1,834	4.2	3.8	2.2	3.5
GDP					6.3	5.1	7.6	6.3

Source Wouter van Ginneken, *Mexican Income Distribution Within and Between Rural and Urban Areas*, Geneva, ILO, July 1974, p. 100.

of most people to reach those limits has declined. Many families which dispose of considerably more money than the minimum required in an earlier, more traditional, setting therefore consider themselves poor although they may objectively not be so.

It is of course perfectly possible for growing wealth to be concentrated in the hands of certain socio-economic strata without implying any real reduction in the income of any group, even the poorest; and the data which form the basis for Table 4 on the distribution of income have regularly been utilized (as in Table 5) to argue that while lower income groups have received a disproportionately small share of the total product of post-war growth, their real income has nevertheless risen steadily. The problem with such an interpretation is that the base point from which income is shown to rise was an extraordinarily bad year for much of the population: it will be remembered from the preceding discussion of wages and prices that the decade 1940–50 was characterized by inflation and falling real wages, and that by the latter year real minimum wages were only 62 per cent of what they had been ten years earlier. Therefore an improvement upon 1950 income levels says little about the total effect upon livelihood of the post-war strategy of modernization. It would be necessary to see average household income figures for 1940 (in all probability not very different from those of 1963 for the poorest 50 per cent of the population)[33] in order to measure the impact of urbanization and industrialization during the past three decades; and all available evidence suggests that if those figures were at hand, the average annual rate of change in real household income for the first five deciles of the population would be negative between 1940 and 1960. It probably was positive between 1963 and 1969, but by the early 1970s had once again turned downward with a vengeance.

What might it mean, then, in livelihood terms, to say (as some observers of statistics do) that real family income in the poorest strata of the Mexican population 'rose' from (perhaps) 325 or 350 pesos in 1940 to 367 in 1969? It may very well mean that during two decades following 1940, family income *fell* to only 250 or 300 pesos, at a time when survival depended increasingly on money alone, when social ties formerly providing security and comfort had been broken in the countryside and were only slowly being re-established in the shanty-towns of cities, when periods of total unemployment were frequent and when the satisfaction of daily needs often depended upon obtaining high-priced credit. In the decade following 1960, the 1940 level might once again have been reached and surpassed by 50 pesos or less. But periods of unemployment

were likely to be longer, the definition of basic needs (reflecting the tastes of a very much more affluent reference group) more costly, dependence on credit more necessary and indebtedness more frequent. In such a situation, the improvement in livelihood accompanying a small monetary advance must have been minimal.

Nutrition

Perhaps in no area of daily life has the lack of a necessary correlation between economic growth and increasing general welfare at the national level, or slightly rising monetary income and physical wellbeing at the level of the family, been more clearly visible in the post-war period than in nutrition. If one looks only at macro-economic statistics of the kind presented in Table 6, for example, it would seem that the growth of agricultural output between 1940 and 1970 should have been sufficient to raise average daily consumption of foodstuffs from 1,991 calories and 54.3 grams of protein per person to 2,623 calories and 80.0 grams of

Table 6 *Per capita* availability of marketed foodstuffs in Mexico, 1940–73 (grams per day)

Foodstuff	1940	1945	1950	1955	1960	1965	1970	Average	
								1960–70	1970–3
Cereals	334.5	343.2	385.9	392.1	424.5	441.0	451.5	465.2	429.2
Legumes and oil-seeds	27.5	33.4	37.0	50.3	58.3	65.0	61.9	64.8	57.5
Root crops	13.1	14.9	14.1	15.0	19.1	17.5	25.9	25.7	27.0
Vegetables	28.6	22.8	29.1	29.9	27.7	34.0	71.5	48.9	74.3
Fruits	93.2	96.6	103.5	98.5	114.6	130.2	193.3	193.6	204.1
Meats	39.9	35.3	31.4	39.2	45.9	57.8	80.3	71.8	80.5
Milk	222.5	223.3	209.0	213.3	268.9	278.5	239.8	264.3	251.4
Fish and seafood	2.6	2.3	2.6	6.2	3.2	4.2	6.5	7.9	8.8
Eggs	8.3	8.5	9.4	11.6	11.9	13.9	17.3	15.1	18.0
Sugar	59.8	62.0	61.9	74.4	84.0	89.5	103.7	90.0	93.4
Fats	17.7	19.1	17.0	16.8	16.8	17.9	18.4	16.2	18.4
Calories	1,991	2,058	2,166	2,277	2,522	2,662	2,623	2,595	2,552
Total protein	54.3	55.3	58.8	62.6	72.0	78.1	80.0	75.7	78.8
Animal protein	17.1	16.2	15.0	16.1	22.6	23.3	24.9	22.0	25.7

Source 1940–65: Juan Ramirez Hernandez, Pedro Arroyo and Adolfo Chavez, 'Aspectos Socioeconómicos de los Alimentos y la Alimentación en México', *Comercio Exterior*, Vol. XXI, No. 8, August 1971, p. 677.
1970 and average figures: Juan Ramirez Hernandez, Leonor Ayluardo, Gamaliel Becerra and Adolfo Chavez, 'Problemática y Perspectivas de las Disponibilidades de Alimentos en México', *Comercio Exterior*, Vol. XXV, No. 5, May 1975, p. 565.

protein in the course of thirty years—to eliminate, in other words, what would seem to have been a chronic nutritional deficit and to provide, by 1970, a diet considerably above estimated minimum daily requirements[34] for every person in the nation. Yet this has not in fact been the case. For a number of reasons, including the increasing shift from near-subsistence to monetary economies in rural areas, the proletarianization of much of the rural work force and its removal to urban slums, and the extreme maldistribution of buying power within the population as a whole, malnutrition, far from disappearing in the course of post-war modernization, may very well have increased.

In the first place, it must be noted that figures like those in Table 6 underestimate nutritional levels at the outset of the post-war period because they quantify only the availability of *marketed* foodstuffs, not that of subsistence production of considerable importance to rural families before their incorporation into a wider national society. Until relatively recently, the satisfaction of nutritional needs within many Mexican families depended upon subsistence arrangements which never entered national accounting channels; and, if contemporary community studies are to be believed, these arrangements were in most cases quite adequate. Even in the most inhospitable of natural settings, rural people were often successful in evolving dietary régimes which met minimum requirements. No clinical signs of malnutrition were found, for example, among the Otomi Indians of the Mezquital, one of the poorest regions of the central highlands, when they were studied by a team of Rockefeller Foundation scientists in the 1940s; on the contrary, the report of the mission concluded that the Otomies had developed, in the course of many years acquaintance with their environment, a remarkably balanced diet which should not be altered without careful study of the consequences.[35] The same conclusion had been reached a few years earlier by the group of Carnegie Institute doctors who accompanied Morris Steggerda on his expedition to Yucatán.[36] The traditional diet of the Mexican countryside, centred around the daily consumption of maize, beans and chilli, and supplemented (according to the region) with domesticated fruits, vegetables and animal products, as well as the harvest of fishing, hunting and gathering, was apparently sufficient to maintain health and allow inhabitants of many rural communities to carry out daily tasks normally.

With the economic and social dislocations of industrialization, the rapid growth of population and the expansion of a modern consumer society, however, nutritional levels most probably declined throughout low-

income strata of the Mexican population.[37] The quantity of basic foodstuffs consumed by smallholding rural families was lessened not only because of an increasing pressure of numbers on the land, but because a greater proportion of subsistence crops began to be sold in order to obtain a monetary income with which to satisfy newly created needs. Processed foods, often expensive and of doubtful nutritional benefit, found their way into the most remote corners of the republic, at the same time that the supply of game, fish, insects, and wild plants and fruits was threatened by the construction of public works and the clearing of new land for commercial cultivation, as well as by population growth. In order to obtain an adequate diet, rural families, like growing numbers of urban families recently migrated from the countryside, were therefore required with increasing frequency to pay for it with money; yet their monetary income, even though it may have increased slightly during the post-war period, remained extraordinarily low.

The way in which the elements of an adequate diet have flowed towards that part of the Mexican population exercising the greatest purchasing power, rather than towards those exhibiting an objectively greater need, can be illustrated by turning to the results of studies conducted by the National Nutrition Institute among low-income groups during the course of the 1960s. These nutritional surveys suggest that, by 1963, the most serious nutritional deficits in Mexico were to be found in former strongholds of traditional indigenous cultures, in the process of incorporation into a national monetary economy. The average number of calories per person per day consumed by a part of the Tarahumara, the Tarascans, the Otomies, and the Maya, as well as many of the indigenous groups of Guerrero and Oaxaca, was estimated at 1,893, and the number of grams of protein at 50. Such figures—and even the average for the countryside as a whole—compared very unfavourably with estimated consumption among relatively privileged, organized working-class families (2,380 calories and 86.1 grams of protein per person), and were approached in seriousness only by figures for marginal residents of *barriadas* on the periphery of the nation's capital, who consumed an average of 2,030 calories and 59 grams of protein per person per day.[38]

The gap separating such levels of consumption from those of the middle and upper income strata of the Mexican population has been quantified to some extent in two studies of family income, expenditure and consumption conducted by the Banco de Mexico in 1963 and 1968.[39] According to these surveys, low-income families consumed in both years roughly double the amount of maize per person and half again the amount

of beans consumed by middle and upper income families; but they had access to less than half as much vegetables and a quarter as much fruit and animal products as the latter in 1963. And by 1968, the gap in consumption of fruits, vegetables and animal products had widened further, as low-income families reduced their consumption absolutely, and middle and upper income families increased theirs. The difference in consumption of vegetables between a marginally employed labourer earning 300 pesos or less a month and a civil servant or professional earning over 10,000 pesos a month, to take an extreme example, grew to be in the order of 1 to 7.5; in consumption of fruits, 1 to 23; in consumption of milk, 1 to 22; in consumption of meat, 1 to 18; and in consumption of eggs, 1 to 8. Ensuing differences in health, learning ability and other elements of importance in earning a better living are not difficult to imagine.

The most serious implications of this trend become clear, however, only when it is emphasized that aside from reducing their consumption of fruits, vegetables and animal products between 1963 and 1968, low-income groups also ate less maize, wheat, rice, tubers and legumes as well. In other words, an already deficient diet grew absolutely worse as purchasing power declined. In 1968, a family income of 300 to 600 pesos was insufficient to provide even as limited a diet as that assured by a monthly income of 300 pesos five years earlier. And the high rate of inflation during the early 1970s, combined with a declining *per capita* availability of basic grains, may have reduced nutritional levels among low-income families as much as 20 per cent more since that time.[40]

Best available estimates indicate that rural families earning less than 600 pesos per month in 1968, and urban families earning less than 1,000 pesos, were unlikely to dispose of sufficient resources to buy an adequate diet. In that case, as Table 7 illustrates, approximately 40 per cent of the former (1.2 million families) and 26 per cent of the latter (1.3 million families) may have been under- or malnourished, at a time when national agricultural production should have been sufficient to feed all families adequately. Together, those 2.5 million families represented 31 per cent of the total in the country. And two years later, a national survey of income and expenditure produced considerably larger numbers of families within these lowest income groups (2.1 million rural families earning under 750 pesos per month and 1.7 million urban families earning under 1,000), suggesting the probability of nutritional deficits within as many as 40 per cent of all the families of the nation in 1970.[41]

Table 7 Daily calorie and protein intake per income and employment group in Mexico, 1968

Employment group	Income group (pesos)							National average
	Below 300	301–600	601–1,000	1,001–3,000	3,001–6,000	6,001–10,000	10,000 plus	
Agriculture								
Calories	1,662	2,138	2,505	2,909	3,290	4,674	4,260	2,511
Proteins	52	63	76	87	108	153	130	76
Percentage of families	10.4	29.1	26.6	29.1	3.5	0.7	0.6	
Non-agriculture								
Calories	1,583	1,873	2,166	2,565	3,265	3,460	4,078	2,656
Proteins	47	57	65	79	101	110	135	82
Percentage of families	2.4	7.2	16.0	47.8	18.7	5.0	2.9	
Total country								
Calories	1,642	2,071	2,347	2,666	3,272	3,604	4,102	2,600
Proteins	51	62	70	82	102	115	134	80
Percentage of families	5.4	15.4	20.0	40.8	13.0	3.4	2.0	

Source Wouter van Ginneken, *Mexican Income Distribution Within and Between Rural and Urban Areas*, Geneva, ILO, July 1974, p. 667.

Recognition of the urgency of this problem marked the appearance, during the early 1970s, of a National Nutrition Plan accompanied by a turn towards federal financial assistance to small, near-subsistence holdings and a new interest in fomenting agricultural research of use to small farmers. Cooperative organization is once again being stressed, not only to facilitate the use of larger amounts of credit in agriculture and to distribute farm income more equally, but to serve as the basis for establishing simple rural industries providing work for the under- and unemployed of the countryside. Public works programmes, linked to the delivery of daily rations of basic foodstuffs during periods of greatest unemployment, have been enlarged. And the Institute for the Protection of Children, active during the early 1960s but virtually dismantled (outside the nation's capital) between 1965 and 1970, has begun to train thousands of women in nutrition, emphasizing better use of available local products as well as the distribution of powdered milk and soya tablets to those whose protein need is greatest. These are all elements of a systematic attack on malnutrition within the limits of the existing system. But the problem is far larger in scope than the remedy envisioned to date, and

grows more serious with sharply rising inflation. As long as the satisfaction of basic nutritional needs remains so closely dependent upon purchasing power, even a sustained effort to redistribute the latter over the medium and long run will not succeed in assuaging the immediate hunger of millions of people made marginal in the course of post-war modernization.

Housing and essential services

Just as the task of meeting the basic nutritional requirements of the Mexican population has been complicated during the past three decades by the particular form of modernization undergone, so too the problem of providing adequate shelter and sanitary services has grown with the unplanned urbanization, uncontrolled speculation and unchecked population explosion after 1945. In a predominantly rural nation not extensively dominated by latifundia and not yet overburdened by an unmanageable pressure of population on the land, the kind of structure housing the majority of families is determined more by local cultural patterns than by level of family income. Such housing is in general primitive by modern standards, and may even be judged unhealthy; but it is the expression of long adaptation to local climate and custom, it is built with available materials utilizing local funds of labour and capital, and it satisfies what the population considers to be its minimum needs without an undue burden on family livelihood. As the nation becomes more urban, in contrast, possession of a dwelling for much of the population ceases to be a corollary of community membership and becomes a saleable good. Land must be bought or rented, construction materials pass through the hands of intermediaries and access to such basic necessities of daily life as water and drainage must be solicited and paid for. Whether any family will be able to count upon adequate shelter depends, then, in an industrializing capitalist society, more and more upon trends in wages and prices beyond local control, and upon the direction of public policy at any given moment.

Housing in 1939 The second National Building Census of 1939 provides the only basis upon which one can construct a general statistical picture of the state of housing in Mexico shortly before the initiation of the post-war industrial revolution. At that time, 44.0 per cent of all the dwellings in the country were classified as 'huts, shacks or lean-to's' (*jacales, chozas* or *barracas*), built of loosely piled rock, branches, cactus or adobe bricks (on the Central Mesa) and of other local materials

straw or leaves, and floors almost always of packed earth. Windows and chimneys were not common; therefore when cooking was done within the building rather than in an adjacent lean-to, smoke from the fire burning on the earthen floor filled the dwelling and filtered out from roof and doorway.[42]

While there were slightly more huts and shacks in rural than in urban municipalities (the dividing line between the two being a population limit of 2,500 inhabitants), the rural–urban difference in their distribution was not very great: 938,700 of the 1.7 million least-well-built structures registered in the census were to be found outside urban areas and the remainder within them. The kind of building which predominated in municipalities of over 2,500 inhabitants was, however, what the census called 'single houses' (*casa solas*)—a category which covered everything from solid one-room adobe structures to mansions. The criterion for calling a building a house rather than a hut was apparently the solidity of the walls and the compactness of the roof; floors often continued to be of packed earth and the lack of windows was noteworthy. Two-thirds of the roughly 2 million single houses in the nation were to be found in urban areas in 1939, and all but 3 per cent of the 57,000 'apartments and hotels'—the only remaining category in the census.

The housing deficit in the post-war period During the decades following the 1939 census, the difficulty of finding housing within rapidly expanding urban centres began to assume major proportions (most especially in the Federal District, which tripled in size between 1954 and 1970).[43] A part of the problem might have been avoided through strict enforcement of Article 123 of the Constitution, which required industries employing more than 100 workers in urban areas, as well as all rural industries, to provide 'comfortable and hygienic' housing for their workers at a monthly rent no greater than 0.5 per cent of the cadastral value of each building. But compliance with this provision was left legally dependent upon periodic negotiations between industrial unions and employers; and as noted earlier, the initial post-revolutionary strength of Mexican unionism had by this time been largely dissipated. In the absence of decided public intervention, the housing crisis therefore deepened. This was not visible in relative figures, for the private efforts of a growing middle and lower middle class were sufficient to turn national housing averages upward. (The proportion of one- and two-room dwellings in the country as a whole, for example, declined from 84 to 69 per cent between 1950 and 1970.) But in real terms, the problem continued to worsen. In 1960, roughly 26 million Mexicans lived

under overcrowded conditions in one- and two-room dwellings; but by 1970, that number had grown to 32 million. The unsatisfied need for new housing based on overcrowding alone rose from an estimated 1.1 million dwellings in 1950 to almost 1.7 million twenty years later; and that arising from absolutely deficient construction from 1.8 to 2.3 million.[44]

The total housing deficit of Mexico in 1970 was estimated by various sources at close to 4 million units.[45] That was a staggering figure, largely reflecting the needs of low-income groups, and therefore hardly likely to be reduced significantly through privately financed construction alone, or through the kind of federal encouragement of bank credit for modestly priced housing provided by the National Mortgage Bank, founded during the 1950s, or by the Banking Discount Fund for Housing established in 1964. As long as private banking interests were paramount, only dwellings of sufficient size and cost to represent acceptable guarantees on loans would be financed; and those dwellings, as one commentator noted, were beyond the capacity to pay of at least two-thirds of the urban population of the country in 1970.[46]

Housing for organized workers One way of attacking the deficit, without fundamentally altering the balance of economic and political power in Mexico, has been found during the course of this decade to lie in the establishment of a new institutional structure for the implementation of long-standing constitutional guarantees of adequate housing for salaried workers. Through modification of Article 123 of the Constitution, coupled with complementary changes in the Federal Labour Law, both effected in early 1972, the provision of 'comfortable and hygienic' dwellings for all salaried workers—now including those employed by enterprises of all sizes, and not merely those employed by establishments of 100 workers or more—has been removed from the sphere of local labour-management agreement and entrusted to a National Housing Fund. The increased flexibility and efficacy of such an arrangement is obvious: the obligatory bimonthly contribution by all enterprises of 5 per cent of the base salary of each worker to the fund, plus the addition of considerable public money, has created the financial capability to construct low-cost housing in volume (70,000 units during the first three years of operation of the fund), to distribute it on the basis of a lottery system which discriminates less against employees of small enterprises or those who change their place of work, and to fix certain minimum standards of construction and urban development in areas where the fund operates on a large scale.[47] The investment in housing is eventually recuperated for the fund, and title transferred to individual recipients,

through payment by the latter of monthly instalments which may be spread over twenty years, and which include an interest rate of not more than 4 per cent.[48]

This is an important programme, through which institutional assistance in obtaining a private dwelling (whether single house, duplex or apartment) is extended from the middle to the upper-lower income groups of Mexico. But the latter, almost always unionized and constituting no more than 5 million heads of families throughout the country, still represent a relatively privileged group. The cost of the housing designed for them is roughly 80,000 pesos, three times more than that envisioned by Puente Leyva for urban areas in his calculations for eliminating the housing deficit of the population as a whole, and more than fifteen times what he would spend on rural housing in pursuit of the same end. The crux of the crisis in housing, felt by masses of unorganized and underemployed migrants to urban areas, simply lies outside the jurisdiction of the fund.

Characteristics of low-income urban housing The kind of living space available to low-income families in Mexico City and other industrial centres of the country was, in 1970, of various kinds.[49] In the so-called 'popular colonies' (*colonias populares*), where as much as one-third of the population of the Federal District (or as many as 3.3 million people) made their homes in that year, families lived in one- or two-room single-family dwellings, or in compounds of extended domestic units grouped around a common kitchen. The standard dwelling, according to several studies of popular colonies carried out during the past decade, contained only one room (of roughly 3 by 3.5 metres on the average), in which five or six people lived. It was most frequently made of bricks or cinder-blocks, with an asbestos or corrugated iron roof, and could be dismantled relatively easily for transportation to a new site if its inhabitants owned the building material but not the land on which the dwelling stood. (In one study, this was the case for 30 out of 175 families; the majority—104 families—rented both house site and house.)[50] Sanitary services were generally absent.

In contrast to the popular colonies, located on the periphery of the largest cities and growing at an estimated rate of 5 per cent per year, the central slums (*vecindades*) and 'lost cities' (*ciudades perdidas*) of urban Mexico were densely populated neighbourhoods within the heart of industrial centres, characterized by stable or declining numbers of inhabitants. The typical dwelling of the *vecindades*, which house as many as

2 million people in the Federal District, was a series of twenty to fifty single rented rooms strung out along an alley and sharing a common bathroom. The typical dwelling in *ciudades perdidas,* which contain perhaps 200,000 people more, was a single-roomed house or hut made of adobe, cinder-blocks or scavenged waste materials, for which a rent was also often collected. Life in both the *vecindades* and the *ciudades perdidas* has been described in detail in the work of Oscar Lewis.

Residents of these urban settlements are, then, among the large group of Mexicans classified in Table 8 as requiring more adequate housing but unable to pay for it (and therefore not constituting effective demand). Most obviously, measures entirely outside a free-market framework are called for if their basic housing needs are ever to be met. Yet it should be noted that significant strides towards alleviating the immediate housing problems of a part of this group could be made within the free market, with relatively limited additional public expenditures, simply by guaranteeing that payments already made to landlords and land developers by low-income families would not be the subject of legal chicanery. An average of 15 per cent of the budgets of the lowest-income urban groups of the country (earning 600 pesos per month or less) was spent in 1968 on rent,[51] but the ability of these people to protect themselves against unreasonable treatment at the hands of landlords was minimal. And even when an extraordinary effort was made, as it was with some frequency in *colonias populares*, to buy a house plot and to construct a permanent

Table 8
Estimated need and demand for housing in urban and rural Mexico, 1970

Housing group	Need[1]			Demand[2]		
	Total	Met	Unmet	Total	Met	Unmet
	(000)	(000)	(000)	(000)	(000)	(000)
Urban	4,089	2,380	1,709	3,467	2,011	1,456
Rural	4,992	2,631	2,361	1,479	656	823
National total	9,081	5,011	4,070	4,946	2,667	2,279

1 'Need' refers to the total number of dwellings required by the population of the country.
2 'Demand' quantifies the needs of that part of the population in families including at least one member earning a minimum wage or better.

Source

dwelling on it, land was all too often likely to be repossessed for reasons which no middle-class home buyer with access to legal counsel would accept for a moment as binding.

Rural housing The most pressing problem of much of the urban population of Mexico has thus become simply the right to use a plot of land—even before questions of the cost and quality of constructing a shelter come into the picture. The parallel with pre-reform rural Mexico is striking, and ironic. In rural areas, however, the problem of access to living space is much less severe; agrarian reform at one time attacked it massively. Nevertheless, in parts of the countryside where population growth and migration have created a significant agricultural proletariat, the question is coming once again to assume a certain urgency. To the extent that new generations of the landless are related by ties of kinship or friendship to *ejidatarios* or private landowners, they are usually granted house plots without charge, or in exchange for payment in services. But when they can exert no such social claims, and have no steady employment, they must squat on any available marginal land (strips of earth adjoining roadways and irrigation ditches sometimes serve the purpose) and move when told to do so.

The quality of rural housing is in most parts of the countryside probably little different from that described for 1939 in the introduction to this section. It is therefore commented upon unfavourably in all official considerations of the state of housing in the nation, and included as an important part of estimates of housing deficits like those just presented. But with the exception of a few pilot projects in construction which accompanied agrarian reform during the Cárdenas years in strategic commercial farming areas, virtually nothing has been done by public authorities to alter the pattern of construction of rural dwellings. In 1971, it is true, the original National Housing Institute was transformed by law into the National Institute for Rural Community Development and Popular Housing (INDECO); and between 1973 and 1975, its office of peasant housing utilized national and international funding to construct some 7,000 dwellings for certain sectors of the best-organized commercial small farmers of the country (sugar-cane growers, in particular). But this is hardly more than an experimental effort, the wider implications of which are not yet clear. The same could be said of occasional collaboration between INDECO and the National Indigenous Institute in the repair and construction of some dwellings in indigenous areas, utilizing the labour of local inhabitants themselves. It is not an effort given priority by either institution.

The fact would seem to be that, compared with the case of urban neighbourhoods inhabited by groups with an income like that of most of the countryside, the housing problem of much of the agricultural population of Mexico is less complex, less perniciously linked to poor health and disintegration of the family, and would be far less costly to ameliorate.

Essential services The same sharp difference in the definition of basic needs for countryside and city, the means required to meet those needs, and the cost of the effort, which one finds in investigating housing, is also apparent when the discussion turns to the provision of essential services. Just as the nearness of open land to rural settlements makes the smallness of rural dwellings less harmful to physical and mental health than the smallness of urban ones, for example, so the natural setting of relatively small settlements lessens the critical importance of providing for sewage disposal within individual homes. According to the census of 1970, 86 per cent of the inhabitants of settlements of less than 2,500 people could not count upon such a service. But that fact is probably of far less importance for the wellbeing of the population at large than the situation of 25 per cent (4.6 million) of all residents of cities of 50,000 people or more, who had no access to an urban drainage system in that year and who clearly needed it. The problem is an expensive one to resolve and until recently has been granted very limited resources: between 1948 and 1963, federal budgetary expenditures for both drainage and drinking-water facilities never surpassed 1.1 pesos per person per year and were generally less.[52] Therefore while it was possible, between 1940 and 1970, to reduce the percentage of the entire population without access to sewage disposal from 87 to 59, the number of people in that category grew from 17 to 28 million.

Progress in providing an easily accessible, though not necessarily potable, water supply to the Mexican population has clearly been more rapid than that of extending community sewage systems, although it is difficult to find comparable figures on which to base a discussion of the question before 1960. Between 1960 and 1970, the number of people without any access to piped water at all fell from 23.9 to 18.7 million, representing 68.4 and 38.9 per cent of the population as a whole. The benefits of federal spending for this service have, however, been concentrated in urban areas: by 1970, 87.5 per cent of all residents of cities larger than 50,000 utilized piped water (63.5 per cent of them within their own homes), but only 34.4 per cent of all residents of settlements of less than 2,500 people (17.4 per cent within their own houses). The implica-

tions of this difference for public health will be discussed in the next section.

Health

Good health, in the broadest sense of the term, grows out of good living conditions; and declining indices of sickness and death within a population should reflect a certain success in meeting the basic physical (and social) requirements of daily life. Yet such a generalization holds true only partially in countries, like Mexico, where some aspects of modern preventive medicine have been introduced on a wide scale without linking them to the kind of community development effort which would be required to increase the effective livelihood base of lower-income groups. Under such circumstances, mortality rates can be drastically reduced through immunization campaigns, the use of DDT and other relatively inexpensive public health efforts against common communicable diseases, without necessarily improving the general physical and mental wellbeing of the growing number of citizens, who may survive previously deadly epidemics only to live in misery.

Mortality statistics The general mortality rate in Mexico, which hovered around 24 per 1,000 inhabitants throughout the 1920s and 1930s, began to drop precipitously at the beginning of the 1940s. By 1948, it was registered at 16.9; by 1950, 16.2; by 1960, 11.5; and by 1970, 9.9.[53] At the same time, the relationship between urban and rural rates was inverted. Until 1950, mortality figures were consistently higher in counties with a population of more than 2,500 people than in those with fewer inhabitants—and sometimes the difference was remarkable. In 1943, for example, the general mortality rate for the Mexican countryside was 21.0; but for urban areas it reached 25.2. Such a disparity could undoubtedly be traced in part to especially deficient reporting of deaths in rural areas; but it was similar to the situation found in many other countries during the same period, and in the opinion of one serious student of the Mexican countryside reflected an underlying reality.[54] After 1950, however, the concentration in urban areas of a growing middle and upper class, armed with the economic resources to demand medical attention, altered the balance of mortality statistics in favour of the city, while the difficult adjustment of many rural communities to the negative aspects of modernization discussed above may well have impeded a rapid improvement in many areas of life intimately linked to health.[55]

It should nevertheless be noted that in all likelihood the majority of the

population of urban Mexico could be shown to have, to the present day, a higher general mortality rate than that to be found within groups of comparable income in the countryside, if such figures were available according to income strata. It is remarkable that, given the very much greater concentration of resources in the cities of the nation, the difference between urban and rural mortality rates in 1970 should be so slightly tilted in favour of the former (9.8 per 1,000, compared to 10.1 in the countryside). The urban figure must, one suspects, combine rather startlingly high mortality rates among the poor with clearly much lower rates among middle and upper classes, in order to emerge so close to the national average.

Table 9 will give some idea of the way in which the causes of death have changed with modernization. It should not be supposed that the figures presented for 1940 and 1970 are exact: not only have the categories utilized for classifying causes of death been modified to some extent during those thirty years, but the accuracy of diagnosis on which the statistics depend has varied as well. Even in 1970, the latter was of doubtful quality, in the opinion of some biostatisticians, for all cases registered outside the major hospitals of the nation. After allowing for a generous margin of error, however, one can conclude with certainty that one of the principal elements in the falling general mortality rate of the past three decades has been a sharp decline in the incidence of such infectious diseases as malaria, dysentery, whooping cough, typhoid, paratyphoid, diphtheria and smallpox. The progress has also been made

Table 9 General mortality rate according to selected causes, 1940 and 1970 (per thousand)

Cause of death	1940	1970	Cause of death	1940	1970
Diarrhoea, enteritis	4.8	1.4	Whooping cough	0.4	0.1
Pneumonia	3.5	1.5	Typhoid and paratyphoid	0.3	0.1
Malaria	1.2	0.0	Influenza	0.3	0.2
Accidents and violent deaths	1.2	0.7	Cirrhosis of the liver	0.3	0.2
Tuberculosis	0.6	0.2	Nephritis	0.3	0.4
Congenital deformations	0.6	0.1	Pregnancy and birth	0.2	0.6
Dysentery	0.5	0.1	Cancer	0.2	0.4
Heart disease	0.5	1.0	Total (all causes)	22.8	9.9

Source 1940: Nathan Whetten, 'Problemas Agrícolas e Industriales de México', *México Rural*, Vol. V, No. 2, 1953, p. 231.
1970: México, Secretaría de Industria y Comercio, *Anuario Estadístico de los Estados Unidos Mexicanos, 1970–71*, pp. 86–90.

in dealing with diarrhoea, enteritis, pneumonia and influenza, although these four traditionally predominant diseases (combined with accidents and violent deaths) still account for most of the reported deaths in the country. And, interestingly enough, mortality rates for heart disease and cancer, both rather systematically linked to urban industrial life, far from declining, are on the rise.

The comparison of the ten principal causes of death in urban and rural Mexico, presented in Table 10, illustrates quite strikingly how differences in living conditions in the city and the countryside have affected the health of the population. In both environments, gastro-intestinal and pulmonary illnesses are by far the most frequent causes of death; and both those categories are undeniably linked to substandard levels of living. Deaths occurring during pregnancy and birth (another clear indicator of malnutrition, unsanitary living conditions and inadequate access to medical care), are also common to urban and rural areas alike, although especially notable in cities. As one continues down the list of causes, however, the configuration of urban mortality statistics begins to diverge from that of rural areas. The greatest problems of the urban middle and upper classes are similar to those of their counterparts in many parts of the world: cancer, heart and cerebro-vascular diseases, among others. The principal causes of death in the countryside, on the other hand, continue to include two contagious diseases virtually eliminated from urban areas (measles and whooping cough), as well as anaemia, avitaminosis and bronchitis. The latter is a pathology of unmitigated poverty.

The duality of health problems and health services in Mexico What figures like those in Table 10 suggest is the coexistence in 1970 of two different kinds of general health problems: one, predominant throughout the countryside and among low-income groups in the cities, which stems from substandard living conditions; and one particularly associated with the stress of modern urban life even after basic nutritional and housing requirements are met.[5e] Each problem would seem to require a specific structure of services, ranging from basic programmes of preventive medicine, conducted within a wider community development framework, to institutions specializing in the treatment of the seriously wounded and ill. Of all the gradations along such a continuum of services, the simpler kinds of preventive medicine would seem logically to be the most indispensable, given the prevalence of gastro-intestinal and pulmonary illnesses registered in national health figures. Yet in fact by far the greatest part of all available medical resources have not been destined to such

Table 10 A comparison of the ten principal causes of death in urban and rural Mexico, 1971 (per thousand)

Cause of death	Deaths per thousand	Cause of death	Deaths per thousand
Urban		*Rural*	
1 Diarrhoea, enteritis	1.3	1 Influenza and pneumonia	1.6
2 Influenza and pneumonia	1.2	2 Diarrhoea, enteritis	1.3
3 Heart disease	0.8	3 Accidents and violent deaths	0.7
4 Accidents and violent deaths	0.7	4 Heart disease	0.4
5 Pregnancy and birth	0.6	5 Pregnancy and birth	0.3
6 Cancer	0.5	6 Measles	0.2
7 Cerebro-vascular diseases	0.3	7 Whooping cough	0.2
8 Cirrhosis of the liver	0.3	8 Cancer	0.2
9 Diabetes mellitus	0.2	9 Bronchitis, emphysema and asthma	0.2
10 Tuberculosis	0.2	10 Anaemia	0.2
Total (all causes)	8.9	Total, (all causes)	9.2

Source Blanca Raquel Ordonez, 'Caracteristicas de la Vida en el Campo y en la Ciudad', *Gaceta Medica de México*, Vol. 107, No. 4, April 1974, p. 294, utilizing figures provided by the Biostatistical Office of the Ministry of Health.

programmes in the post-war period, but to the maintenance of a relatively sophisticated system of curative medicine of interest especially to better-off strata of the population. An illustration of the extent of this distortion can be found in the federal budget authorization of investment for public health during the period 1965–9, which set aside only 3.7 per cent of the total for installations dedicated to preventive medicine, but 52.9 per cent for general hospitals and 9.2 per cent more for 'specialized hospitals'.[57] The distribution of resources for the maintenance of health has thus been fundamentally influenced, not by the needs of the majority, but by the political and economic ability of certain sectors of the population to demand attention to problems which they consider particularly important.

Since most of this effective demand for medical services has since 1940 been concentrated in urban areas, medical assistance has been concentrated there also. In 1970, for example, the four most important cities of Mexico, with 18 per cent of its total population, contained 54 per cent of all the doctors in the nation.[58] And most of the remaining medical personnel of the country could be found in the principal urban centres of each state. The virtual stagnation of efforts to extend the structure of modern medicine beyond the limits of the political capitals and most important municipal headquarters of Mexico has been statistically illustrated by Guillermina Yankelevich, who devised a 'coefficient of interac-

tion' between doctors and population in each of the states of Mexico in order to measure changes over time in the degree of asymmetry in the geographical distribution of doctors. Her data show that during the fifteen years between 1955 and 1970, only five states experienced a significant increase in this coefficient of interaction, implying a more equitable distribution of doctors throughout all municipalities and a reduction of their concentration in urban areas. Thirteen states more showed very limited improvement, and twelve did not change at all.[59]

Public-health institutions have been as likely to restrict their range of activities to the cities as have private practitioners. The Mexican Social Security Institute provided medical services in 1970 to urban industrial workers and employees constituting approximately 17 per cent of the population of the nation, but counted only 3 per cent more as rural affiliates in the same year. The Social Security Institute for Workers in the Service of the State, attending a privileged group of urban bureaucrats and academics, as well as a similar organization established to provide for military dependants, together accounted for another 5 per cent of the population, entirely resident in cities. And the Ministry of Health operated clinics and hospitals theoretically available to the remainder of all urban dwellers (30 per cent of the entire population of Mexico), but only to an estimated 4 per cent of the inhabitants of the countryside. Thus some provision was made in official public-health programmes for attention to the total urban population of the country (although in fact overcrowding in federal institutions reached serious proportions); but fully 40 per cent of the people of Mexico, living in rural areas, remained entirely outside the jurisdiction of any federal programme, as well as beyond the reach of private practitioners. It is this exclusion of such a large part of the population of the country from contact with any representative of the modern medical profession which makes the compilation of national health statistics (indices of morbidity, inhabitants per doctor or per clinic, or public investment in medical facilities per inhabitant) such a perilously uncertain undertaking.[60]

To meet some of the needs of rural (and low-income urban) areas, medical students have been required since the days of Cárdenas to go through a period of internship in remote or badly attended communities before taking their final examinations and receiving their diplomas. This period has varied in length from a few months to a year, during which time each intern has received a stipend from the Ministry of Health, as well as the collaboration of the recipient community in providing a place to work and at times a place to live. When the programme began, it was

intended to encourage the formation of a growing group of rural doctors who would stay on in the countryside after completing their training and adapt their practice to the needs of their clientele. Unfortunately, however, the ideological commitment to disadvantaged groups characteristic of medical training during the 1930s did not continue to orient the studies of later generations, who tended to look upon their obligatory period of 'social service' as a trial to be got through as quickly as possible. The same transformation in values put an end to a related effort by the National Polytechnic Institute to maintain a national school of rural medicine: during the 1940s the school lost adherents and was eventually closed. Medicine became a prestige specialization to be practised more often in isolation from, than in contact with, the realities of daily living.

Medicine also became a business, embodying contradictions between profit-making and ethics which raised the cost of medical care and lowered its quality. Access to modern medical services, whether public or private, consequently did not automatically imply better health for anyone, in the countryside or in the city. And in fact, one interesting study of public health in Mexico recently concluded that there was no statistical correlation in 1970 between the availability of medical services at the municipal level and general mortality rates.[61] Therefore even if the present system of health services could be extended to the entire population of the country, it is doubtful that the most pressing medical problems of most of the Mexican people could be resolved.

What is obviously needed to improve the level of health of the majority is priority attention to bettering living conditions in low-income areas, and this is not a task in which most medical personnel in the nation today have been at all prepared to cooperate. Nevertheless, the organizational bases for this kind of strategy do exist: from the late 1920s onward, a small group of middle-level medical technicians (nutritionists and nurses) have worked at the side of social workers, agronomists, carpenters, musicians and others in mobile cultural missions of the Ministry of Education (and later, in agricultural brigades of the Ministry of Agriculture). They were joined in the 1950s by a corps of rural practical nurses trained by the National Indigenous Institute to deal with simple public-health problems in indigenous areas; and in the 1960s by nutritionists and home economists of the cooperative rural works and agricultural extension programmes. Their numbers have been so small as to be little more than symbolic, and their range of activity limited to relatively few rural communities. But they are the kinds of people most likely to contribute to the better health of the population at large. Within the past

few years, these programmes have therefore been expanded as part of a general community development effort promoted in both rural and urban areas.

The urgency of a reorientation of public-health services in Mexico is reflected in recent statistics on mortality, which suggest that declining standards of living are taking an increasing toll of life, most especially among the newborn. Between 1965 and 1970, the infant mortality rate for the country as a whole rose from 60.7 to 67.2 per 1,000; and in the Federal District, it rose from 69.2 to 78.5, despite the fact that by far the greatest part of the entire medical resources of the nation were concentrated there.[62] At the same time, the general mortality rate remained almost stationary, marking the end of a quarter century of steady improvement.[63] The limits of the present system of medical care would seem quite simply to have been reached.

Education

For many years, formal education was of very little assistance to the majority of the people of Mexico in dealing with the increasingly serious problems of everyday life outlined above, and in fact it exhibited a rather persistent tendency to make those problems worse, for at the same time that it reinforced the economic and political dimensions of marginality it added a cultural one. With the exception of a period during the 1920s and 1930s when an effort was made to relate education to community problems, schooling was largely an exercise (like medicine) tailored to meet the needs of middle and upper income urban life. Therefore the fact that vestiges of the urban curriculum were persistently offered to rural children, without making them relevant to rural life and in fact without even offering a sufficiently complete version of the prevailing curriculum to allow its utilization as a mechanism of social mobility, only served to remind most rural families of their marginal place in national society.

To a lesser extent, the same could be said for low-income urban families, whose children fared poorly in competition with middle and upper class youth for access to instruction leading to a professional degree. Middle-level technical and vocational training, useful for young people whose parents could not afford to bear the economic burden of study for a professional career, was given very low priority in national educational policy; and its scarcity contributed to making urban primary education almost as well defined a dead end as rural primary education was. Mexico thus became a country of the under- and the overeducated, of

functional illiterates with two or three years of primary schooling and of professionals. Such a profile was congruent with the more generalized process of polarization of the post-war period.

Education and community development It was the conviction of the framers of the Constitution of 1917 that the provision of free public schools was one of the obligations of the state; and in Article 31, they made it the duty of all citizens to ensure that their children or wards under the age of 15 received primary instruction. But when the Ministry of Education was founded in 1921, it confronted a nation in which learning took place largely through the informal interaction of older members of small communities with younger ones, not through the structured presentation of a nationally standardized curriculum within the walls of formal institutions.[64] The ministry, under José Vasconcelos, therefore recruited urban 'missionaries' (as they were tellingly called) to go into the countryside and gain the support of rural people in building and maintaining rural schools. Their purpose was not only to teach reading, writing, Spanish, arithmetic, history and civics, but to raise the standard of living of the population through fostering new trades, introducing new agricultural techniques and providing a rudimentary knowledge of modern medicine. It was an early effort at community development, designed on the march; and since it challenged the traditional bases of knowledge and authority in much of the countryside, it was only half-heartedly accepted.

Most of the budget of the ministry did not go into rural education at this time, however, but into basic education in urban areas (only grudgingly promoted before the revolution by a government which had preferred to provide classical academic knowledge to the élite rather than practical training to the masses). Priority was given to primary and practical middle schools; and as a result, 34 per cent of the school-aged population of the country (aged 6 to 14 years) was enrolled in primary institutions by 1930, and 3.4 per cent of those aged 15 to 19 in middle schools, 70 per cent of which were technical, commercial or vocational.[65]

The period of greatest interest in extending national primary and vocational training programmes into the countryside coincided with that of the most intensive promotion of agrarian reform (during the Cárdenas administration) and was reinforced by it. In traditional indigenous areas, the population in general continued to look askance at modern learning during the 1930s, as it had during the Vasconcelos years. But in centres of commercial agriculture, land-reform beneficiaries and their families

attended classes *en masse* with the hope that new knowledge would be of immediate practical utility in becoming successful farmers. They were presented with the opportunity not only to participate in the founding of thousands of rural primary schools (there were 11,500 throughout the country by 1937),[66] but to attend an assortment of practical courses and even to enrol in the kind of middle-level technical schools formerly found only in the cities. By the early 1940s, there were 19 normal schools, 17 practical schools of agriculture and 23 vocational centres for indigenous youth in the Mexican countryside, providing three- and four-year courses to scholarship recipients who combined study with work in surrounding cooperative fields.[67]

The content of education during this period, in the countryside and in the city, linked academic knowledge to practice in a particularly forceful way. Students were encouraged to apply their skills to solving the daily problems of their own communities, and further, to assist their neighbours in examining their economic and political position and understanding the critical importance of their contribution to national development. This was a far more profound attempt at community development than the missionary effort of the 1920s, and it provoked such strong opposition that it could not outlive the Cárdenas administration. But, for a few years, it provided an example of how education might have been made relevant to the needs of much of the urban and rural population of the country.

Educating an élite In 1940, 40 per cent of the primary-school-aged children of the countryside and slightly over half those of the cities had access to instruction.[68] But 92 per cent of all rural schools still offered three years or less; illiteracy still enveloped roughly one-half the population (and in fact had grown in absolute terms since 1930); and only 6 per cent of all young people aged 15 to 19 had access to secondary education of any kind.[69] If the most basic livelihood problems of the majority were to be dealt with in the future, it was urgently necessary to expand primary and vocational facilities and to continue the Cárdenas experiment with an open, flexible approach towards adult education and community development.

If the manpower needs of an industrializing consumer society were to be met, however, a different emphasis was indicated. The new industrial economy, based upon capital-intensive agriculture in a few strategic regions, required agronomists and engineers more urgently than better-informed small farmers and artisans; and a growing urban middle class

demanded doctors, not midwives. To train sufficient numbers of professionals to fill these positions, educational policy after 1940 gave priority to expanding academic middle schools and universities, to the detriment of primary, vocational and 'out-of-school' programmes. Education came increasingly to be associated with a formal and rigidly sequential academic system in which knowledge was imparted from above and without, not encouraged to grow up from the daily experience of most people.

Such an approach implied stagnation for programmes of basic education outside the classroom. The cultural missions and practical agricultural schools of immediate post-revolutionary vintage fought budgetary extinction after the 1939–45 war. The National Indigenous Institute, established in 1948 to continue the work begun earlier by the Department of Indigenous Affairs, was able to maintain only eleven small centres between its founding and 1970, with a budget of less than 1 per cent of the annual expenditure of the Ministry of Education.[70] And after a brief experiment with a 'person-to-person' literacy campaign during the early 1940s, the teaching of this vital skill was largely left to the primary schools, where it was encased in a formality hardly likely to arouse enthusiasm for learning among the illiterate. Between 1940 and 1960, the number of those 6 years of age and over who could not read and write therefore grew from 9.5 to 10.6 million (despite a proportional drop from 58 to 30 per cent of the population as a whole); and many of those who claimed to be literate were really not so.[71]

Growing emphasis on expanding academic middle schooling and university facilities also implied a relative decrease in the resources available for primary education, and thus the continued inability to provide millions of children with any primary schooling at all. Between 1940 and 1960, the percentage of all children aged 6 to 14 enrolled at the primary level increased from 45 to 56;[72] but that advance still left the field open to massive marginalization on the basis of unequal educational opportunities. At a time when qualification to hold the more remunerative and prestigeful positions in Mexican society was coming increasingly to depend upon having received a certain minimum number of years of formal schooling, 44 per cent of the eligible children of the country did not even have access to the first grade.

In addition, the tendency to substitute a formal academic curriculum for more practical kinds of education at the primary and secondary levels made school attendance often more of a rite than a learning experience. The introduction in rural schools, after 1940, of a standardized curricu-

lum oriented towards the urban middle class, for example, would have been useful if most rural primary students had been destined to continue academic work at higher levels. But as late as 1957, 81 per cent of all rural primary schools offered no more than three grades.[73] Whatever was learned within those limits, including the ability to read and write, had to be immediately useful or it was wasted. That it was most often irrelevant is suggested by the fact that of every 100 rural children enrolled in the first grade in 1951, only 20 reached the third grade in 1953 and only 2 finished primary instruction three years later. Primary schooling in the countryside became quite literally a dead end.[74]

More urban than rural children completed primary school during the 1950s (55 of every 100 enrolled in 1951 reached third grade by 1953, and 30 finished sixth grade in 1956), although poverty played a considerable part in maintaining high urban desertion rates.[75] But the utility of a primary education was severely limited by the narrowness of post-primary opportunities. Between 1930 and 1960, the percentage of all enrolment in middle schools (secondary and preparatory) attributable to vocational, technical or commercial training declined from 70 to 41; and even if one wished to continue an academic course, the geographical distribution of middle-level and higher educational facilities restricted the opportunities of youth living outside the nation's capital.[76] The drop in attendance between primary and secondary levels was therefore noteworthy.[77]

Attempts to broaden academic opportunities In 1958, recognition of the serious shortcomings of the existing programme of primary education in Mexico prompted the founding of a national commission charged with drawing up a programme which would assure, by 1970, a place in primary school to every child capable of attending. The Eleven-Year Plan, as it came to be called, estimated a potential demand of 8.8 million in 1970 and suggested a programme of investment to expand the elementary-school system sufficiently to meet that demand. This programme, combined with constant pressure from urban groups demanding the enlargement of middle and upper level academic facilities leading to a professional degree, implied in absolute terms the quintupling of the budget of the Ministry of Education between 1959 and 1970, and in relative terms the allocation of 28 per cent of the entire federal budget to education in 1970, compared with only 16 per cent eleven years earlier.[78] It did not, however, imply fundamental questioning of the quality of the curriculum or the utility of emphasizing academic over practical instruction.

Despite the magnitude of the financial obligation undertaken after 1959,

Table 11 Enrolment and unsatisfied demand at all levels of the educational system, 1958 and 1970 (in thousands)

Levels	Enrolment			Unsatisfied demand					
	1958	1970[1]	1970	1958		1970[1]		1970[2]	
				Number	Percentage	Number	Percentage	Number	Percentage
Pre-school (ages 3–5)[3]	193	440	440	3,107	94.1	4,533	91.1	4,533	91.1
Primary (ages 6–14)[4]	4,697	8,085	9,127	3,082	39.6	4,184	33.5	2,621	21.0
Middle (ages 15–19)[5]	348	1,826	1,533	2,935	89.4	3,243	64.0	3,535	69.8
Higher (ages 20–24)[6]	64	253	229	2,748	97.7	3,790	93.8	3,814	94.3

1 According to the Census of 1970.
2 According to the current school statistice of the Ministry of Industry and Commerce.
3 One or two years of schooling.
4 Six years of schooling.
5 Three to six years of schooling.
6 Four years or more.

Source Rodrigo Medellin and Calos Muños Izquierdo, 'La Nueva Ley Federal de Educación ante la Problemática Educativa y Social de México', in: Centro de Estudios Educativos, *Ley Federal de Educación*, Mexico City, 1973, pp. 47–8 (Serie Publicaciones Eventuales No. 2).

the expansion of primary-school facilities in the decade of the 1960s was not sufficient to meet the goals of the Eleven-Year Plan. Table 11 shows that while the proportion of all children between 6 and 14 years of age not enrolled in primary school declined between 1959 and 1970, unsatisfied demand increased (or at best remained constant, if one averages the differences between two conflicting sources of information). In 1970, something more than 3 million children who should have been enrolled at the elementary level (and a roughly equal number of young people who might have been studying in secondary school) were not. And perhaps even more significant, drop-out rates remained high. The plan had estimated that 38 per cent of all children enrolled in primary school in 1965 would complete the sixth grade in 1970; but in fact, only 31 per cent did so (54 per cent of all urban students and only 9 per cent of all rural ones).[79]

Figures like these make it obvious that the educational system of Mexico, even after an extraordinary period of expansion, was hardly the vehicle for individual socio-economic mobility which it was often claimed to be. Opportunities for study continued to be concentrated in the wealthiest regions of the country and among the upper-income strata of the population, while the great majority of those who never enrolled at all, or dropped out before secondary school, were to be found among urban and rural marginal sectors. The remoteness of access to technical and professional education for lower-income groups in the city, in particular, was documented by Jesús Puente Leyva, who found that in 1965

the poorest 50 per cent of the population of Monterrey occupied only 7 per cent of the places in local preparatory schools and 4 per cent of those in professional schools.[80] Enrolment statistics of the National University in Mexico City paint a similar picture: in 1970, 70 per cent of its students came from families in the highest 20 per cent of the income pyramid; 13 per cent were sons or daughters of members of the working class; and only 3 per cent came from peasant families.[81] Socio-economic mobility through education thus occurred with any significant frequency only between middle (and perhaps lower-middle) and upper income strata, and did not often involve low-income and marginal groups.

On the contrary, the effect of expanding the number of academic middle and upper school graduates since the war has been to raise the educational requirements imposed by employers on those they hire, and thus to maintain many people who do not have access to sufficient years of formal schooling in low-income strata or within the ranks of the unemployed. The way this mechanism functioned during the period 1960–70 has been quantified by investigators of the Centre for Educational Studies: if a person leaving school after studying ten years or more looked for work, he had 73 chances in 100 of being hired; but if he had studied only one to five years, his chances were exactly one-half that.[82] Poverty, contributing to low educational levels, therefore reinforced poverty.

Conclusions

The general impression which emerges from the preceding discussion is, then, of a structural inability to satisfy the most basic needs of the majority of the Mexican population in the post-war period. In both rural and urban Mexico, in regions of modern agricultural and industrial production as well as in remote parts of the countryside, growing numbers of people were living badly. Having lost, in many cases, the benefit of a direct subsistence relationship to their natural surroundings, or having seen that relationship weaken in the face of dwindling natural resources and changing definitions of daily needs, many families could not lay claim to a sufficient monetary income to pay for a minimum level of physical wellbeing. Cut off from traditional mechanisms of mutual assistance and community decision-making, they had not been integrated into a modern structure of social security or political interest groups. They were therefore economically and politically powerless to improve their standard of living in the short run and were in all probability likely to see it deteriorate further, for their competitive position in a relatively free market for the necessities of life was disadvantaged in the extreme.

It is possible to say, of course, that deteriorating living standards have been an inevitable result of rapid population growth and that the resources of the nation were simply not sufficient in 1970 to provide adequately for almost two and a half times the number of people provided for in 1940. Despite the obvious problems posed by population growth, however, such an assertion is not upheld by available statistics. It has been noted above that agricultural production grew rapidly enough during the post-war period to increase the *per capita* availability of calories from roughly 2,000 to 2,600 and that of protein from 54 to 80 grams. If more people were undernourished in 1970 than in 1940, it was because the gap in consumption of foodstuffs between higher and lower income groups grew wider, not because the total supply of foodstuffs was inadequate to satisfy the basic requirements of all the population. Similarly, turning to housing, one encounters evidence that an allocation (over a ten-year period beginning in the late 1960s) of only 0.5 per cent more of the gross national product to dwellings than the sum consistently spent might have eliminated the entire housing deficit of Mexico.[83] The problem again was not lack of resources, but sumptuous spending by the wealthy. In both medicine and education as well, very large sums have been set aside during the post-war period for sophisticated services demanded by upper income groups, to the detriment of basic programmes of community development.

The workings of a free market, much more than population growth, must be associated with responsibility for declining living standards among low-income groups after the 1939–45 war. A market economy allocates resources and distributes goods and services on the basis of effective demand, not greatest objective need; and since 1940 effective demand has increasingly been concentrated in the hands of a small part of the Mexican population. The basic physical needs of this group have quickly been met, and most of the demand they have exercised in the national market has called forth the production of relatively superfluous consumer goods which have come to be utilized as symbols of high social status. Such a distortion of the productive apparatus of the country has affected low-income groups negatively in two ways: it has made the basic necessities of life scarce and expensive, since they have not been accorded a priority in national production commensurate with the extent of popular need; and it has reduced the proportion of even the lowest incomes dedicated to satisfying the most basic requirements of daily life, by creating new needs for consumer goods which confer status.

Over the years since the war, halting steps have been taken by the

federal government to protect the income of certain sectors of the Mexican population, beginning with the middle class (assisted through the founding of mortgage banks, social-security programmes including subsidized housing and medical services, heavily subsidized higher education) and in recent years reaching into the organized working class (protected to some extent by minimum-wage legislation, consumer-credit funds, a new national housing programme, and government-run retail outlets for food and household items). The participation of marginal groups in these benefits has, however, been extraordinarily limited; and in some cases (like that of the minimum wage), measures taken to protect the income of other sectors of the population have in fact decreased the buying power of marginal families by progressively widening the gap between an officially sanctioned cost of living and the static or declining resources of the poor.

In 1970, 70 per cent of the labour force of Mexico, or some 48 per cent of all families, earned less than 1,000 pesos a month; and 50 per cent of the labour force (30 per cent of all families) earned less than 600. These families urgently needed not only immediate access to a wide variety of public services already within the reach of less disadvantaged groups but, to put it quite simply, a higher monetary income. According to preliminary estimates presented above, rural families earning less than 600 pesos per month (between 1.2 and 2 million at the end of the 1960s) and urban families not surpassing 1,000 pesos per month (from 1.3 to 1.7 million at the same time)—together representing from 31 to 40 per cent of the population of the country—could not obtain an adequate diet, even with the extraordinary expenditure of 65 per cent of their budgets on food alone. They were thus below the lowest possible threshold of an absolute poverty line. And the definition of this line did not begin to take into account the quality of housing which could be obtained with the remainder of the monthly budget, or the kind of health or education services which could be bought. It was simply a definition of physical survival based on the satisfaction of minimum nutritional needs.

Before going forward with a definition of working-class poverty in Mexico, it is therefore obviously of first priority to understand more thoroughly than is at present possible the livelihood dilemma of a very large group of marginal citizens. Endemic malnutrition, overcrowding and sickness must be eliminated before a broader characterization of the 'family patrimony' envisioned by the Constitution of 1917 can have any meaning whatsoever.

Notes

1 Roger D Hansen, *La Política del Desarrollo Mexicano*, Mexico City, 1971, p. 52.
2 Solomon Eckstein, *El Ejido Colectivo en México*, Mexico City, 1966, p. 25.
3 Hansen, op. cit., p. 43.
4 Jesus Silva Herzog, *El Agrarismo Mexicano y la Reforma Agraria*, Mexico City, 1959, p. 254.
5 Joe C Ashby, *Organized Labor and the Mexican Revolution under Lazaro Cadenas*, Chapel Hill, 1963, p. 58.
6 See James Wilkie, *The Mexican Revolution: Federal Expenditure and Social Change Since 1910*, Berkeley, 1967, p. 32.
7 The Colonization Decree of 1923 allowed the purchase of up to 25 hectares of irrigated land from the government, or 200 hectares of unirrigated land; in 1926, this limit was extended to 50 hectares of irrigated land, 200 hectares of first-class unirrigated land, 500 hectares of second-class unirrigated land or 5,000 hectares of pasture land. In addition, private property (not bought from the government) could be obtained and held legally in tracts of up to 150 hectares of irrigated land or 200 of unirrigated land, according to a decree of 1922. These limits were later modified (in 1946) to allow private holdings of 100 irrigated hectares (150 in the special case of cotton and 300 in the case of certain plantation crops like banana, sugar cane, coffee, henequen, rubber, vanilla, cacao, or fruit trees), 200 unirrigated hectares of good quality, 400 of secondary quality, or 800 of pasture land or forest. See: Comité Interamericano de Desarrollo Agrícola (CIDA) and Centro de Investigaciones Agrarias, *Estructura Agraria y Desarrollo Agrícola en México*, Mexico City, 1970, pp. 29–36.
8 Ibid., p. 35.
9 Ibid., p. 34.
10 The annual monetary income of land-reform families in the Yaqui Valley, for example, more than tripled between 1937 and 1943, and the benefit of home-grown subsistence crops available in the latter year made the difference in general welfare even greater than those figures would indicate. The real income of *ejidatarios* in La Laguna quadrupled between 1935 and 1938. Illiteracy declined in the same region from roughly 60 to 30 per cent in the twenty years after 1930. Also, the incidence of tuberculosis, typhoid, syphilis and dysentery was spectacularly reduced. Mutual insurance companies in both La Laguna and the Yaqui Valley, utilizing the funds of their own members, turned the profits from capital investment to providing such community services as maintenance of wells for drinking water and the repair of public buildings. Throughout the country, millions of pesos in *ejido* savings went into the construction of schools, bathhouses, theatres, corn mills and similar works for the 'collective benefit'. See: Banco Nacional de Crédito Ejidal, *El Sistema de Producción Colectiva en los Ejidos del Valle del Yaqui, Sonora*, Mexico City, 1945, Table 10; Juan Ballesteros Porta, *Explotación Individual o Colectivo? El Caso de los Ejidos de Tlahualilo*, Mexico City, 1964, p. 46; Clarence Senior, 'Reforma Agraria y Democracia en la Comarca Lagunera', *Problemas Agrícolas e Industriales de México*, Vol. VIII, No. 2, 1956, pp. 119, 137.
11 Ashby, op. cit., p. 286.
12 Hansen, op. cit., p. 58.
13 Reynolds, op. cit., p. 166.
14 CIDA, op. cit., p. 121.

15 This generalization is based upon the author's review of early community studies, summarized in 'The Process of Change in Rural Mexico: A Bibliographical Appraisal', Chapter IV of Rodolfo Stavenhagen *et al., La Medición del Progreso Real a Nivel Local: Un Estudio de Caso en México,* Centro de Estudios Sociológicos del Colegio de México, April 1975 (mimeo.).
16 CIDA, op. cit., pp. 556, 282–7.
17 Ibid., p. 629.
18 Manuel Golías, 'El Desempleo y el Subempleo Agrícolas en México', in: Edmundo Flores (ed.), *Desarrollo Agrícola,* Mexico City, 1972, p. 216.
19 Figures for 1940–60 from CIDA, op. cit., p. 555. In 1970, the general population census reported 2.2 million agricultural day-labourers out of a total agricultural labour force of 5 million, while the agricultural census counted 2.5 million out of 7.8 million. The criteria utilized in each case were different, as was the season of the year being analysed.
20 CIDA, op. cit., p. 605.
21 Rodolfo Stavenhagen, 'Los Jornaleros Agrícolas', *Revista del México Agrario,* Vol. I, No. 1, 1967, p. 165.
22 Banco de México, *La Distribución del Ingreso en México: Encuesta sobre los Ingresos y Gastos de las Familias, 1968,* Mexico City, 1974, Table VIII-7.
23 Humberto Muñoz Garcia, Orlandin de Olivera and Claudio Stern, 'Migración y Marginalidad Ocupacional en la Ciudad de México', in: *Perfil de México en 1980,* Vol. 3, Mexico City, 1972, p. 336.
24 Grupo de Estudio del Problema del Empleo, *El Problema Ocupacional en México: Magnitud y Recomendaciones,* Mexico City, n.d., p. 29.
25 See Enrique Contreras Suarez, 'Migración Interna y Oportunidades de Empleo en la Ciudad de México', in: *Perfil de México en 1980,* Mexico City, 1972, p. 397; and Secretaría de Industria y Comercio, *Encuesta Nacional de Hogares,* Mexico City. 1975, p. 3.
26 Ibid., p. 20.
27 Larissa de Lomnitz has analysed the functioning of networks of mutual assistance in one 'lost city' of the nation's capital in *Como Sobreviven los Marginados,* Mexico City, 1975.
28 Mexico, Secretaría de Industria y Comercio, Dirección General de Estadística, *Anuario Estadístico de los Estados Unidos Mexicanos,* 1950 and 1960.
29 Horacio Flores de la Pena, 'Problemas de Desarrollo, Salarios y Precios', in Comisión Nacional de los Salarios Mínimos, *Memoria de los Trabajos de 1963,* Vol. IV: *Estudios Económicos,* Mexico City, 1964, p. 132; and Martin Luis Guzman Ferrer, 'Coyuntura Actual de la Agricultura Mexicana', *Comercio Exterior,* Vol. 25, No. 5, May 1975, p. 575.
30 David Ibarra, 'Mercados, Desarrollo y Política Económica: Perspectivas de la Economía de México', in: *Perfil de México en 1980,* op. cit., Vol. I, p. 117.
31 Francisco Vazquez Arroyo, 'Costo de la Vida a Nivel de Salarios Mínimos en las Principales Ciudades de la República', in: Comisión Nacional de los Salarios Mínimos, op. cit., Vol. IV, p. 413.
32 The calculation was made by representatives of the Mexican Confederation of Labour within the National Minimum Wage Commission.
33 See Table 3.
34 Utilizing recommended (not observed) body weight to calculate minimum

nutritional needs, the National Nutrition Institute estimates an average requirement of 2,216 calories and 60.4 grams of protein per person per day. This estimate is based upon the assumption that the quality of protein available is only 60 per cent of that of milk and egg protein; and if the quality of the protein consumed were better, the minimum requirement could be correspondingly lower.

35 Nathan Whetten, 'Problemas Agrícolas e Industriales de México', *México Rural*, Vol. V, No. 2, 1953, p. 214.

36 The Mayas studied by Steggerda consumed an average of 2,565 calories and 74 grams of protein per person per day; Morris Steggerda, *Maya Indians of Yucatan*, Washington, 1941, p. 160.

37 A suspicion based upon anthropological case studies.

38 Juan Ramirez Hernandes, Pedro Arroyo and Adolfo Chavez, 'Aspectos Socioeconómicos de los Alimentos y la Alimentación en México', *Comercio Exterior*, Vol. XXI, No. 8, August 1971, p. 685.

39 Banco de México, *Encuesta sobre Ingresos y Gastos Familiares en México, 1963*. Mexico City, 1966, Table 31; and *La Distribución del Ingreso en México: Encuesta sobre los Ingresos y Gastos de las Familias, 1968*, Mexico City, 1974, Table V-2.

40 Adolfo Chavez, interviewed in *Excelsior*, 6 February 1975. Cited in Stephen Niblo, 'Progress and the Standard of Living in Contemporary Mexico', *Latin American Perspectives*, Vol. II, No. 2, Summer 1975, p. 118.

41 Secretaría de Industria y Comercio, Dirección General de Muestreo, 'Ingresos y Egresos de las Familias en la República Mexicana, 1969–1970', cited in Ana María Flores, *La Magnitud del Hambre en México*, Mexico City, 1973.

42 The entire discussion of housing in 1939 is based upon Whetten, op. cit., Chapter 12.

43 Luis Unikel, 'El Proceso de Urbanización', in: *Perfil de México en 1980*, op. cit., Vol. II, pp. 231–2.

44 The calculation of housing deficits is a hazardous affair indeed and produces widely varying estimates. A discussion of the problem will be found in A Araud, G Boon, V Urquidi and P Strassman, *Studies on Employment in the Mexican Housing Industry*, Paris, 1973, pp. 21–4. In general, deficits due to overcrowding are easier to calculate than those due to deterioration. The estimates utilized here come from Pedro Gonzalez Navarro, 'Estudio Comparativo de las Necesidades de Vivienda en México para los Años 1950, 1960 y 1970', *Boletín Informativo del INFONAVIT*, No. 7, 1973, p. 38. A second estimate for 1950, probably based on overcrowding alone, is 1.2 million dwellings, provided by Luis Manuel Trejo in *El Problema de la Vivienda en México*, Mexico City, 1974, p. 16.

45 Gonzalez Navarro, op. cit., p. 38; Jesús Puente Leyva, 'El Problema Habitacional', in: *Perfil de México en 1980*, op. cit., Vol. II, p. 272. Trejo, op. cit., p. 16, provides estimates ranging from 3.2 to 4.7 million dwellings for 1971.

46 Puente Leyva, op. cit., p. 262.

47 The fund requires 9 square metres of living space per inhabitant in dwellings financed with its resources. It also sets a maximum density: in cities of 1 million people or more, 110 dwellings per hectare; in cities of 500,000 to 1 million, 90 dwellings per hectare; and in smaller urban areas, 80 dwellings per hectare. It also requires: between 5 and 6.5 square metres of open space,

parks or recreational areas per inhabitant in its housing developments; no more than 25 per cent of the entire space dedicated to roads and parking facilities; and a series of necessary public and commercial facilities depending upon the size of the development.

48 When taxes, public services and maintenance were added to these instalments, a worker earning the minimum wage in 1975 was likely to spend as much as 41 per cent of his monthly income on housing. See the comments by Marcel Javely in: Partido Revolucionario Institucional, IEPES, *Asentamientos Humanos y Vivienda*, February 1976 (mimeo); and María Teresa Marquez de Silva Herzog, 'Una Investigación sobre las Condiciones de Vivienda en México', *Ecopolítica*, Vol. I, July–September 1975, p. 84.

49 The following section is based on: John Turner, 'Informe sobre Vivienda Popular', 1971 (doc.), cited in Lomnitz, op. cit., pp. 36–7.

50 Lomnitz, op. cit., p. 85.

51 Banco de México, *La Distribución del Ingreso. . . .*, op. cit., Table II-1.

52 James Wilkie, *The Mexican Revolution: Federal Expenditure and Social Change since 1910*, Berkeley, 1967, p. 168.

53 Mexico, Secretaría de Industria y Comercio, Dirección General de Estadística, *Anuario Estadístico de los Estados Unidos Mexicanos*, 1950, 1960, 1970.

54 Whetten, op. cit., p. 228.

55 Cristina Laurell has carried out a study comparing sickness and health in two rural communities, one more completely integrated into the modern capitalist economy of the nation and the other still relatively traditional. She finds the general morbidity index 40 per cent higher in the former than in the latter and the salaried workers twice as likely to be sick as their non-salaried counterparts. See: 'Medicina y Capitalismo en México', *Cuadernos Políticos*, No. 5, July–September 1975, p. 86.

56 The dual structure of pathology has been discussed by A Celis and J Nava in 'La Patología de la Pobreza', *Revista del Hospital General*, No. 33, 1970, which compares predominant illnesses in the Hospital General (a public institution serving largely unorganized workers and marginal groups) and private doctors' consulting rooms.

57 A Heredia, 'Reflexiones sobre la Medicina Institucional Mexicana', *Gaceta Médica Mexicana*, Vol. 98, 1968, p. 490–1, citing: Secretaría de la Presidencia, *La Asistencia Médica en México*, Mexico City, 1970, p. 196.

58 A Canedo, Luis Canedo, José Negrete and Guillermina Yankelevich, 'Diseño de una Licentiatura', in: *Coloquio sobre Políticas Nacionales de la Ciencia y la Tecnología de la Academia de la Investigación Científica*, 1973, p. 15.

59 Guillermina Yankelevich, 'Interacción Medico-población', *Gaceta Médica Mexicana*, Vol. 107, 1974, pp. 537–52.

60 Canedo *et al.*, op. cit., p. 16.

61 Heredia, op. cit., p. 488.

62 Ibid., pp. 484, 480. E Cordero has shown in 'La Subestimación de la Mortalidad Infantil en México', *Demografía y Economía*, Vol. II, 1968, that infant mortality figures have been systematically underestimated. He concluded that the extent of underestimation in 1965 was 16 per cent.

63 M E Bustamante, 'Observaciones sobre la Mortalidad General en México de 1922 a 1969', *Gaceta Médica Mexicana*, Vol. 103, 1972, p. 476.

64 There were only 2,600 rural primary schools in Mexico in 1926. See Charles

Myers, *Education and National Development in Mexico*, Princeton, 1965, p 37.

65 Ibid., pp. 85, 95, 96.
66 Ibid., pp. 39–40.
67 Whetten, op. cit., pp. 286–7.
68 Myers, op. cit., pp. 40–1.
69 Ibid., p. 93; and Whetten, op. cit., p. 414.
70 Mexico, Instituto Nacional Indigenista, *Informe Anual, 1973–1974*; and Carlos Rivera Borbon, *El Gasto del Gobierno Federal Mexicano a través de la Secretaría de Educación Pública*, Mexico City, 1970, p. 125.
71 In 1959, the Ministry of Public Education concluded that at least one-third of those who had become literate since 1940 were no longer able to read and write; Myers, op. cit., p. 57.
72 Ibid., p. 85.
73 Rodrigo Medellin and Carlos Muñoz Izquierdo, 'La Nueva Ley Federal de Educación ante la Problemática Educativa y Social de México', in: Centro de Estudios Educativos, *Ley Federal de Educación*, Mexico City, 1973, p. 50 (Serie Publicaciones Eventuales No. 2).
74 Mexico, Secretaría de Industria y Comercio, *Fundamento Estadístico del Plan de Once Años*, Mexico City, 1959, p. 317.
75 Almost 1 million children were absent from school or deserted it for 'economic' reasons and 175,000 more because of sickness; ibid., p. 316.
76 In 1970, 33 per cent of all secondary facilities, as well as 55 per cent of all preparatory and university facilities in the nation, were concentrated in the Federal District alone; *Grupo de Estudio del Problema del Empleo*, op. cit., p. 516.
77 Of all children who enrolled in the first year of primary school in 1958, 25 per cent completed elementary schooling, but only 11 per cent continued on to the first year of secondary education; Medellin and Muñoz, op. cit., p. 49.
78 'El Gasto Educativo en México', *Revista del Centro de Estudios Educativos*, Vol. IV, No. 4, 1974, p. 109.
79 Pablo Latapi, *Mitos y Verdades de la Educación Mexicana, 1971–1972*, Mexico City, 1973, p. 158.
80 Jesús Puente Leyva, *Distribución del Ingreso en un Area Urbana: El Caso de Monterrey*, Mexico City, 1973, p. 34.
81 Medellin and Muñoz, op. cit., p. 51.
82 Ibid., p. 57.
83 Puente Leyva, 'El Problema Habitacional ...', op. cit., p. 275. The cinder-block dwellings he suggested for urban areas would have had an area of 65 square metres, on a house site of 120, at a total cost of 25,000 pesos. The adobe structures he proposed for the countryside, containing 50 square metres of living space, would have cost 5,000 pesos.

India: An Alternative Framework for Rural Development[1]

by Rajni Kothari

Introduction[2]

There has been a great deal of talk lately in our country of rural development. Many of the formulations of the problem, and the phrases and clichés used, recall the 1950s, when discussions on planning and the Community Development movement laid a great deal of stress on rural development. (This was before the philosophy and model underlying the Second and Third Plans seeped through and took command of our thinking on economic development.) There is one significant difference, though. Whereas the emphasis of the Community Development period was mainly on establishing an administrative network, going down to the villages and providing for extension agencies and paid personnel without thinking too much of the prevailing social structure and class configurations in the rural areas, the accent now is on the problem of massive poverty, on the 'rural poor', and on reforms needed to raise their levels.

On the one hand, it needs to be said of the earlier period that despite all the defects of the Community Development movement and its largely bureaucratic character, there did indeed take place considerable development of the countryside, at least in terms of laying out a vast infrastructure of welfare services, cooperatives and voluntary organizations. What is more, that period was also characterized by a significant transfer of resources from urban to rural areas, which to no small extent contributed to a steady relationship between the two sectors (the rural areas continued for over twenty years to maintain 80 per cent of the total population). This was also the period when political power shifted to the rural areas, thanks largely to the electoral process and the permeation of competitive politics, giving rise to substantial articulation of rural needs and interests even though this still left out the very poor and the underprivileged.

Today, on the other hand, while there is a great deal of talk of rural development and the problems of the rural poor, the fact of the matter is that the condition of rural areas is deteriorating and within the rural social structure the position of the lower strata is worsening. Politically, too, the last few years have seen both an increase in the power of the urban-based educated élite and the alliance of this élite structure with the upper and middle castes in the rural areas. On the whole, 'rural development' is more rhetoric than reality and, on present indications (with concentration of economic power and a continuous narrowing of the base of the political system), there seems little chance of matters improving.

The emerging scenario

In fact, if all one could do was to extrapolate from present and expected trends, the future appears rather dark. Though estimates vary, the population of rural India is expected to be somewhere between 600 and 700 million by the end of the century. Land under cultivation is likely to remain about the same as today. If private property in land and present inheritance rules continue, the already highly fragmented nature of the land system will become much more fragmented, with continuous splitting and further splitting. This will make agricultural holdings uneconomic (even by the standards of small-farm technology) and productivity from land will decline. Meanwhile, even if the distribution of village size (which at present puts 30 to 40 per cent of villages beyond reach of the administration, welfare services and improved technology) improves by merger of contiguous settlements, the average village size will continue to be small and thus inaccessible to any technological breakthrough.

While these structural characteristics will inform rural India, the actual magnitudes appear to be frightening. It is estimated (even taking the Medium-2 projection of the Registrar-General) that in order to ensure minimum desirable nutritional standards for all (a calorie intake of between 2,400 and 3,100) the country will need to produce 210 million metric tons of foodgrains, ie an increase of 100 million metric tons in twenty-five years. Given the structural characteristics mentioned above and the inevitable resource constraints, this seems impossible to achieve. This means one of two things. We shall need to import large quantities of food and surrender our aim of self-sufficiency in food, which we consider to be crucial to our independence as a nation. But our ability to import food in any sizeable quantity will depend, on the one hand, on adequate export earnings through industrial output at competitive prices, which is likely to become increasingly difficult and, on the other, on ample availability of food round the world, which also seems unlikely given the shortages in various parts of the world. Alternatively, we shall have to abandon the requisite nutritional standard that we have set before ourselves, and indeed even to reduce the *per capita* intake of food which may mean, for large numbers of people, a step towards starvation.

Also, there are serious limits to the population that agriculture alone can sustain. Given the fact that there is little evidence of any significant progress in providing non-agricultural employment in rural areas, this means two things: a further growth in rural unemployment and still more pronounced underemployment (which is already below 100 work-days per year for the vast majority of the people), and a big boost to outward migration to urban, mostly metropolitan, areas. Given the slow pace of

industrialization and the relative paucity of investment resources, the urban areas are unlikely to be able to provide employment to the growing volume of in-migrants and what we will get is the phenomenon of rural poverty and unemployment producing still greater poverty and unemployment in the urban areas. Simultaneously with this—and given the dominant life style of the high-consumption élite and the middle-class strata who also set the norms for the rest of the population—the degree of inequality and social injustice will grow in both rural and urban areas but perhaps more conspicuously in the urban areas.

Meanwhile, standards of health are likely to decline further as the needed expansion in health services will be beyond our reach and as in any case both the large majority of village settlements and the areas where the poor are huddled together in the cities will be both inaccessible to public health services and subject to a breakdown of sanitation and a spread of the diseases that normally go with overcrowded pockets of poverty. Similarly, disparities in educational standards will grow, the absolute numbers of illiterates will increase, and the skills and capabilities needed for fruitful employment will be restricted to the upper strata of the population.

Such a convergence of poverty and unemployment, disease and illiteracy that denies life chances to the vast periphery of the underprivileged—and the fact that a growing incidence of this convergence will occur in urban and metropolitan settings—can only produce a climate of extreme tension, increasing crime and not a little public violence that can be held down only by growing repression by the police and the paramilitary arms of government. This is a scenario not only for extreme misery and inequity and injustice but also for the breakdown of authority and indeed of the social fabric itself. Such a scenario may be inconceivable at the present moment but it is quite likely, indeed unavoidable, on present indications. What is involved in this scenario is nothing short of the demise of the Indian nation (not to speak of the democratic polity which will die much earlier) and the end of Indian civilization itself.

The main issues

If such a scenario is to be avoided it is necessary to reconsider the whole model of development that we have adopted, which has produced and will continue to produce mass poverty and inequity, coexisting with high affluence and waste. It is necessary to provide an *alternative development,* which produces minimum conditions for the rural masses, stops (or at least keeps within limits) the influx into urban areas, and gives rise to an integral approach to both rural and urban development, each sector

supporting the other (instead of the present parasitic relationship) and both becoming part of a common continuum of human settlements and productive relationships that have one single focus: the wellbeing and dignity of all individuals irrespective of location or class.

Central to this shift from a negative to a positive scenario are three major aspects of development strategy and an optimal interrelationship between them. These are:

1 Life styles While retaining a good deal of diversity of a cultural and individual kind, there is need to have a consensus on such matters as desirable and undesirable consumption standards, use and distribution of resources for the gratification of needs, and norms for minima and maxima in incomes and wealth.

2 Organization of space There is a need to stop thinking of 'rural' and 'urban' as separate sets of entities and to think of them as a continuing structure of city, town and countryside, of agriculture and industry, of hinterland and metropolis. India has a unique opportunity to develop a social continuum in which, while the romantic utopian dream of village self-sufficiency may be left behind (there should be no regret about this for such a system had very many negative features), we may also be able to avoid the scenario of huge metropoles draining the resources of the countryside in a parasitic manner. The scenario best suited to us—and to civilized life—is one in which the country is studded by a few thousand localities (regions), each clustering around a medium-size town, sharing in its amenities and its economy in a relatively egalitarian manner, in which all strata of society gain from the benefits of modernity but avoid the ills of post-modern consumer societies that are prisoners of highly concentrated production complexes.

3 Production system and technology Such a structuring of space will need to be supported by a corresponding continuum of productive orientations and technology relevant to each of them. The strategy that we shall have to evolve will need to be integral to the development of the country as a whole—where both production and administration are decentralized to medium-sized towns and their rural hinterlands, where city growth rates are arrested from becoming grotesque, where employment opportunities in agriculture (which have some natural limits) are supplemented by employment in small and widely diffused industries, where educational institutions are located close to jobs and restructured away from the present emphasis on university degrees and towards

widely scattered training institutions based on short-duration courses for middle-range technicians in various walks of life, where health facilities are not limited to the privileged, and where the economy derives its strength from the purchasing power of the great numbers of the people and not from the expansion of middle-class consumer industries and their 'export orientation'. Implied in such a restructuring of rural–urban and agricultural–industrial relations is a new techno-economic model for our society which will enable us to reach the goals set out by us in the Directive Principles of the Constitution and often elaborated since. Rural development must be conceived as part and parcel of this model as a whole, a model in which we talk less of rural development in our usual segmental fashion and more of development of individuals and communities—of all of them, irrespective of distinctions of locale or class. It is only in this overall context that 'rural development' will make sense.

Scenario for the future

It is from an optimal interrelationship of the above three parameters that our design for the future emerges. It has to be a comprehensive design, of which rural development becomes an integral and a crucial part. We give below the essential components of such a design.

Principal focus The prime concern of economic policy for a just social order ought to be to generate employment that is able to absorb at least the new additions to the adult population, and where there is a substantial backlog of unemployment and underemployment, to absorb that as well. The major source of injustice today is to be found not so much in a condition of general scarcity as in the fact of the diminishing marginal utility of men and women as such, in the fact that millions of people find themselves idle and useless, often in their very prime of youth.

Agricultural transformation The major impetus for such employment will have to come from a transformation of the agricultural sector, converting it from an area of stagnation to a catalyst of growth. This can be achieved, first and primarily, by introducing and rapidly implementing the new agricultural technology on a wide-enough basis. The new technology does seem to us to have provided a major breakthrough in our aim of achieving self-sufficiency as well as for raising the status of agriculture in national priorities. However, there is need to adopt these practices with conscious care to try to adapt them to fulfil social goals. They must substantially raise employment and the incomes of the poor, not just aggregate output. Beyond availing ourselves of the new inputs there is need to attend to other practices: crop differentiation that can increase the amount of labour needed per acre of land and raise the income of

labourers, development of water resources that are suited to the needs of small farmers and tenants, encouragement of farm practices that are labour-intensive, discouragement of mechanization that is labour-displacing and the provision of relevant credit and infrastructural inputs for the small cultivators. This, in turn, calls for the other package of measures known as land reforms, so that the benefits of the so-called 'green revolution' are widely dispersed instead of being pre-empted by the well-to-do farmers, as has occurred in so many countries, so that the rural social and economic structure becomes more egalitarian, and so that the available land is able to provide employment and a minimum income to millions more families than is at present the case.

Rural industrialization In large parts of the world it is safe to predict that the sum total of reforms involved in the new agricultural technology and redistributive legislation will not be enough to sustain a growing population on the land. Studies on manpower absorption by different sectors of the economy show conclusively that, except in the few places with very low density and large surpluses of land, there comes a stage when agriculture begins to absorb a diminishing proportion of the rising population. This critical stage will be reached in our country between 1980 and 1985. It does not follow from this, however, that those not engaged in agriculture should take to the cities for jobs in modern industries, for the fact is that the latter are not as great employers of men as they are of machines; and, in any case, the investment needed to generate the needed employment through modern industry is of a scale that few among the poorer countries can afford—except by large-scale import of foreign capital, which is neither feasible nor desirable.

In the light of various other trends—in resource use, congestion, breakdown of city life, and growth of crime and violence—it is necessary to restrain large-scale migration to the cities. There is need, therefore, to provide non-farm employment in the rural and semi-rural areas. This can be done, first, through massive public works programmes to construct durable community assets (building roads, canals, wells and various other infrastructural facilities for rural development), for which there is great scope in our millions of villages and tribal settlements. Employment in these public works can take on a role quite different from short-term relief operations; they can become a basis for long-term investment and reduction of costs in such spheres as water use, land consolidation and marketing of farm output, in turn generating more productivity, employment and incomes. A large part of these activities can be supported from increased food output, thus also restraining inflation-

ary tendencies. Improvements in agriculture can also be used as a stimulus to a whole line of processing and refining industries in the rural areas.

Second, such a combination of increased farm output and increased employment on land and public works should provide the basis, through its stimulation of demand for consumer necessities, for the growth of small towns close to the rural areas where medium- and small-scale industries can be located. The usual haphazard growth of towns and cities that takes place in the absence of conscious policy renders them essentially parasitic spots where middlemen bring the flashy products of industries from large cities (and imports from foreign lands which, of course, continue to tantalize men and women in our country) and tempt villagers into buying them at exorbitant prices. This should give place to a conscious policy of decentralized industrial development and location so that urban growth becomes complementary to rural development and contributes further to the growth of employment and incomes of the poorer strata. The chief casualty of the colonial period was a whole range of rural and semi-rural industries and a number of non-agricultural occupations that gave livelihood to large sections of the people—and which in fact made for a society that was far less unequal and unjust than is the case now. It may not be possible to revive the whole spectrum of these occupations, but it is possible and necessary to provide a new basis for fulfilling the same economic functions, namely, making work available other than farming. The encouragement of self-employed artisans, the cultivation of the finer arts and crafts in line with our rich and complex traditions, and the growth of new and small-scale industries for the manufacture of goods needed by the local people can provide the basis for this regeneration.

Social continuum The crux of such a combination of policies designed to raise employment and alleviate mass poverty is to put agricultural and rural development at the core of public policy. But there is a counterpart to this approach in the area of urban development and industrial policy as well. Apart from heavy industries, which require large capital inputs and centralized organization, industrial development should be employment-oriented as much as possible, should produce goods that are needed by broad strata of the population rather than by a small middle class, and should be widely dispersed over the country so that the employment that it generates benefits all areas rather than a few cities or regions as is the case today. Regional disparities constitute a crucial—and visible—dimension of social injustice. Most of the favoured regions are those with large urban centres.

Socially, this means that the present duality of city and countryside must give place to a continuum in which: the agricultural revolution (and its necessary concomitants in livestock and horticultural development) regenerates the villages; small-scale and medium industries are located in the towns; and large-scale industries that necessitate heavy inputs of capital and high technical efficiency are located in the cities. As such a fusion between industry and agriculture takes place, further intermediate links in this continuum—rural social structures in towns, urban amenities in villages—will develop, thus combining the best traditions of both rural and urban life and producing a composite and integrated culture.

Our preferred world should be not one made of millions of self-contained villages but, rather, one of thousands of small nucleating towns towards which the rural landscape gravitates, thus doing away with both the present duality of metropolitan and rural cultures, limiting the large size and concentrated location to just the industries that cannot do without them, while at the same time enlarging the size and horizon of rural communities, and providing them with the necessary infrastructure of welfare and communication facilities. Such a spatial structure—supported by a decentralized structure of community decision-making, as argued below—would provide the necessary framework for the techno-economic alternative to the present dualist model of city versus countryside.

Policy on education It is not simply by altering the economic basis of rural–urban relationships that a more just social order will be created. We also need to alter the cultural underpinnings of the present patterns of dominance and disparity. An important source of the sharp duality of life styles and living standards found in most poor countries is the educational system the aim of which continues to be to produce colonial-type gentlemen, disoriented from the large society and constituting a class apart.

In most ex-colonial countries, formal education was initially meant to produce an élite, mainly to fill the ranks of the bureaucracy, the law-and-order establishment, and the technical positions in public administration and private enterprise. This orientation still persists in spite of the achievement of independence and in spite of the political élite's commitment to democratic and socialistic ideals. Education, far more than property or income, is the basis of privilege in our society.

Meanwhile, a majority of the population continues to be illiterate and

unskilled, while the ranks of the highly educated in the urban areas keep swelling. Studies in this area suggest that whereas expansion of literacy and primary education produces very rich and rapid dividends, after a point higher education turns out to be counterproductive. Acquisition of a minimum educational level greatly raises a person's skills and their capacity to enter the employment market; it also raises their sense of potential achievement and their ability to relate themselves to the outside world, their sense of political efficacy, and their general self-confidence and sense of dignity. In contrast, an undiscriminating expansion of higher education beyond the absorptive capacity of the economy produces an alienated class that is unable to relate meaningfully to the rest of society,[3] that rapidly inhabits various levels of the bureaucracy, making it increasingly inefficient and insensitive to the needs of the people, and, with growing unemployment in its ranks, loses self-respect and becomes aggressive.

This polarization between a large mass of illiterate and totally unskilled and hence unemployed people on the one hand and a class of people who are overeducated and hence also unemployed on the other is a natural result of the hiatus between the élite and the people—and between parasitic cities and a depressed countryside—discussed earlier. We must alter this condition by a major allocation of resources to mass-literacy, primary-education and adult-education programmes, by giving special attention to the economically weak and socially handicapped strata whose major avenue of mobility seems to be education,[4] and by a reorientation of the job market so that employment within a wide spectrum of non-technical jobs is available to those without college degrees, thus deflating the importance of higher education and the disparities that result from insistence on degrees.

It is necessary to emphasize strongly the importance of widespread literacy in generating massive social and economic transformation. Poverty is, more than anything else, a cultural condition and if poverty breeds poverty and perpetuates itself, it is because it is located in a particular cultural milieu—a milieu of ignorance, isolation, segregation and an extremely low self-image of the poorer classes, who suffer exploitation without protest and indeed consider exploitation to be the natural state of affairs. This situation cannot be changed except by a basic cultural attack. And the primary precondition for this is literacy and minimum education. This point cannot be overemphasized and needs to be expressed continuously and loudly.

Finally, higher education itself needs to be reoriented, by restricting university education to what is its logical role, namely, to provide basic grounding in main sources of theoretical knowledge, and to develop a vast functional-education network, located in the vicinity of institutions and enterprises where knowledge is to be used. Except for a few advanced courses for specialists, the education should impart intermediate skills through short-duration programmes, for use in the rural and semi-urban areas where the real work is. Only thus can the present spectacle of the highly educated queueing up for jobs in the cities while the villages are starved of technical manpower be brought to an end. Some commentators appear to dismiss higher education (and institutionalized education generally) as largely unnecessary. We do not share this view. There is urgent need for a very large number of doctors, engineers, geologists, architects, designers, managers, even economists and sociologists. What is at fault is not their availability but their placement, their location. Most of them are unwilling to go where the real jobs are, the institutions where they learn are unwilling to train them for use in local conditions, and the leadership is unwilling to tell them candidly about their duties and their responsibilities. There is need to look upon education as a political process, upon the attainment of a degree or diploma as a social good that must be capable of being socially used, and upon the relationship between educational output and available work as part of a conscious plan of development. Higher education, instead of becoming an instrument of class privilege and exploitation and a source of disparities, must be made an integrator of human resources and human needs.

There is also need to undertake a major review of the whole institutional approach that has accompanied the modern view of education: classroom-based, bookish, graded and located in large campuses in large cities. This approach needs to be replaced by a closer relationship between education and work—including intellectual work, where education is sought for scientific and literary pursuits—and by bridging the gap that divides the location of one from the location of the other. City-based education must be largely for city people. For others, schools and other institutions must go where the people are, not the other way around. Unless these various aspects of the educational scene are approached with some perspective on the changing social reality, it is difficult to see how the deep cultural barriers that divide different classes and accentuate economic disparities can be overcome. Education can be made to bridge these gaps or to accentuate them. The need is to move from the latter orientation to the former.[5]

There is need to give special attention to the education of women. In our country, as in most parts of the Third World, women are less educated than men and within the depressed social strata and ethnic minorities the gap is even more pronounced. Meanwhile, the daughters of the rich are flocking to the universities and some of them are leading women's liberation movements (imitating their counterparts in affluent countries), which in our country means the liberation of the privileged. These gaps in education among women and between them and men are an important source of the persisting duality of cultures, economic levels and consumption standards, the latter more often than not being a direct function of the perennial shopping to which the educated women are so addicted. These differences also account for the wide divergences in the way the children of the rich and of the poor are brought up, thus perpetuating sharp disparities for generations to come.

Lack of education of women is an important cause of the exploitation of women, which is a marked characteristic of our society (though in a way that is quite different from that in western countries). The main basis of this exploitation is economic and it is found at its worst in the lower classes and among the scheduled castes—wives and daughters working outdoors from dawn to dusk while their menfolk indulge themselves in drinking, gambling and wife-beating. The only way of breaking out of this 'culture of poverty' is education for all—but most of all for women. As a matter of social policy there is need to pay special attention to raising the educational levels of women and mothers from poor, underprivileged and conservative[6] strata of society in order to achieve a major spin-off process of social reconstruction.

The ethic of consumption Even more fundamental than the gaps in the literary culture are the gaps in the material culture that divide the urbanized upper and middle classes from the people. Perhaps the most important and glaring contrast of today is caused by the extraordinary consumption levels and material possessions of the richer and high-status groups, following almost *in toto* the standards set by the high-consumption societies. The lust for things and for more and more things has become so myopic that it has given rise to all kinds of unethical practices, chief among these being a great deal of corruption among public officials and a thriving black-money economy that is sustained by the availability of a large array of consumer goods.

Apart from the vulgarity of such ostentatious living in a society characterized by massive poverty and malnutrition and apart from the creeping

corruption to which it gives rise, such standards of consumption also undermine the whole fabric of economic policy. If a massive programme of employment and social welfare is to be generated, a high rate of savings and capital accumulation will be necessary. This implies a high rate of savings among those with large incomes as well as restraint on salary and wage increases among the employed classes, including the working class, so that resources can be transferred to employing the unemployed (in a poor country to be employed is itself a privilege) and raising income levels of the poorly employed and the underemployed.[7] There is also need to encourage voluntary savings among the working class, the farmers and the lower-middle classes who have already reached an income level that provides for basic consumption needs. At the same time the consumption of the really poor sections must be raised substantially both for increased productive efficiency and for equity.

All of this calls for an *ethic of consumption* that discourages ostentatious living, cuts down the production and consumption of non-essential items and shifts production priorities towards fulfilling the needs of the poor. It is, of course, necessary to encourage saving among the peasantry, the lower-middle classes and even the labouring classes as mentioned above. But this will be an impossible task unless the pace-setters of society themselves adopt a consumption ethic that encourages austerity and reduces the gap in material culture between the different classes. Gandhi put his finger on the most crucial dimension of moving towards a just social order when he called for a *limitation of wants* and warned his countrymen against falling prey to an industrial machine that not only reduces a majority of men to labouring slaves but also dictates what and how they should eat, wear, dress, sing and dance. Today his insights are even more relevant than when he lived. If there is to be an end to exploitation and inequity in our society, the present norm of a high-consumption ethic must give place to one that both meets the minimum needs of all men and limits the needless expansion of wants that have no relationship to the basic requirements of body and mind.

The nature of production Built into such an ethic of consumption is also an ethic of production that is critical to the achievement of justice in society. The current notions of social justice derive from a concept of economic equality that is essentially distributive. It is not surprising, therefore, that both theoretical understanding and empirical evidence have underlined the need for first expanding the cake and then distributing it. Part of the problem is that both production and distribution are thought of in terms in which the mass of the people are reduced to a

position of subjects and onlookers. An economic ethic that seeks to meet the consumption needs of all while limiting the flow of inessential commodities involves a simultaneous increase in the incomes of the poor and the output of goods that they will need to buy with those incomes. This means that instead of conceiving production and consumption as two separate activities, one aims at an economic system that (to echo Gandhi) not only produces for the mass of the people but one in which the mass of the people are also the producers.

As with all visions, perhaps this, too, is an ideal. All that one can hope to initiate is a movement towards such a state. In practical terms this calls for a location policy that, while permitting large-scale organization where it is unavoidable, will encourage a small-scale, labour-intensive, decentralized pattern of industrial development. Similarly, the market economist's retrogressive concept of 'effective demand' (that only the needs that are backed by the existing distribution of purchasing power are worth producing for) will have to give place to a concept of *need-effectiveness*, so that the real needs of the people as a whole determine what goes into the package of production. A combination of such a production system and the consumption ethic outlined above will lead to a climate in which progress towards dispersal and decentralization of economic power becomes possible. As this happens, the orientation to social justice will become less technocratic and become more political and thus capable of initiatives from below.

Social minima Major casualties of the present structure of consumption and production are the large numbers of people in poor—as well as in some rich—countries who suffer from acute malnutrition and resulting physical and mental deficiencies. Their numbers are likely to increase in the next few decades. While demographers and bureaucrats are busy propagating birth-control measures to ward off an 'explosion' some time in the next century, inadequate attention is being paid to the problem of enabling those who are already born and who will be born in the next twenty-five years—only after which is population planning likely to have an impact—to live a normal life and put in sustained work for their livelihood.[8]

The picture of the culture of poverty that emerges from various studies is highly depressing: it is a picture of large families exhibiting physical and psychic abnormality, incapacity for sustained work even for a few hours, a pronounced inferiority complex, a tendency to deal with patterns of exploitation and coercion by directing them inward and against their own

dependants, and a vicious cycle of parents inducting children into these characteristics of deprivation and degradation, turning them into the same kind of adults when they grow up, and thus almost *ad infinitum*. We must give top priority to a programme providing basic health care (with more accent on preventive health services) and an adequate supply of protein and other nutrients to the poor and especially to their children. One of the more important elements reinforcing rural poverty in our country is that those most needing medical attention are precisely those who are too poor to take advantage of available facilities. The same is the case with nutrition.

Here it is essential to stress a special advantage that Third World countries like ours have in charting a distinctive course of development in which the human cost that has accompanied economic growth in other societies can be avoided. Given our advantage in the low cost of trained manpower it is possible to spread the basic essentials of education and health over the whole country, to all classes of people and in a short time through concentrated and devoted effort. This will lay a surer basis for all-round and continuous development than all the investments made in high technology, urbanization, mass media development and the other appendages of 'modernity'. Health and education are the essential pre-requisites of social and economic mobilization for sustained development, for the so-called 'take-off'. Once such a basis is laid, nothing can prevent a society from moving forward. What is more, it will be a process of development that will produce far fewer disparities and less inequity than is the case when the sole emphasis is on economic growth in aggregate GNP terms without regard to the cultural framework in which it takes place.

Minima and maxima The above analysis provides the elements of an alternative model. The objective of development, according to us, should be to achieve minimum conditions of material welfare for all the people, the *minima* to be defined according to local conditions and norms, but all of them providing at the least a package of minimum items of human necessity such as food, clothing, shelter and nutritional needs to children and mothers in particular, and socially approved minima of health, education, drinking water and public transportation for all. The extent to which these minima should be translated into personal or family incomes or be combined with social welfare and social-security programmes will depend on local conditions and the nature of the future political system. But it should not be difficult for any system to work out a minimum-income policy as a basic component of development planning.

A policy of minima entails a policy of *maxima*. Indeed, without the latter the former is, in practice, impossible to realize in reasonable time. Also, beyond a certain point, incomes ought not to be allowed to grow nor human wants allowed to be artificially stimulated by the aggressive salesmanship of modern industry or the demonstration effects from the rich capitalist countries. There are two reasons for this limitation, one of which is relative and the other absolute. No one has a right to amass more and more income and riches when large sections of the population live below subsistence standards. Also, it is morally undesirable to go beyond a certain level of fulfilment of human needs. For an unlimited gratification of wants leads to individual decay and social disharmony, an unnecessary destruction of natural resources, a fouling of the human environment, and thus a bartering away of the health and happiness of future generations for the present pleasure and lust of a few. Hence our emphasis on 'limitation of wants' as a necessary principle of our preferred world.

There should be a reasonable *scale* connecting the minima and maxima, that is to say, an admissible ratio between the two, thus limiting disparities and enabling society to implement the principles of natural justice. Entailed in the norm of such a scale is the further norm of *transfer* of surplus incomes and wealth above the maximum to those who have not yet reached the minimum.

Participation Implicit in our preferred model for social and economic justice are also a number of other issues. The norms of minima and maxima are not mere economic formulations; they are part of a certain conception of a good and desirable life. Not only should an individual be entitled to a minimum standard of living; he should also be able to participate actively (though he ought not to be forced to do so) in the way things are produced and decisions are made. It is not just a minimum wage that one thinks of here in some kind of contractual relationship, alienated from the work process and the total scheme of ownership, production and distribution of the means of livelihood. Rather, one thinks of an apparatus that men and women themselves control and find meaningful and from which they derive a sense of personal power and significance. Furthermore, to the extent that economic activity is managed and mediated by political and administrative agencies, the whole problem of effective participation in decision-making, at the desirable level and in optimum units, becomes real. Without such participation the economic aims may indeed be difficult to achieve.

There is also the need to prevent the economic process, and what is now sometimes tellingly called the 'industrial-bureaucratic complex' of modern society, from taking on a will of its own and destroying every other value in its inexorable march. In other words, as the values of a participatory democracy and of non-violence in man's relations to man and to the environment are joined with the values of individual autonomy and social justice, it may well be that we should ask ourselves equally basic questions about the kind of institutional superstructure that we want to build. Three major aspects of this issue are (a) the rural–urban structure of the economy, (b) the territorial structure of the state, and (c) the participatory structure of the polity. As we consider these aspects, it will become clear: that the current model of modernization is not conducive to our goals; that the norm of a necessary shift from a predominantly rural to a predominantly urban structure based on large-scale industrialization may not be the best thing that human intelligence has devised; and that urban metropolitan life, far from being a 'civilizing' instrument, may turn into a structure of manipulation, exploitation and destruction of the very properties of man's natural environment that are essential to human survival.

Similarly, we may also question the norms of centralized government, large-sized states and big bureaucracies as necessary instruments of national integration and political accountability; and as we question these, we may begin to answer with greater clarity the problems raised about local autonomy, about decentralization of functions, powers, resources and talents, and about optimum size for genuine participation of the people. Perhaps there is something to be gained in the very short run from large-scale enterprises, modern communication media and centralization of planned initiative, although the real issue here is less of scale than of control. But it is also necessary not to close all options for the generations to come concerning the quality of life they would like to have. As the prospects of the future are vitally affected by what is done in the present—it is no longer possible to think in terms of just a few months or even a few years ahead—it is a matter of considerable responsibility that these various consequences of present actions are borne in mind.

It is necessary to consider here a widespread belief that rapid development cannot be carried out in a participatory framework, that only a determined and authoritarian élite can bring it about, that this indeed is the lesson of contemporary history. Our answer to such a position is that it mistakes appearance for reality, that the issue is not one of choice

between liberal democracy dominated by machine politics and state socialism in which a small bureaucratic élite seeks to perpetuate itself, but that both these systems are authoritarian as far as the majority of the people are concerned (there is far greater similarity between the two than appears at first sight), and that the real issue relates to the classic predicament of political life, namely, the relationship between those in power and those out of power, between the government and the people. Seen in this light it is not surprising that the demand for authoritarianism has normally come from members of the privileged classes (the businessmen, the bureaucrats, the technocrats), often reinforced by the analyses and prescriptions of foreigners.

Our model of a participatory system is not conceived in terms of simple political reforms. Rather, it is expressed in a number of sectors: concerning economic organization and its governance, the nature of education, location of work and enterprise, choice of technology, size of units (economic, political, demographic, communications) and the nature of work. Participation is not some process of involving everyone and reducing all to a common denominator. Rather, it consists in evolving institutional structures from which diverse individuals get a sense of dignity and self-respect, as beings that are able to determine their own destinies. (Poverty and inequality are themselves reflections not just of prevailing relations of production but rather of structures and values that deny dignity to the human being.)

Nor is our thinking on participation conceived in terms of establishing idyllic and isolated small communities. Our conception (outlined above) of a social and spatial continuum goes against such a utopia. We are also convinced that, given the numbers of human beings we have to deal with, such a utopia is no longer feasible. Our concern, rather, is that structures at various levels and of various sizes imbibe the value of participation as integral to our model of a just society and our conception of the autonomy and dignity of all human beings. It is only through such an integrated view of the various components of our model that an alternative political perspective can emerge and that policy issues can be discussed in a meaningful manner.

It would be folly, however, to look upon such a perspective as in any way smooth sailing on some neat course. Nothing is more difficult to realize than change in the social framework of politics—except for the worse. Every move on such a course needs to be fought for, by organizing for it and building sustained pressures from below in the form of

social and intellectual movements. And it is, of course, clear that these will need to be conceived and carried out in not one but many spheres, at not one but many levels. But we are firmly convinced that it is only on the basis of a clear acceptance of a decentralized and highly participatory democratic structure that social justice can be realized.

These, then, are the issues that arise when specific problems of economic strategy, political structure, educational policy and the reconstruction of the human space are considered from the integrated perspective provided by a set of values and the criteria that follow from it. Involved in such an approach is what may be called a design for living in which reason, compassion and a regard for the equal worth of all men are joined in the cultivation of a truly civilized life. And as we do this, the distinctions between economic and political issues disappear and we begin to see the real linkages that underlie any effort to produce a better world. Our conception of alternative strategies entails such a comprehensive perspective on the future.

Notes

1 This is the text of the author's report in his capacity as Convener of the Group on Rural Development of the National Committee on Science and Technology (NCST), set up by the Government of India. It provides a comprehensive model of alternative development strategies for India and is published here by permission of the author.

2 The basic methodology adopted for this paper follows from my initial presentation at the NCST Panel on Futurology, 'A Note on Theory and Methodology in the Study of the Future'. I do not believe that the future can be predicted. Nor am I convinced of the utility of prognostics, the belief in which informs much of futurology. As I look at it, the only meaningful approach to the future is to try to design one, to evolve a preferred model for the future and strategies for moving from the expected future, if human agencies do not intervene in the historical process, to the preferred future if they do—as indeed they should, for the alternative is nothing short of disaster.

3 We do not share the diagnosis that the main fault in higher education in the Third World countries is that universities are far too oriented to liberal arts and general science training and do not give adequate attention to technical education. In our view, the universities (perhaps everywhere) have gone too far in accommodating this view and have in the process lost their character. It is the function of a university to train the minds of its members and provide basic analytical skills for facing concrete problems in life. Rather, the fault lies in the fact that universities are turning out engineers and technicians, economists and social scientists who are basically illiterate and who are taught from obsolete texts dumped by transnational publishers on to the neo-colonial markets. Graduates come out of these mass factories wholly unprepared for dealing with the problems they are likely to encounter in their work.

4 One of the unfortunate consequences of the recent attack on schools and education in some Third World countries is that upper-class élites that have already cornered educational resources and occupy bureaucratic and professional positions (and have sent their own children abroad for studies) have been busy pruning down educational programmes—just at a time when such programmes were beginning to spread to backward regions and lower classes. Though the motivation of its authors is clearly different, the 'de-schooling' thesis poses the same danger as the 'limits to growth' thesis.

5 There are practices outside the educational sphere that contribute to the inequitable role of education. One is the wage and salary structure that obtains in society: the enormous gap between the top and bottom salary scales, the wide disparity between payments in the private and public sectors (the former being very high), and similar gaps between urban and rural jobs, even of the same type (the rural being underpaid). These differences provide a powerful rationale for prescribing higher (and foreign) degrees for the better-paying jobs, something that the poor and the weak can never afford.

6 Apart from the poor and the underprivileged, there are specific ethnic groups in which women are assigned a subsidiary status, and this condition is perpetuated by wide gaps between men and women in their access to cultural institutions, economic opportunities and political movements. Educational deprivation contributes substantially to this condition. Thus, both the general standing of the Muslim masses (as distinct, of course, from the small urbanized and educated élite) and the status of women among the Muslims have suffered from the low educational standards of the women.

7 Underemployment is even more of a curse than unemployment. After all, the choice of remaining unemployed is not available to the really poor, who must take whatever comes, however little, intermittent or degrading. For a fuller discussion, see my 'Political Economy of Employment', *Social Change* (New Delhi), Vol. 3, No. 3, September 1973.

8 This is not to underrate the importance of reducing population growth. For in an already highly populated country the burden of dependency on the income-earners becomes much too heavy and the sense of dependency among the young brings on feelings of rejection and humiliation.

Chile: Elements of a Strategy for Another Development

by Sergio Bitar

To propose a new development strategy for Chile makes sense only in terms of a major political change in the present situation. There is, in addition, need for a critical reassessment of the factors that frustrated the attempt at transformation initiated in 1970. To a large extent the task still lies ahead. The text that follows is intended to outline some of the elements of this new strategy, incorporating the lessons of recent events.

A development strategy may be drawn up for Chile which is centred on the satisfaction of the basic needs of the majority and on greater equality. Briefly stated, this strategy entails a change in the structure of production, in the pattern of consumption and in international economic relations. Its achievement involves the displacement of the dominant national and foreign groups from the strategic centres of power of the economy. This task must be based on the participation of the workers and positive intervention by the state. Whether it will work will depend on the breadth and cohesiveness of a social alliance including industrial workers, peasants, white-collar workers, technicians and small business people.

Any draft strategy calling for structural transformations must emphasize the problems of transition. The transformations imply disequilibria with repercussions at both the economic and the political levels. It is, therefore, essential to determine the interaction between these levels, ie as well as outlining objectives and policies, to analyse the conditions of power that would enable them to be applied.

The crisis in Chile's economic structure is still unresolved. The underlying conditions which led to the attempt to change the existing system have not altered and their effects will be repeated. The form these will take is at present difficult to foresee.

Chile—an exhausted economic system

The Chilean economy is characterized by a high concentration of property and income, which has accelerated since 1973. A small percentage of the population enjoys a life style similar to that of the industrialized countries. This social group controls, in collaboration with foreign capital, the strategic decision-making centres of the economy. Opposed to it is the majority of the population—industrial workers, peasants, the self-employed, public and private sector employees, and a large number of small businessmen—who find themselves excluded from economic control with low living standards.[1] A large proportion of them are unable to satisfy their basic needs in nutrition, habitat, health and education. This is the least organized group, with the highest unemployment rate, whose poverty is glaring.

Over the last decade, the degree of polarization between these two nuclei of the socio-economic system has risen progressively, as a consequence of a lower rate of growth, while the demands and expectations of the majority have grown steadily.[2]

During the same period two development models were tested in Chile: traditional growth based on private-sector enterprise; and modernization that incorporated partial reforms.

The political base for the first model was the high-income sector, which controlled the economic and political power. This model assumed that growth would give rise to new recruits to the middle classes with higher standards of living, and would thus convince other, larger groups that the system would be capable of satisfying their demands. The key economic assumption was that by leaving the market mechanism untrammelled and stimulating the private sector with financial incentives and foreign resources, the country would achieve a high rate of growth. In this way, it was felt, the economic plight of the poorest would be progressively alleviated.

However, the economy grew slowly and did so through the production of goods meant principally for those with the highest incomes. The market mechanism responded to the existing distribution of income and perpetuated it. Inequality did not diminish. Agriculture continued to be structured around vast landholdings (*latifundios*) that enabled only slow growth and maintained much inequality and underemployment. Copper continued to be under the control of North American corporations. Neither production levels nor prices were dependent on national decisions but on the international policy of the foreign corporation. The private sector showed little ability to achieve saving or growth and sought increasingly for financial aid from foreign enterprises and from the state.

At the same time, the demands of the workers continued to grow; their organizations improved and developed; and they became increasingly aware that the system was unable to satisfy their needs. The political parties, traditionally strong in Chilean society, harnessed this process. The model was no longer functioning and the political formula that sustained the government ceased to be valid.

An attempt at partial reforms

A second model was pursued during the period 1965–70.

Political support came mainly from middle-class groups, salaried emp-

loyees, the professions, medium-sized and small businesses, and from some marginal urban and rural groups. The political assumption of this model was that its success would reduce the importance of those political groups that were seeking radical changes and at the same time neutralize the highest income groups, for whom some partial reforms would be more acceptable than the more radical alternative.

The economic assumption was that modernization of the prevailing structure and improvements in income distribution would lead to a more dynamic and less inequitable development process. The programme envisaged agrarian reform, a more active role for the state, and the redistribution of income, and the peasants were encouraged to organize themselves. The private financial and industrial sector was left untouched, even encouraged. The international context was favourable. The Alliance for Progress served to provide substantial foreign resources. For the North Americans, it looked as though it would be possible to offer an alternative model to the Cuban Revolution.

The attempt at partial reforms did not achieve the hoped-for results. The partial reforms, agrarian reform in particular, provoked stubborn political opposition among the big landowners (*latifundistas*). The big industrial and banking proprietors, although they remained 'neutral', began to be afraid that the reforms would extend beyond agriculture. Their fear increased their '*incertidumbre*' (uncertainty), a psychological/political phenomenon reflecting their inherent inability to respond to the growing demands of society. Their potential, as promoters of growth, diminished.

However, the partial reforms created further expectations among the groups that benefited and also hopes among those who had not experienced any improvement. In addition, worker organizations developed rapidly during this period.

The process led to a growing polarization. The growth/redistribution conflict led to an impasse: slow growth and inadequate redistribution.[3] The motor centres of the economy, in particular the industrial/financial sector, had no capacity to respond to the situation.

Meanwhile, the role of the state, as the mechanism for regulating this conflict, continued to expand. On the one hand, it provided increased basic services, attempting to improve somewhat the redistribution of income. On the other, it initiated direct investment in production to compensate for the private-sector deficiency. By 1970 the Chilean state

had achieved a high level of participation in the economy—the highest of all Latin American countries with the exception of Cuba. But it was still a state that gave preferential treatment to the big national and foreign enterprises in the industrial/financial sector.

The result of the attempt at modernization exposed the inadequacy of the partial reforms. They left a large part of the economic control in the traditional centres, and these were unable to react, while the pressures on the system mounted. It was obvious to most Chileans that there was need for a thoroughgoing reform to promote development that would answer to essential needs. In this context the political conditions were created for the Unidad Popular (Popular Unity) to achieve its electoral victory.

An attempt at structural transformation

The programme initiated in 1970 by the Unidad Popular counted on the support of industrial and white-collar workers and on certain middle-class groups. The political assumption was the creation of a broad social alliance to isolate the dominant minority groups. The dynamic of events would swing behind the government many hitherto excluded urban and rural supporters who would become organized and politically conscious. The first economic step was to control the dominant centres and to achieve a rapid income redistribution. On this basis a change of economic structure could be initiated that would open the way to a socialist system.

The process unfolded against a background of great conflict, in which the affected Chilean and foreign groups obstructed the government and sought to bring it down. The period is too short to assess the viability of the development strategy that was attempted. Nevertheless it provides enough evidence for study of the economic/political problems that arose when the changes began. The simultaneous enactment of structural reforms (nationalization of copper, agrarian reform, socialization of the banks and of the major enterprises), coupled with a policy of excessive increases in wages and public expenditure, generated initial imbalances. These imbalances influenced the behaviour of intermediate groups in particular, strengthening the political activities of antagonistic forces working for the *coup d'état*.

The present situation is an interruption in a historic process and is the evidence of the system in crisis. It represents a period of conflict between social forces and the attempt to resurrect a traditional economic model in its most elemental form. The handing over of nationalized

enterprises and banks to the private sector, the denationalization of the economy, the concentration of income, the abolition of the right to strike and to organize—these are its initial characteristics. They are sustained by force alone and their duration will depend on the capacity to maintain repression. The working-out of a new strategy will take on meaning when this stage has been superseded. On this basis a new option can be conceived.

A strategy for another development

The formulation of strategies for another development is distorted by two beliefs that have proved to be incorrect in practice: one, that underdevelopment is a stage towards development and two, that the rate of growth is the principal objective of every economic programme. Experience has shown that underdevelopment is a structural condition quite different from the condition that today's industrialized countries were in a century ago. In consequence, the economic structures of Third World countries cannot evolve by following the same path as that taken by the industrialized countries. A small minority may achieve high income levels and become integrated into the international economy, but only by being cut off from the rest of its own society and at the expense of that society. For the population as a whole the differentials with rich countries have increased rather than diminished. Therefore, if one seeks a development which benefits all the people and resolves the urgent problems of the poorest, a change in the objectives of society and in the socio-economic framework is required.

Economic growth as such has not produced results favourable to the lowest income groups, the bulk of whose basic needs remain unsatisfied. The distribution of income has also remained largely unchanged. Indeed, some recent rapid-growth policies in Third World countries have even exacerbated inequality: since the dynamic of such economies derives from a restricted market modelled on the consumption styles of the industrialized countries, a high concentration of income is needed to sustain them, and not greater equality.

A new strategy must place the satisfaction of essential needs and greater equality at the centre of the analysis. New patterns of consumption must be evolved and, as a result, a new production structure. The rate of growth is a tool in the service of these objectives, not an end in itself.

This central idea is a clear signpost to the type of economic strategy that should be followed and the political and social conditions that would make it possible.

A model of development based on the satisfaction of essential needs is capable of releasing forces that would both raise the rate of growth and increase employment. These new needs entail the production of essential consumer goods, which are characterized by a lower capital/output ratio and by greater labour-intensiveness in their manufacture. These needs would be directed preferably towards the food, textiles, clothing and footwear industries, towards agricultural products and towards essential services. They would also help to bring about better use of national resources. Preliminary estimates made in Chile provided results that confirmed this thesis. In studying various options with different degrees of redistribution and assuming the same rate of saving as in the past, it was shown that the greater the redistribution the higher the rhythm of growth and the more employment picked up.[4]

The conflict between savings and redistribution

The rate at which vital needs are satisfied depends, however, on achieving the right balance between savings and redistribution. An intense redistributive process causes tremendous pressures towards increased consumption, which can result in a fall in savings. This can affect the rate of growth in the production of essential goods and can reduce the speed with which the production structure can adjust to the new demand.

The balance between savings and redistribution in the initial phase depends on the success with which resources can be extracted from the high income groups. This is largely a political matter. If the middle and higher income groups maintain and increase their consumption per head the redistribution will be slower and the savings rate lower. The solution to this conflict depends on the prevailing power relations in society. The historical experience of underdeveloped countries is of a process of accumulation by a minority, who own and control the major production centres, at the cost of great inequality and poverty for the majority of the population. This process has been kept going by open and structural violence. Meanwhile, recent experiments in social and economic transformation in Third World countries have generally been born of rapid changes in power conditions and have achieved results in solving the most serious problems of the people by relying on a broad control over social life. In the process of change by institutionalized means, in a more open socio-political system, the conflict between savings and consumption, equality and concentration of income acquires an extraordinary intensity which makes the balance between savings and equality more difficult. There are no predetermined solutions to this problem. In the short term the margin for redistribution is in any case limited.

In consequence, in the transitional phase it is essential to redistribute without creating an indiscriminate increase in consumption, in order to generate the savings necessary to expand production in essential sectors. The Chilean experience of Unidad Popular shows that a policy of very intense expansion of nominal incomes has serious drawbacks and creates considerable imbalances.

Conventional redistributive policies by means of wage rises produce an increase in consumption across the board, most notably when political conditions make it difficult to restrict the expenditure of the higher income groups. In these circumstances savings tend to diminish. Moreover, supply expands in a primary phase from the take-up of idle productive capacity, but a considerable divergence may appear later between overall supply and demand that will create marked disturbances in the functioning of the economy in the short term.

In addition, these conventional policies prove to be too general; they lack specificity in reaching the poorest. The best placed to benefit from them are the organized groups, who have stable employment and are integrated into the market. But for the poorest groups redistributive policies through wage increases are of little or no direct benefit.

Finally, redistribution through wage increases operates via the market, ie the new incomes are oriented towards those goods of which there is an available supply. Advertising, credit for consumption and other means of directing demand can be used to steer these incomes to adapt them to existing supply. The effect of this process in changing production patterns (new factories, new investments) is very slow and circuitous.

These limitations call for a selective action. In the first phase the margin for redistribution should be directed to specific groups in the population and the investment should be so directed as to change the content of production of a specified number of essential goods and services.

A selective redistribution of income

The poorest 50 per cent of the Chilean population is made up essentially of labourers and of the so-called 'independent' workers (*trabajadores independientes*). If poverty is looked at by sector it is observed that half of the poorest work on the land as labourers or 'independent' workers (mainly as smallholders). The second most important group is that of workers in the service industries, both salaried and 'independent'. In third place are the industrial workers, most commonly in small firms. A recent study that set out to locate the pockets of poverty indicates that

these are to be found on the fringes of the urban areas and among the peasants and smallholders in the rural areas.

The Chilean experience of redistribution highlights the need to study the social structure more by its components and to identify the pockets of extreme poverty. Redistributive policies have been based on global analyses that lump all workers into a single category. The various categories should now be looked at separately and different measures should be applied according to the group under consideration: civil servants; industrial workers in large, medium and small enterprises; the self-employed; urban service workers; peasants and smallholders.

The redistribution of income should be effected, then, by determining the priority social groups and the goods and services whose production should be expanded. The specific nature of these groups calls for specialized instruments and institutions and the beneficiaries need to be socially organized. In the initial phase a good deal of the redistribution would be done outside the market, as much in the distribution of goods and services as in their production.

Improvements in the living conditions of these groups can be brought about not only by means of an increase in consumption of goods, but also by way of a substantial expansion in services. A great effort could be made through health measures, non-formal education, improvement of the physical environment of the marginalized populations, creation of green areas, reafforestation, road-making, self-help housing, sport and recreation. These activities, extended to all parts of the country and in particular to the areas of greatest poverty, can be maintained by the people's own organization, employing its own labour and inventiveness, with very little outlay in material resources and capital. The prerequisites are social organization and social and political consciousness. The Chilean experiences of 1970–3 showed that even without special government initiatives and without a purpose-built national organization, popular organizations were spontaneously created in many parts of the country that gave birth to new forms of production of services. In some areas people's brigades were formed to take charge of public health, consumer training, the prevention of certain illnesses, and to help set up and manage outlying polyclinics. The state began to train health-care workers, whose task was to work with marginal groups. The movement resulted in improved streets, the provision of septic tanks, the appearance of children's play schools, of people's restaurants, and so on. Similarly, there was a public reaction against lawlessness and in defence

of the community against crime, alcoholism and other social evils.

It was only the seed, but it revealed the great creative potential that existed and the possibility of providing new services that have an immense effect on living standards, at the cost of few material resources and little capital.

The distribution of goods outside the market tends to create supply-and-demand problems, black markets and inefficiency. To reduce these effects the programme needs to be limited to a specified number of articles that can be channelled directly to the recipients. Children constitute a group that offers very favourable conditions for the introduction of these policies. Politically, a children's programme generates least conflict and most support. Economically, it has a big redistributive impact because of the high percentage of income that has to be spent by the poorest families on food and clothing for children and the fact that the lower the income of the family the more children there are likely to be. Redistribution has an irreversible effect here, because it can prevent, for example, the irreparable physical and mental harm caused by malnutrition. Administratively, methods of direct access are feasible and existing institutions, like schools, may be used. Goods provided outside the market should include foodstuffs (milk may be distributed, for example), school breakfasts and lunches, footwear, clothing and school equipment, health-care materials, children's play-centres, sports facilities and nurseries.

The production of these goods should be expanded, in parallel, by means of direct action by the state, without pretence that the market would automatically react to generate an expansion of supply. But the strategy must operate within the framework of a relatively complex economy, with social groups whose consumption is well above the minimum and has some diversity. For this reason, the functioning of the market needs to be harmonized, for most goods, with a selective policy, based on non-market mechanisms, for a specified number of essential products intended for the poorest groups.

Changing the structure of production

The strategy must be to satisfy vital needs and also to make Chile less dependent on foreign countries. Changes in the structure of production should be guided by these two principles.

Chile's industrial production is strongly distorted towards consumer durables and accompanied by much dispersion and inefficiency. In addi-

tion, the production of semi-manufactured goods and the generation of capital are inadequate, even where they relate to the exploitation and processing of natural resources in which the country possesses comparative advantages. The industrial structure should be changed and reoriented in two ways simultaneously: to the production of essential consumer goods and of specialized goods for export.

To satisfy the basic needs of the majority of Chileans, production and investment should be directed towards essential goods for mass consumption. This production should be expanded and standardized. Within this programme, medium and small enterprises could be established in which the technology would be more labour-intensive and less capital-intensive. Moreover, these activities could be distributed throughout the regions, to promote development that is better balanced geographically.

Industrial exports have not been able to grow to any significant extent and thus reduce the dependence on and vulnerability of copper, which represents some 80 per cent of foreign-currency earnings. This is a big obstacle to the introduction of changes in the economic structure that would lead to greater national autonomy. Market forces have not automatically led and cannot lead to industrial development based on the processing of several key national resources. To reach this target a planned and directed effort is necessary, upon which a large number of specialists and considerable financial resources will be concentrated over a long period. The private sector is incapable of this and the control of these resources cannot remain in the hands of foreign corporations. The state is able to carry out this function. In this way the country could specialize in one or two fields, to confront the international oligopoly system and enter the market autonomously, and not as a subordinate through foreign subsidiaries that conform to the international strategies of their parent organizations.

A strategy of egalitarian development requires a substantial rise in agricultural production. Industrialization by highly protected substitution has meant an enormous transfer of resources to sustain inefficient industry. In the countryside the consequences have been mass migration, loss of ability to retain manpower, great poverty among the peasants and also growing deficits in agricultural production that have had to be filled by imports. The model of capitalist growth in underdeveloped countries concentrates on industry, which soaks up resources and impoverishes agriculture.

A change of priorities in favour of agriculture has two principal objectives. On the one hand, it aims to increase the production of essential goods and to reduce the heavy volume of imports; in this respect agriculture happens to be the sector in which the import substitution may be the most rapid and efficient. On the other hand, it aims to channel new resources towards the poorest peasants, improving their conditions and eradicating illiteracy and malnutrition. Rural development will spill over into new agro-industrial activities and into the production of other essential goods, incorporating new technologies and creating more jobs.

Minerals, copper in particular, would provide the principal source of international resources to transform the production structure. The rapidity of the transformation is conditioned by the level of external financing and must be adapted to it. The chief obstacle is not the level of foreign exchange resources but the instability of earnings, especially when the international climate is unfavourable and hostile to a process of change. It is essential, then, to establish international mechanisms to regulate the fluctuations in the price of copper, by fixing a minimum floor price. This proviso must be met through agreements with other exporter countries to exercise the power of oligopoly leverage.

Finally, greater equality implies a change in consumption patterns and an improvement in living conditions that utilize resources which, from the conventional point of view, are apparently insufficient: large numbers of unskilled marginalized workers and very few material resources. A changed approach to the production of services, along the lines indicated, may open up new possibilities; however, it requires the social organization of the groups that are to benefit.

Change in the production structure calls for direct action by the state to modify more rapidly the composition of investment and production. Market mechanisms serve as an important aid in regulating and coordinating a flow of marginal decisions, but in no case as an instrument to induce a major change in supply.

The role of the state and worker participation

The transformation of Chile's economic system into a more egalitarian structure is conditional upon the displacement of the minority groups from the centres of control and upon increasing participation and organization by the workers in the direction of the economy.

The functioning of the system cannot be altered and a new production structure cannot be created if the control of the largest financial/industri-

al firms and the basic wealth remain at the disposal of the national minorities and of the big foreign corporations. Their economic power is the basis of their political power, which is exercised through the media and communications, through education and through those institutions which are used to maintain the *status quo*.

The state must play a central role as an instrument to replace the dominant power groups. It must take control of the financial system and of the largest industrial and commercial undertakings, which determine the direction of the economy. The nationalization of copper constituted a vital step in obtaining control over one key area of national activity. A group of highly specialized producer enterprises, with management autonomy, needs to be organized. In these should be concentrated Chilean professional and technical capacity to attain a stronger position vis-à-vis the international oligopolies, without being subordinate to them. This goal implies a global agreement with the other Third World copper-producing countries.

The control of the dominant centres of the economy is a necessary but insufficient condition. The organization and participation of the workers in the management of the economy is a prerequisite to ensure that objectives remain permanently oriented to the interests of the national majority and to guarantee a real change in the patterns of consumption and of production.

This participation must be adapted to the different levels of decision, whether national or regional, in the countryside, in industry or in public administration. There are no rigid models and only the actual circumstances, local conditions and experience are going to show the way. It must be understood that an excessive centralism inhibits social organization, frustrates invention and may lead to bureaucratic forms of control. Likewise, a partial development of self-management in industry, if the essence of the system has not been altered, if the centres of power remain in the hands of minority groups and if market forces still predominate, will eventually disappear, absorbed into the dominant structure without having changed the situation except for a small group of people. In consequence, worker participation must be operated simultaneously in a planned direction that retains control over the strategic centres of the economy and in growing decentralization and self-management elsewhere.

The agrarian reform already carried out in Chile was of limited scope and

a new phase needed to be launched. The reform was conceived essentially as a mechanism to modify property structures and to put an end to the huge landholdings and only secondarily as a new form of social organization in the countryside. By the end of the seven years during which the phase of expropriation of the great landed estates lasted, between 1965 and 1972, a decrepit structure was eliminated; but the reformed agricultural area affected less than 20 per cent of the total active rural population. The rest of the workers, rural labourers and smallholders, remained excluded, and only a small number benefited. A new economic and social organization must be elaborated, to integrate a larger proportion of workers into those units in which new patterns of management and participation are created. But the intense regression provoked by the dictatorship in the last three years will impose great new obstacles.

In sum, only a new social order that extends down to the base can sustain a strategy of egalitarian development. This alone is capable of creating the awareness and solidarity that make a shared development possible.

Conducting the process of transformation

The conduct of the transformation process is extremely complex, in particular when it is carried out in a context in which national and international forces opposed to change operate without restriction within the country. Change in ownership of the fundamental means of production and the growing organization of the workers create further political conflicts.

Income redistribution and change in the production structure alter the operation of the market. The production of some businesses and farming estates is subject to fluctuations and disequilibria arise between supply and demand that are expressed in inflation, black markets, hoarding etc. In part, such effects are inevitable in a first stage. No transformation in depth can be realized without disturbances in the functioning of the prevailing system. The most complex task is the implementation of the structural changes while keeping the principal economic variables under control, in order to avoid the political effects that may occur in the short term on those social groups that, without understanding the end result of the transformation, judge it by its immediate results.

In particular, these maladjustments generate discontent in extensive sections of the middle class, whose political support is very important. Such discontent is soon exploited by those who are seeking to prevent the changes. Whence the need to pinpoint the relation between the initiation of transformations and the necessary conditions of power.

The rapid redistribution of income and the change in the ownership of the strategic means of production bring about disequilibria and alterations. These two lines of action should be organized in a sequence that avoids the superimposition of their negative effects. During the most acute phase of the struggle to dislodge the minority groups from the centres of economic power strict discipline should be observed with regard to a general increase in consumption, avoiding measures to satisfy demagogic proposals.

The Chilean experience teaches us that it is essential to improve our knowledge of the functioning of the economic system in conditions of structural change and to understand the interaction between transformations and efficiency in the short term; between change in the ownership of the means of production and the functioning of the market; between the expansion of the state, the participation of the workers and the behaviour and reactions of the non-hegemonic private sector. In short, it is essential to increase our knowledge of the internal dynamics of a process of transformation and its political implications. A discipline has to be worked out that explains change, not stability.

Some political conditions

Chilean society reached high levels of social and political organization in a process lasting more than a century. This organization is still potent, in spite of the efforts made by the dictatorship to destroy it. Upon it may be founded a new social alliance that embraces labourers and peasants, salaried employees and technicians and also small and medium-sized entrepreneurs whose future is linked to the fate of the former and who are antagonistic to the dominant ruling group. The manner in which these social forces express themselves to create the conditions for pursuing development with equality will be the result of the historical tradition, of recent experiences and of the violence and repression that have been unleashed to contain them.

Another political and economic development can only arise through a transformation that changes the ruling power relationships of society: it is above all a national task. But national processes are increasingly interlinked with the international system. The road proposed possesses many features in common with those of other Third World countries. Once begun, the transformation of the socio-economic structure opens up possibilities of collaboration with other countries that are pursuing similar ends. This collaboration is more acutely necessary for a small country like Chile. Its development must be based on interdependence with countries of similar characteristics, with which joint investments,

transfers of technology, mutual economic support and organization for international trade in national basic resources can be undertaken.

This national task is faced with big international obstacles, rooted chiefly in the USA. The Chilean case has demonstrated that the dominant interests in the USA, the big transnational companies that have investments in the Third World, the military apparatus, the intelligence services and the government itself look upon any attempt at transformation as an offence against their security, or more precisely as a threat to their economic interests and their political hegemony in Latin America.[5]

An imperative task at the international level is to create the awareness that there exists *another development* and this alternative calls for in-depth transformations. To facilitate these, an international context is required that admits the diversity of systems and does not obstruct the search for new forms of social and economic organization. The task of the Chilean people will in this way be made less difficult: to transform the existing system and to start a strategy of development whose central objective would be the satisfaction of basic needs and greater economic and political equality.

Notes

1 To illustrate this disparity, it may be noted that in 1970 some 7 per cent of the population enjoyed an average income *per capita* of $(US)4,290, while the poorest 54 per cent obtained only $(US)212 (see L Bucher *et al.*, *Estudios de Alimentos Esenciales por Estrato de Ingresos*, Santiago, FAO, 1973, p. 37).

2 There is considerable agreement among economists in their analysis of the Chilean situation. Since the early 1960s it has been accepted that the situation called for sweeping changes. (See J Ahumada, *La Crisis Integral de Chile*, Santiago, Ed. Universitaria, 1966; various articles in *Chile Hoy* (Mexico), Vol. XXI, 1970.)

3 In the period 1960–70 the rate of growth of GNP averaged 4·4 per cent per annum but this average fell to 3·2 per cent during the period 1967–70 (see Odeplan, *Cuentas Nacionales de Chile 1960–70*, Santiago, 1971).

4 See Odeplan, 'Visión Perspectiva del Plan de la Economía Nacional', in G Martner (ed.), *El Pensamiento Económico del Gobierno de Allende*, Santiago, Ed. Universitaria, 1971; E Silva, *Impacto de Distintas Estructuras de Consumo sobre el Crecimiento del Sector Industrial*, Santiago, University of Chile, 1971 (thesis); A Foxley and O Muñoz, 'Redistribución del Ingreso y Crecimiento Económico', in A Foxley (ed.), *Distribución del Ingreso*, Mexico, Fondo Cultura Económica, 1974, pp. 359–90.

5 The evidence gathered in the United States Congress is relatively abundant. The most significant documents are those relative to the intervention of the ITT, the intervention of the intelligence services and of the armed forces in relation to the assassination of the Commander-in-Chief of the Chilean Army.

Tunisia: Endogenous Development and Structural Transformations

by Ahmed Ben Salah[1]

The historical and recent setting

From colonization to formal independence

Since the establishment in 1881 of the French Protectorate over Tunisia, and in the aftermath of the popular rising of 1864 led by Ali Ben Ghedhahem and the efforts of Khereddin, the great reformer of the period, the struggle by our people continued to develop and deepen. Marked by numerous patriotic attempts to make the voice of martyred Tunisia heard, it took significant shape in the Young Tunisia Movement, the evolutionist party, and the Destour, created in 1920. In 1934 the popular movement, impelled by a powerful drive for liberation mounted by the working masses in the countryside and in the cities, was to result in the constitution of the Néo-Destour, which was to embody the struggle up till independence.

The movement for national liberation was a people's movement, which fought against colonialism and the colonial authorities and the minority of 'Tunisian' notables, courtiers and privileged individuals who were their accomplices. Since the 1920s, it had drawn its combativeness from the political and trade-union activity of the workers, organized around the General Confederation of Tunisian Workers in 1925, and then in 1946 around the Tunisian General Union of Labour (the UGTT), the spearhead of the movement.

On 20 March 1956, Tunisia became an independent, sovereign state, shortly after Ghana and Morocco and while the Algerian revolution continued its heroic progress, in a context dominated by the 1955 Bandung Third World conference and by the battles being fought by the Arab peoples in 1956.

Since independence, the Tunisian progressive forces had indicated clearly that independence could only be real if the decolonization was structural and if the socio-economic and cultural relations at the heart of society were fundamentally transformed, in the context of a national road to socialism. This option, which had been outlined at the fifth congress of the Néo-Destour, at Sfax in 1955, was spelt out during the sixth congress of the UGTT, in September 1956, in an economic programme that was adopted unanimously. The united workers thus declared themselves in favour of the further development of the national liberation movement and affirmed through the pen of their then general secretary that 'national unity must be popular unity', working in the service of the interests of the people as a whole. To this clear-cut programme, the reactionary colonialist and national elements replied by a *coup* against the UGTT, seeking to break up, divide and isolate the working class.

The period from 1957 to 1960 was marked by the abolition of the monarchy and proclamation of the Republic, on 25 July 1957. Formal decolonization also meant, in particular, the staffing of the state apparatus by Tunisians. Then, in 1958, a ten-year plan for schooling was launched, at the same time as a ten-year plan for public health. But the overall socio-economic policy was of a liberal-colonialist nature and it eventually collapsed beneath the mounting pressure of popular aspirations.

The socialist dynamic of the 1960s[2]

The failure of the liberal-colonialist policy of 1957–60 was to confirm the accuracy of the options defined in 1956. The progressive elements that were called upon at the beginning of the 1960s to accept greater responsibilities in national construction responded to the urgent problems of decolonization and development. Bowing to the complexities of a social and political situation bequeathed by the struggle under the Protectorate, the progressive elements agreed to participate in a heterogeneous power structure and to remain in a party in which the struggle against reaction still seemed possible. These militants thus assumed a major share of the responsibility for an economic and social policy, defined in the 1962–71 Decennial Perspectives, whose guidelines had been approved at the sixth congress of the Destour Socialist Party at Bizerta in October 1964, a congress which had seemed to herald a new phase in Tunisia.

The heterogeneity of power during the decade of the 1960s explains the insufficiencies and weaknesses of a policy that was continually encountering opposition. It struck against the personalized nature of an uncontrolled supreme power and had to face reactionary manoeuvres and sabotage, the resistance of remnants of the Protectorate, the financial difficulties inherent in economic decolonization and serious climatic difficulties, bureaucratic tendencies and a shortage of militants, together with the passivity and lack of confidence of the masses in the face of change. The masses including the young people did not always or sufficiently support the policy; many adopted a hesitant or waiting attitude and some progressive militants either failed to back it or gave it tardy or questionable support.

Yet the policy of the 1960s was a policy of national development based on a desire for the independence, organization and reinforcement of Tunisia's productive capacity by planning, by reforms of agrarian and commercial structures, by the launching of industrialization, and by the development of essential services and public utilities. The structural

reforms pointed towards a progressive and dynamic socialization of the economy that would eventually have resulted in an effective democratization of political authority. Hence this policy contributed to a direction that, it could be expected, would result in a genuine Popular Unity through which the existing or latent contradictions inherent in a Tunisian society long subjected to the forces of decadence and colonialism could be dynamically resolved. The reactionary forces did not see it in this light.

The *coup* of September 1969,[3] a repetition of the *coup* of 1956, was the moment of truth which shattered the heterogeneous power, tested the directions of the Bizerta congress, set limits to the policy of the 1960s and demonstrated that Popular Unity, socialism and democracy could only be built up by a government with a clear orientation based on the popular will.

History will record the unanimous verdict that the policy of the 1960s was largely a success, owing to the sacrifices that were accepted by the people. Above all else, the policy of the 1960s had contributed, largely through the social policy, the education programme, the reforms of structures, the size of the investments in all the sectors of the social and economic infrastructure, and through industry, to the emergence of a new generation with a sharper social and political conscience. Even if it was socially and politically costly, the crisis of 1969, when seen in historical perspective, was ultimately positive and salutary. For the Tunisian people and especially the young, for those on the side of progress in our country, the crisis is full of lessons and provides a historic reference for a new phase of permanent combat. The experience of the 1960s is, in fact, convincing proof that the struggle for socialism rules out collaboration with reactionary forces, just as it rules out the cult of personal power and authoritarianism.

Recolonization, 1970–5

The whole 'strategy for development' of the first five years of the 1970s rests on the myths, simplistic ideas and complexes of the colonized: the myth of 'growth', substituted for the concept of development; the postulate, deriving from a simplistic vision of society and the economy, according to which 'production must precede distribution'; the myth of 'reliance' on what are believed to be the virtues of the market—of the 'law' of supply and demand, of 'free individual initiative', of the 'spontaneous' and 'natural' realization of economic and social equilibria; the mystifica-

tion implicit in the 'referee-state', supposedly above the scramble of so-called 'social partners', of the rich and poor face to face in an unequal struggle. Oversimplified and mistaken models and a servile imitation of foreign ideas inapplicable to Tunisian life are the elements of the colonizing ideology which governs the present policy of capitalist and neo-colonial 'growth'. The structural reforms have been dismantled, the co-operative movement is quasi systematically liquidated, the public heritage is more 'discreetly' alienated to the profit of the propertied classes and educational policy is restrictive. As far as past accomplishments and achievements are concerned, these are exploited and diverted from their purpose—to a chorus of denunciations of the 'old policy'—in favour of a new and voracious class. The end in view is the imposition on Tunisia of a capitalist system steered from abroad and the creation of conditions for a mechanical growth following the logic of that system. The power structure, in order to implant it, does violence to an entire people, above all to the young. The national economy is open to investment by foreign, private capital aiming to create enclaves that help to uphold the establishment and thus ensure its 'protection'. Thus the regime has managed progressively to alienate the nation's independence, to unite economic and political power in the hands of privileged minorities, to disappropriate the masses and the young, and further to enrich the rich and impoverish the poor.

With the neo-colonial model chosen, our economy tends to function, not according to the imperatives of our development, but according to the needs of the economy of the rich world. This model, based on economic liberalism and the implantation of capitalism, is not even accompanied by political liberalization. It is responsible, on the contrary, for the freezing of institutional structures, for the reinforcement of authoritarianism and for absolutism.

Such is the situation created in our country by the power-structure policy since the end of 1969. It is not a model for development but for the development of underdevelopment. The conclusion, which has now been recognized for some time, is clear: capitalism and neo-colonialism cannot provide any inspiration for a development strategy in the Third World.

Development is endogenous, socialist and democratic

The Popular Unity Movement, which is battling for a new Tunisia, is a socialist movement fighting to achieve objectives that correspond to the deepest aspirations of the mass of the Tunisian people:

To bring about the renaissance of the civilization to which we belong.

To complete the decolonization of our society and to guarantee our national independence and dignity.

To lay the structural, socio-economic, cultural and institutional foundations for a socialist society through a democratic process of socialization.

Cultural renaissance

Each people has, in its culture, beliefs, traditions and social customs, a national identity by which it participates in a given civilization. The civilization of our people is basically Arab Moslem, as it awoke to its renaissance. Tunisia is an integral part of the Maghreb, of the Arab world as a whole and of Africa. Together with the other Arab peoples, the Tunisian people are struggling for their cultural renaissance and for the renaissance of Arab Moslem civilization. Together with the other African peoples, it is struggling for the renaissance and enrichment of its Africanness. This is the civilizing impulse which must guide Tunisia, the other peoples of the Maghreb and the whole Arab world in their struggle against both the factors of erosion or dissolution of the national personality and the factors of regression and decadence.

Structural decolonization

Radical decolonization of the societies of the Third World is the *sine qua non* for its peoples to free themselves from domination, to rediscover their own identity and their own civilization, and to move ahead on the road to their own internal liberation.

Decolonization must be a truly *political* process; the power must be a truly national power, behaving freely in relation to every foreign power, expressing the independence and the sovereignty of the Tunisian people over their own territory and in their internal affairs to the exclusion of all foreign interference, allowing for the healthy interdependences at regional and international levels which are the living framework for relations between nations in the modern world.

To this end, decolonization must be *economic*; it must entail the re-establishment of our sovereignty over our resources and our national riches. The structures of our economy must be 'Tunisianized', so that we may control our destiny; this means struggling against neo-colonialism and imperialism, whatever their source and whatever form they take.

Decolonization must be *cultural* and *mental*, which necessitates, among other things, that we put an end to a serious 'ideological mimetism', which is in the course of leading us—regardless of any scientific approach and of primordial concern for ourselves—to copy and imitate without imagination, relevance or discernment the forms, analyses, attitudes and behaviour of others. This also implies that we should revive our cultural heritage and our traditions in order to rediscover the dynamic which animates our society in its historical progress. Tradition can be a factor for progress and for change, not only for conservatism and regression.

Arabic, our national language, must be extended to every area of culture and the sciences, now that it has become possible to enrich it by the conceptual contributions that we have accepted and which must be integrated within it.

So we have to suppress our state of colonizability itself.

This structural decolonization is the condition for our liberation from all the complexes of the colonized, for our renewed confidence in ourselves, and it is the road to our authenticity and towards the just solution of our problems by ourselves.

Socialism and democracy, economic power and political power

For us socialism is not opposed to, nor indeed is it to be distinguished from, the notion of democracy. Socialism and democracy are only distinguishable by virtue of the apparent separation between economic power and political power, a distinction which results from social differentiations and which has, everywhere, a tendency to fade to the extent that socio-economic justice develops and the masses participate more directly in the direction of public affairs.

Some societies have embarked on the process of their liberation by the democratization of political power and the establishment of democratic freedoms but have become aware, little by little, that this democratization can only be real if it is rooted in the people and supported by the socialization of the economy. Other societies that have embarked on the process of their liberation by the nationalization of the means of production seem to have to face the fact, little by little, that there has to be a genuine socialization, leaving the workers masters of the means of production and of their management, which must be accompanied by the rule of civil liberties.

Third World societies have generally copied one or the other approach and have failed therein equally. In fact there is, fundamentally, no choice between the one and the other. They must be accomplished together: to pool their advantages, to achieve a synthesis and to aim to suppress the false antithesis of 'socialism or democracy' by the idea of *popular power*, by means of which the complex social contradictions of the Third World can be constantly and dynamically resolved.

Thus these two ideas really constitute two inseparable facets of the same vision of society confronted by the problem of the control of economic and political power. We define ourselves, however, principally in relation to the term 'socialism', because our intimate conviction, based on the lessons of history, is that the question of economic power and of socio-economic structures is, in the last analysis, decisive and because political democracy is arrived at by the transformation of economic and social relations, aiming to ensure the effective equality of all in the conduct of the affairs of the state. With this fundamental conviction, we cannot entertain the idea that, under the cover of 'national unity' and using as pretext the allegation that the masses are 'underdeveloped', democratic liberties should be suppressed and tyranny eventually established. Consequently, democracy must be effectively established in Tunisia and it can only be democracy if it is exercised by the mass of the people, failing which it is the pseudo-democracy of minorities and élites.

Effective equality requires that we should give special attention to two important groups that are the victims of special discrimination: women and the young.

Kept for centuries in a state of inferiority, which tended to justify retrograde ideas or mistaken interpretations of Islam, Tunisian women nevertheless made the most positive contribution to the struggle for independence. After independence, the promulgation of the code of personal status cleared the way for Tunisian women to realize their aspirations to equality and full and unqualified participation in the management of public affairs and the development of the country. The exploitation of women by politicians and often by the police and the organization of women to profit the clan in power should be stopped.

Since 1969 a campaign seems to have developed to undermine the positive achievements in Tunisia. This turn of events is extremely serious. We must therefore struggle daily to preserve and reinforce these achievements, so that the equality of women with men becomes a reality.

The young, for their part, have a fundamental role to play in the process of socialization. We are a young people, therefore a dynamic one, looking naturally to the future, and the young must provide the generosity, disinterestedness and drive that are needed, giving constant warnings against sclerosis and stagnation. The reactions of the young are like warning lights, the social indicators of failing dynamism. The young must also go to the masses and into their homes in order to communicate their dynamism to the whole of society.

Towards a self-reliant and need-oriented development

Self-reliance

Development must be national; it must be Tunisian. It must therefore be based on national independence and entail the rejection of the role of satellite or vassal to foreign interests, a break with relations of dependence, and structural decolonization. It must be impelled from within the country and not from abroad. Scarcely any development is conceivable where there is dependence on foreign influences and powers. Development must be based on national capacities, efforts, resources and means and not on foreign capitalism. Finally, development must be integrated into the Maghreb region, founded on the solidarity of the Arab community and guided by the need for solidarity with African countries and the Third World as a whole.

The first target in the functioning of any economy is the struggle against the scarcity of resources to satisfy at least the basic human needs. If an economic system—whatever it may be —does not reach this target and fulfil this function it must be changed. Whether at the global level or in one country, the material and cultural riches are only 'scarce' to the extent that they are badly or unequally distributed. This situation encourages the wastage of resources and constitutes the major obstacle to their full utilization, to their improved supply and hence to the better satisfaction of human needs. This state of affairs is closely linked to the internal contradictions of societies and explains why they have a tendency to break up and disintegrate.

Satisfying material needs

Employment In our conception of development, based essentially on the mobilization of the masses, the right to work is a privileged right that takes priority over all the others because it constitutes their essential foundation. There is no real strategy for development that does not have as its objective the full employment of people and of their capacities. No

true development is conceivable without providing work for the hundreds of thousands of men and women at present reduced to total or partial idleness, whether as victims of urban 'structural' unemployment from hypertrophy of the tertiary sector, of rural underemployment, or as educational drop-outs or young managers and technicians with little or no employment.

Present 'growth' has hardly succeeded in providing an answer to the problem of employment, which is spirited away behind demagogic utterances and manipulated statistics. 'Growth' has, on the contrary, greatly exacerbated the problem by the systematic expatriation of the work force including the young and by the consignment of Tunisian workers, without protection or adequate social provision, to exploitation and misery abroad. This is while, at the same time, the administration never ceases to insist that emigration is a 'provisional solution' and while the crisis which threatens the western economies shows that this solution is very precarious and increases our dependence.

The problem of unemployment is not amenable to trick solutions or expedients. Its solution implies a thoroughgoing transformation of socio-economic structures, notably the reform of agrarian structures, the development of the infrastructure and of industry, a redeployment of our financial capacities within the framework of a national finance policy, an adequate policy for regional development and a radical transformation of the education sector with a view to raising the value set on manual and technical skills and to promoting educational planning integrated into the general planning for development.

Habitat Land and property, housing and the building trade have become the privileged field for wild speculation and profit-taking and for flagrant class segregation to the detriment of the vast majority of the Tunisian population. Clearly, this whole sector calls for a radically new policy, in the more general context of realistic and comprehensive regional planning, of urban planning and of programmes for regional development. Furthermore, habitat and architecture must be conceptually in harmony with our environment and specifically adapted to Tunisian conditions, life styles and social contexts and not reproduce imported foreign models.

A new policy in this area implies a thoroughgoing review of the status of suitable building zones, of the methods of financing housing programmes and of administrative and technical building standards and an implacable

fight against speculation and property and land grabbing, with strict rent control and protection for tenants.

These structural reforms must be complemented by the mobilization of resources and of available skills in each locality, where scattered settlements will be regrouped around centres equipped with every commodity and guaranteed all the advantages to which every citizen, irrespective of locality, has a right. Finally, it is obvious that one cannot simultaneously renew the dilapidated towns and villages, replacing the shacks in the countryside, the urban belts and the city slums and, at the same time, tolerate the growth of luxury cities and quarters and the growing number of insolently ostentatious residences.

Health The state of health of the population is intimately linked to nutrition, habitat, education, hygiene and sanitation. Health care cannot be solely the sphere of institutionalized curative action, which makes the medicine now practised in Tunisia a medicine for the rich, dispensed within the framework of elitism. Our thinking in this area gives primacy to preventive action, in the betterment of general living conditions through a fairer distribution of the national income, in health education incorporated into the various educational systems and in functional training in particular.

Our health system must be thoroughly reformed, in order to satisfy the right to health of every Tunisian. This of necessity implies: the training of medical and paramedical personnel more in touch with the real possibilities and needs of the country and the abandonment of a medical mandarinate; the upgrading of neglected sectors of public health (preventive medicine and rural medicine in particular); the development and decentralization of the medical and paramedical functions and of health resources and training (better nationwide distribution of personnel and increased numbers of health centres and of small hospital units).

The demographic obsession of the present authorities—and their systematic and excessive policy of reducing the birth rate—are alien to us. This obsession and this policy, which hit the labouring classes in humiliating conditions, as much from the human as from the social point of view, reveal a fundamentally anti-socialist orientation and are pursued as a solution to guarantee the wellbeing of the privileged minority. The regulation of demographic growth is determined by the standard of living, and this implies reforms of economic, social and cultural structures from which will emerge new human, family and social behaviour.

Satisfying non-material needs

Education The construction of socialism means not only the satisfaction of basic material needs, but also the development of information, culture and education. Socialism in fact implies a qualitative change of mentality, particularly in the countryside. In conformity with aspirations that are deeply rooted in the traditions of our people, culture must be diffused throughout society, which means that it must be borne by our Arabic language, based on the evolving understanding of the masses and expressing the broadest hopes. In this way the mental liberation of the masses may be progressively achieved.

The right to education and to culture is a fundamental human right, necessary for the realization of each human being's personality, capacities and aptitudes. The words of the prophet were, 'Seek for knowledge from the cradle to the grave', and our people have accepted since independence every sacrifice to enable our youth to accede to culture and to learning.

We condemn equally categorically the perversion of the educational system by egotistical and elitist individualism and its basis in the training of a salaried meritocracy. We question an educational system which is intended to be an instrument in the service of capitalism in our country, that is, in effect, for our permanent colonization and underdevelopment. Likewise, we are against a policy which tends to make schooling a class system and we condemn schools which divorce mental and manual skills, which reinforce and deepen social inequalities, which immobilize a quarter of the population in order to turn out ill-adapted and frustrated pupils.

The extension of education and culture to all Tunisians is a fundamental requirement for democracy and for the construction of socialism. The aim is that each Tunisian should really become capable of managing himself or herself, of achieving self-determination in his or her own affairs, in his or her place of work and in society in full awareness of what is happening. The aim is to construct a culturally homogeneous and integrated society whose members will be fully responsible and free.

The school is thus for us the cradle of democracy and socialism. It must be the place where our children and young people learn to take charge of their affairs, to become responsible and free.

Democratic freedoms The state we are seeking cannot function proper-

ly without democratic freedoms. This is why one of the fundamental principles in the reform of state structures is the ratification of freedom of opinion and of expression by means of the press or by any other medium, of freedom of assembly and of peaceful demonstration, of freedom of organization, of freedom for trade unions, for the right to strike and for the right to secrecy in one's correspondence.

The legal system and the penal code must be reformed from top to bottom in order to provide protection for human rights. Police surveillance and preventive custody must be strictly regulated. The right of the accused to the help of a lawyer during the preliminary police investigation must be established. Solitary confinement and torture must be solemnly abolished and the crime of torture must be subject to criminal and civil penalties. The prisons must come under the authority of the Ministry of Justice and the penal system must be humanized and thoroughly reformed. The administration of home affairs must be reformed. Parallel and private police corps must be suppressed. All police officers should be instructed in scrupulous respect for human rights.

There are no democratic freedoms worthy of the name if the exercise of these freedoms is reserved to those who have the material means and intellectual possibilities to exercise them. The problem of freedom is thus indissolubly linked with the general problem of the democratization of culture and of learning. The workers, the people as a whole including the young, must be in a position to exercise their democratic freedoms. No one should be able to use personal advantages or superior means to make their point of view prevail in opinion-making, in particular through the press. The people must be able to hear every voice equally. This is why the state should take the responsibility for a fair division of the means of exercising freedoms, in particular in ensuring an equal voice to every opinion, party or organization on radio and television, which must above all serve the people, and in guaranteeing to the masses including the young the means of exercising their freedoms.

Professional journalists must have a right to decision and control in the management of the information media. They should participate in information policy-making.

Structural transformations: a prerequisite

Socio-economic and territorial structures

Development implies a modification in the structural relationships of the agricultural, industrial and service sectors and the transformation of the

conditions of production and of exchange within each of these sectors and in their interrelations. Infrastructure and industrial development must be reinvigorated within the context of the Maghreb and in relation to Arab, African and Third World economic development. Agriculture must be rehabilitated and the conditions for agricultural production must be continuously improved. The financing of development, both public and private, entails limits on the consumption of foreign products, the development of national savings and the reform of commercial structures and of the credit sector with a view to developing and canalizing the sources of finance and to promoting a new credit policy.

Land reform The problem of the land remains the first and most serious of those faced by Tunisia, a country in which more than 50 per cent of the population is still engaged in agricultural activities. The problem is many-sided: it has economic, social, cultural and political aspects and is the core of the general development problem of Tunisia. It follows that the complexity of the land question must be clearly understood by all those who claim to be socialists.

Independent Tunisia had inherited an economy dominated by an agriculture of colonial and feudal structure. The sector was not integrated economically and socially and was characterized by an internal dualism between the traditional, neglected part and the 'modern' colonial part. The peasantry, whose way of life and standard of living were those of the Dark Ages, was kept in extreme misery, in unemployment and underemployment, and suffered total alienation.

It was obvious that socio-economic and cultural development called for a real agrarian reform, the necessity for which became clear during the 1960s. During the decade considerable achievements were actually accomplished. The decolonization of agriculture was achieved by basic nationalization Law No. 64–5 of 12 May 1964. Major investments, efforts and sacrifices were put into the modernization and equipment of the sector, into guaranteed water supply and new crop stabilization of rural populations, anti-unemployment measures, more equitable division of agrarian resources and improvement of the condition of the peasantry. The reform aimed to create new production structures and to transform the very character of social relations within the sector.

Land reform must be pursued according to an ordered plan for the establishment of viable units capable of supporting the modernization, equipment, employment and promotion of the condition of the peasantry.

This implies, among other things, stepping up efforts to eliminate disparities between different types of farming as well as to put an end to both uneconomic smallholdings and the private accumulation of landed estates.

The principle that must guide our action is that the land must belong to those who cultivate it by their direct labour. Agricultural property can only belong to Tunisians, and it is legitimate when it plays, by the way in which it is managed, a role in conformity with the socialist orientation and quantitative and qualitative requirements of the development plan, in the preparation of which the peasant masses must participate directly. The farming itself can only be actually carried out by Tunisian individual farmers or collective units of production. The state is forbidden to farm, directly or indirectly, except in so far as it is necessary for agricultural training and research, for experiment and for pilot farms, and for the setting up of tool 'banks' to which farmers must have equal access. In the meantime the state must be concerned to encourage agricultural production by every means possible, in particular by fiscal methods, by a new agricultural credit policy and by setting fair prices for output. The state must also foster a return to our community traditions of agriculture and the collective cultivation of the land.

The transformation of commercial structures A new policy, based on the determination to reinforce the purchasing power of the masses, is necessary. It implies a body of structural transformations and specific policies of which the principal elements are the reform of commercial structures and a prices policy. The objectives are the rationalization of the trading sector, the simplification of distribution networks and stages, the maintenance of price/wage and purchasing power/real-cost-of-living ratios, the encouragement of producers by remunerative prices and fair returns for services rendered, and action on the nature of commercial activity to make trade a more direct meeting-place for producers and consumers.

In consequence, legislation on trade and on prices should be recast and the reorganization of structures should take the form of service and distribution units meeting the combined interests of producers and consumers and our development criteria. Pilot stores could be set up on the initiative of public or semi-public authorities, producers or consumers. Consumers could join together to form popular organizations and associations to defend their purchasing power and fight against speculation. The state must apply itself to controlling prices effectively and to fighting

illegal practices and speculation. It is necessary, moreover, to redirect the surpluses generated by the trading sector towards industrial activities requiring sources of finance, so as to put an end to the unproductive accumulation of wealth, tc waste and to needless and inordinate squandering of resources.

The public and semi-public sector of the economy The public and semi-public sector of the economy embraces all the areas concerned with mining, energy, the infrastructure, asic economic and financial activities such as the currency, credit and insurance, foreign and home trade in essential goods and services, and industrial activities of strategic importance to Tunisia's development. The power of decision and of control over the management of public property must be exercised by the collectivities and establishments legally owning goods and capital, by technicians and by the employees and workers at every level of decision and execution. According to the case, users or organized consumers must be associated with management through popular organs or associations. The national institutions and mass organizations must be in a position to inspect closely the public and semi-public sector undertakings. Public opinion must be kept continuously informed of the state of these enterprises. The legislation concerning the public sector must be clarified and codified.

The public and semi-public enterprises must operate autonomously and participate closely in the drafting and implementation of plans. The activity of these enterprises may be shared out and coordinated within the framework of the sectoral unions of the enterprises, of holdings or by coordinating bodies at the national or regional level. A budget devoted to public funds for the industrial and commercial sector, separate from the general state budget, could be envisaged and operated so as to create management flexibility within the public and semi-public enterprises and to ensure autonomy and general internal equilibrium within the sector as a whole.

The private sector Opposition to capitalism, as a system and as an ideology, in our country does not mean hostility to an authentically national capital sector, aware of its role and of its responsibilities for Tunisia's development. The national private sector has a role to play in the development of the country. To fulfil this role, it must conform to the principle of national independence, orient its activities within the perspective of Maghreb, Arab and African development, respect the balances and objectives of the plan in the definition of which it participates, and respect the labour force and the rights of workers.

The management of the means of production Goods are the property of individuals, collectivities or the state, according to the case. Property cannot be the prerogative of a few minority owners—nor of the state alone, for this would open the way to bureaucracy. Since the management of the means of production is more important than the nature of the property, this management must in every case conform to the economic, social and technological objectives laid down, in particular by development plans. New management structures, especially those for collectivities, must be drawn up democratically. According to the nature and activity of the enterprise, the administrative and executive workers must take a direct and effective part in the power of decision in and control over the management of the enterprise.

Regional balance and development, regional planning, and town planning The problem of the regions remains one of the most serious faced by Tunisia. It is a complex problem since regional disequilibria and injustices have economic, social, cultural and political features. After twenty years of independence, and in spite of the efforts of the 1960s, the regional problem is still worsening.

The policy of the present régime is systematically based on regional discrimination, the exploitation of regional antagonisms and the incitement to regional chauvinism and parochialism to camouflage the more important social contradictions. The contrast has continued to grow between the coastal belt and the interior, the north and the south, and the towns and the countryside. It has fuelled the flight from the land and foreign emigration, which has added to the underdevelopment of the neglected regions. Political and administrative centralization and unequal political representation of the regions at the national level have meant the spread of flagrant regional injustices. The socialist strategy will restore the balance and progressively re-establish a fair and just equilibrium between the regions. The accent must be placed on the development of those regions that have suffered most. The regionalization of development and decentralization within the framework of bold and coherent regional planning would enable these targets to be met. Accordingly, it would be necessary to:

Restructure the national territory into complementary economic regions endowed with an adequate infrastructure.

Promote industrial decentralization, complete the reform of agrarian structures, develop the means of communication and spare no effort to develop the hydraulic network in the context of a renewed water policy.

Revise fundamentally the urbanization policy of the big coastal towns and the tourist policy, with a view notably to braking the anarchic growth of the big towns and to favouring the development of urban centres integrated to the interior.

Prepare regional programmes of integral development: in culture and education, in health, encouraging the decentralization of the medical service and the promotion of rural medicine, and in rural habitat adapted to the environment.

Project decentralization down to the local level and prepare for and institute representative regional assemblies that would accept their full responsibility in the determination of fundamental national options, participate actively in the preparation and implementation of development plans, and exercise substantive control over the management of services and public utilities.

The power structures

The need for people's power Defining the way to build socialism as being via respect for a development of human freedoms means that this way can only be the way of the people, the way of the people's power to dispose of and manage the economic wealth of the country as well as to conduct the general administration of its affairs. Only the way of people's power will provide a constant resolution and continuous, dynamic and harmonious settlement of the internal contradictions of society. It is for the people to define and resolve the contradictions that arise in their midst. Thus the people must be the instrument for their own social liberation.

Development is closely linked to the problem of power and its distribution and exercise as a whole. The reform of economic as much as political power structures is a fundamental imperative for the unhampered development of present-day Tunisia.

Development implies the mobilization of the masses and it must in fact be carried out by them. Development does not come about without the masses but with and by the masses. Those who produce must be intimately involved in their development process, which must meet their aspirations and be elaborated on the basis of their choices and their decisions.

Producers and citizens The people are citizens who are or should be, also, producers. As a citizen, the individual must take an active part in

political life and in every public debate. As a producer, the individual must likewise take part in the life of his or her economic or cultural enterprise and exercise the power of decision and control in the management of the enterprise. Every citizen must be a producer, for socialism is incompatible with parasitism, life at others' expense, and exploitation of the efforts and labour of others. Work is also a right and a duty for all and socialism implies that everyone capable of it should take part in the production process, materially assuming a role and thus being a producer. Only the fact of being a producer legitimizes the exercise of the power of economic decision.

Producers and citizens must thus exercise the two powers at every stage from decision-making through to evaluation of results. The fundamental principle of decentralization of powers enables this to be done. Thus socialism resolves itself into a social system in which economic and political powers are directly exercised, by virtue of the principle of decentralization, by producers and citizens. Decentralization operates both through the economic or cultural sectors and the territorial political divisions at the level of basic social units and, at the next stage, at the level of popular assemblies, mass organizations and producers' unions that concert the largely autonomous centres of decision.

In this way, the economic and political powers are spread by decentralization and diffusion throughout society. Each individual may thus take part, on a footing of equality, in the collective decision and the power will be a popular one.

The state The state is the result, expression and federation of decentralized popular powers. It fulfils the function of coordinating all decisions and of assuring the economic and political homogeneity of society. It fulfils the major collective functions in ensuring the general coherence of decentralized planning and presiding over the management of national enterprises. In fact, this balance is only arrived at by stages, as the state transmits to the people's organs the exercise of its centralized prerogatives and to the extent that the process is consolidated and that popular organs are able to exercise these functions. Throughout what is a long process the state guarantees the harmony and cohesion of the nation as a whole and maintains the balance of the system in action.

A fundamental reform of the power structures is called for: they must be decolonized and directly founded upon the will of the people, so that the government and its institutions really serve the interests of the people

and no longer those of a clan, caste or class. The state must be remoulded, to become the state of the whole of the people, to the exclusion of privileges, distinctions and bureaucracies.

Political institutions must be reconstructed, not to suit an individual, but for the sovereign people, and their function must be to provide for the better expression and the best possible translation of the will of the people. Institutional organization must be subject to the imperative of effective democratization of the decision-making and control process in every area of national activity. The process of decision-making must be totally reformed so that the options and aspirations of the people may be expressed and incorporated in the flow of decisions. This implies in particular that the choices at all levels are made in collegiate and collective fashion. The state must be the result of decentralized popular powers, constituted according to the principle of election and operated according to the collegiate principle. The popular assemblies and the mass organizations must be the direct relay stations of the will of the people as expressed at grass-roots level. They should function in a democratic and autonomous fashion in relation to the state power, which they themselves help to constitute and operate.

Political and administrative institutions The structures of the state power must be simplified as much as possible in order to reduce the social and political costs of their operation. The National Assembly must be reformed in its functions, composition, organization and working methods with a view to making of it an organ that is more representative and better adapted to the exercise of its legislative mission and closer to government and the administration.

The latter must evolve, decentralize and delegate authority widely through the establishment of effective coordinating mechanisms. The civil service must recruit and promote on the basis of the principle of statutory equality and not by way of personal connexions and other discriminatory practices. The administration must function in a much more simplified, economical and effective fashion, with scrupulous respect for the equality of users and the rights of citizens, who must be well served.

The administration must be brought closer to the administered. It must be directly controlled by organs expressing the will of the people, which will establish between them and the citizens the direct links that will help to motivate and explain decisions and resolve concrete problems. This

control must be completed by jurisdictional verification by the Council of State of the legality of administrative decisions, within the framework of an adequate statutory code.

The conditions and mechanisms that would allow for the construction of new popular institutional forms are there. They are latent even within run-down institutions. They need only be elicited and articulated.

The Tunisian road to socialism

The acute social contradictions that characterize Tunisia today reveal themselves in the frustration of the basic needs of the people. The explanation for this state of affairs lies in the deliberate efforts of reactionary minorities to impose capitalism, as a system and an ideology, by force and by violence on the Tunisian people.

Capitalism, based on the exploitation of others, has already been in unhappy evidence in the Third World, where attempts have been made to implant or consolidate it. There is nothing in the claim, however, that history dictates that Third World societies should evolve by this system. Capitalism does not grow out of some allegedly 'natural' historical evolution for our societies, but out of the activities of foreign domination, which spread with the support of national minorities: big property-owners, speculators and profiteers. The capitalist approach has produced crises, suffering and exploitation, but it has proved incapable of leading to our freedom, independence and development and the sustained satisfaction of human needs in our societies.

These objectives can only be achieved by socialism. Our socialism is not just a 'fashion', or a disembodied ideal, but a historical necessity—a necessity for our development and our liberation from the condition of being 'the wretched of the earth'. The socialist road enables the internal contradictions of society to be resolved, through an unfailing response to the constant and ceaselessly renewed demands of the oppressed and exploited for more liberty, justice and social equality.

This road may be peaceful or violent, according to the attitude of the forces opposed to progress and according to the context and the social conditions. The workers and the mass of the people do not turn to violence unless violence is done to them and unless there is no other way to free themselves and to succeed in laying the foundations of a socialist administration in which democracy is no longer the alibi of the privileged.

The socialist society is a target defined in the course of the long march which is the process of socialization. As we see it, the construction of socialism will come about at the steady pace of social transformations. This is our national road towards socialism, which will guarantee the harmonious development of the process.

No revolutionary proclamation has eradicated, overnight, all the inherent social resistances and contradictions and set up the socialist society. The 'revolution' is a continuous, permanent, never-ending activity. There is no socialism without a fundamental transformation of economic, social and cultural relations, ie without the reforms of structures, which must be adapted to the actual conditions of our society within a concrete and dynamic process. Socialist policy implies a will to help society constantly to achieve its liberating and creative structural transformations. Dynamism, permanence and balance are thus the major characteristics of our road to socialism and of the structural reforms which mark each of its successive stages. The process is, in fact, that of the continuous resolution of the internal contradictions of our society.

Notes

1 Although attributed to one author, the text published here is actually the result of a joint effort, directly derived as it is from the *Manifesto and Programme Orientations* of the Tunisian Popular Unity Movement.

2 Cf. Marc Nerfin, *Entretiens avec Ahmed Ben Salah sur la dynamique socialiste dans la Tunisie des années 1960,* Paris, Maspero, 1974, and Ahmed Ben Salah, *Hommes, structures et développement (Tunisie 1961–1969)* (to be published). See also: Ahmed Ben Salah, 'Independence, Development, Liberation', *Development Dialogue* (The Dag Hammarskjöld Foundation, Uppsala), 1976:2, pp. 95–103.

3 In September 1969, the policy of structural transformations in agriculture was abruptly halted and Ahmed Ben Salah, who as Minister of Development since 1961 had had primary responsibility for it, was arrested and sentenced to ten years hard labour for 'high treason'.

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Ahmed Ben Salah (Tunisia), born in 1926, has been a militant since his early youth. After having studied in Paris and taught at Sousse, he became the Secretary-General of the Tunisian General Labour Union (1954–6) and was a Cabinet Minister for twelve years (1957–69). He was in charge first of health, then of development—a huge department including planning and finance, industry and trade, and agriculture—and finally of education. He was also the Deputy Secretary-General of the ruling Socialist Destour Party (1964–9). When the land reform he had initiated together with other structural transformations was well under way, in 1969, he was ousted from the government, arrested and sentenced to ten years of hard labour for 'high treason'. He escaped from gaol in 1973 and has been living since then in exile. He is the leader of the underground Popular Unity Movement.

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