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**CAN WE REPRESENT THE PEOPLE ?**

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## PREFACE

The Centre for Multi-disciplinary Development Research (C MDR) is a Social Science research institute in a moffusil area of Karnataka and is sponsored by the Indian Council of Social Science Research, New Delhi. The Centre aims at undertaking analytical studies of conceptual and policy significance on the socio-economic and cultural issues using multi-disciplinary perspectives and state level and micro level information.

As a part of its publication programmes, the Centre initiated a CMDR Monograph Series, consisting of both invited contributions and the research studies competed at the Centre.

We are happy to present Tenth in the Monograph Series under the title 'Can We represent the People ?' by Dr. Muhammad Anisur Rehman who is an eminent economist of Bangladesh and also the President, Bangladesh Economic Association, We are extremely grateful to the President, Platinum Jubilee Conference, of the Indian Economic Association for permitting us to publish this lecture which was delivered as Sukhomoy Chakravarty Memorial Lecture at the Platinum Jubilee conference of the Indian Economic Association held in Bombay in February 1994.

Dr. Sukhomoy Chakravarty the then Chairman of Indian Council of Social Science Research was one of the few developmental economists in the world who emphasized development not merely in terms of material prosperity. Development is essentially an electric concept which demands the multi-disciplinary approach rather than simply an economic approach. The theories of development hitherto developed, have unfortunately over-emphasized economic-material aspects. The present paper by Dr. Muhammad Anisur Rahman basically examines such a truncated paradigm of development and emphasizes going beyond this narrow approach. In such an electric approach the development of different sectors of the economy and the society and the present structural adjustment programmes in a number of developing countries assume a special significance. This scholarly paper ably examines these issues. We do hope that this paper, by one of the eminent thinkers on the subject, would arouse interest of the reader on some of the basic aspects of the process of development.

CMDR expresses grateful thanks to Dr. Muhammad Anisur Rahman, for his incisive and lucid analysis of the theme.

**P.R. Panchamukhi**  
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## CAN WE REPRESENT THE PEOPLE ?

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**MUHAMMAD ANISUR REHMAN**

*President,*

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*Mr. President, Colleagues,  
Ladies and Gentlemen,*

It is quite a coincidence that I have the honor today of addressing this gathering of economists in the State of Maharashtra where seventeen years back I got the inspiration to quite economics from my interaction with the Bhoomi Sena Movement in Palghar of this state. Bhoomi Sena told us that they held human dignity and self-determination above economic attainments. They rejected any external advice or material assistance that was paternalistic or infringed upon their autonomy to choose their own lives. The life that they lived and cherished was rich in fellow feeling and mutual share and care, in contrast to the economist's assumption of private self-aggrandizement as the prime motive of human action. They viewed nature as a part of themselves, not to own, exploit and harness but to relate to, love, nourish and exchange with.

We have four decades of "economic development" and "development planning" behind us of which we may not feel very proud. This has split societies or sharpened their divisions into rich and poor, privileged and underprivileged; concentrated social

power into the hands of a relatively few facilitating their plundering of social resources to satisfy their private greed's; ravaged natural resources to upset ecological balances; mortgaged futures of nations to foreign powers through the debt burden of "development assistance"; put our youth into despair about their lives and futures and pushed them toward gangsterism and drugs; increased sales of women and children for private profits; destroyed rich indigenous cultures and ways of social life that were more humane. Economists have continued to call these societies "developing", concerned primarily that development is not being fast enough, at times also concerned that the benefits of growth have not been "trickling down" to the poor to make a real dent on mass poverty.

As for the people, those with no privilege and status in society who have been victims of such development, life has been an agonizing process of adjusting to or resisting the onslaughts upon them, and of searching for an autonomous space to give expression to their own values and urges, sometimes with and often without much success. As a Coordinator of the ILO's

programme on Participatory Organizations of the Rural Poor I had invited Bhoomi Sena and four other forest-based popular movements in India to get together and jointly articulate their point of view on what had been happening to them. Their report (Dasgupta 1986) which had to be published without mentioning the ILO, was a sharp rejection of the notion of development which had deprived these people of their habitat and imposed upon them concepts of life alien to their indigenous ways of living and thinking. Intellectual-activists working with popular forces in Latin America are rejecting the very term "development" as a linguistic tool for domination (esteva 1990). Popular movements in Africa give the term "development" their own meaning that bear profound contrast to the meanings given by dominant structures as well as by professionals: to popular groups in Zimbabwe development means "taking control over what you need to work with", "to stand up and go forward", "search for life", "to do it ourselves", "to support each other and get up" (Rahman 1993) – meanings which express deep human urges for a kind of fulfillment in life which we have never tried even to understand not to speak of supporting them and building development thinking upon them.

The development theories we have built are rooted in the concept of material prosperity as the end of life devoid of any notion of human fulfillment from the act of living. There is nothing wrong with material

prosperity insofar as it is associated with living an overall healthy personal and social life, but it is not necessarily healthy to become fat, usually a sign of maldevelopment. The Human Development Report 1993 shows one of the fattest countries of the world by its consumption levels- fat by consuming its own as well as the rest of the world's resources in a state of perpetual debt- to have the highest ranking in terms of indices of "Weakening Social Fabric" : the rate of rapes, rate of drug crimes, number of prisoners in relation to population size, the rate of divorces. We have not stopped calling this country a highly developed country.

Development economics has taken its own turns and twists over the decades. Born as a part of the Truman Design: in response to the emerging cold war, the concept of development started being conceptualized. In an initial phase it was all economic growth, pleading for shelving all questions of distribution "for the distant future". Distributionists fought and were able to create space for themselves, but obviously a theory of growth with distribution within the framework of a "free" society could not be found. This, along with an assessed shortage of competent private initiative, enhanced the rationale for the state merging as a major actor in development, a rationalization also inspired by the offer of foreign "development" assistance to nation states of the south. Lenin's concept of state planning was now borrowed in the "free world" to become

another in which it was now possible to include distribution or any other social objective, either in the “objective function” or as a “constraint”. These mathematical problem was now solvable, and exiting to play with. In reality the lack of any effective accountability of states to their people turned the role of the state as one of the enhancing the

Material acquisitions of the agents of the state and of their clientele within the society by appropriating society’s resources as well as foreign assistance given in the name of development. Being primarily a foreign policy instrument, foreign “development” assistance was well spent from the donors’ point of view if it kept the trends for radical swings in the recipient countries in check, and as this was possible by means other than development, development was not really the imperative. The foreign policy interests of the donors were doubly served if at the same time such assistance enlarged the market for goods and professionals of their own countries, and this was facilitated by the progressive creation of an affluent class in the recipient societies within and outside the state agencies whose craving for the attractive goods from the “developed” countries and advice of the foreign consultant was boundless.

The design should have been obvious, although many within economics chose to stay with this development paradigm considering the radical alternative to be more unacceptable. The socialist paradigm

became the preoccupation of another trend attracted by its moral appeal strengthened by the march of social revolutions. Today the socialist paradigm has collapsed, and development economics is swinging back to where it started. The Structural Adjustment Programme (SAP) which the World Bank is pushing down the throat of its clientele with its attractive silver spoon takes us back to the growth first (or alone ?) ideology unconcerned with considerations of distribution, supposed to be produced by unfettered economic freedom. SAP is now the talisman, the answer to the growth problem of all irrespective of the stage of one’s evolution, one’s history and culture, no matter what the disease is, and whether the patient is an infant or a teenager.

Many among economists, even many among those who previously held radical badges, are taking their cues and falling in line. This shows sadly how ethical as well as technical positions in economic are dictated by dominant social international structures and adjust to changes in the global power balance. The irony, however, is that relatively few countries following SAP over the last decade or so have shown even much growth. In the majority of these countries the expected surge of private investment has not happened (Sobhan 1993) and economics has not yet analyzed a basic reason for this.

Freedom for all permits the strong to appropriate social resources to satisfy their own urges. In the days of industrial

revolution of the west these urges of the strong took the form of a burst of creative entrepreneurship to produce goods and services hitherto not existent. Surplus had to be invested to push the frontiers of production and technology in order to move to a higher consumption frontier. In the process the entrepreneurs remained thrifty themselves – it was more fulfilling, for themselves as well as in terms of social recognition, to abstain from consumption and to invest, to show their creativity in pushing the frontiers of production possibilities than in spending for consumption of what the existing production possibility frontiers offered. Today the frontiers have reached their heights, and the excitement lies in consuming what they offer. The entrepreneurs – to be in countries of the south in whose hands SAP is designed to concentrate social status, to show what they can consume rather than what they can produce. The products are already there, and the challenge is to find ways of creating one's entitlement to them. Hence the plundering of social resources and racketeering with external "development assistance", running away with bank finance signed for investment but never to be returned, all to push one's own consumption frontier.

This is not to argue against consumerism as such – this is an exciting experience in life, to float thus high in the air, and it is a pride for mankind even to witness that it has reached this height of creativity.

But economics needs to understand its implications. The kind of individual freedom that released a burst of creativity in the west in the days of its industrial and technological revolution, ruthlessly plundering social and international resources but using them to push the technological and production frontiers, may no longer achieve the same result in the countries of the south today when those who can command handsome capital by similar methods of plundering racketeering or otherwise can very well spend it to enjoy the luxuries of modern life without having first to create those goods and amenities.

Among the outstanding feats of development in this century we may single out two, from two different levels; Japan rising from the ashes of Hiroshima and Nagasaki, and China rising from the fifth of Sanghai. Japanese culture and its chauvinism verging on cultural isolationism that have put off high-flying consumerism and disfavored the display of personal wealth, and sustained a work ethic loyal to corporate glory rather than to the calculus of personal gain and loss (Christopher 1983). The rise of modern Japan owes itself vitally to a dominance of the urge for creative accomplishment rather than for consumerism as the driving force in its national life. As for China, notwithstanding great mistakes of the great leader, this is the only country in this century that has lifted itself from conditions characterizing a "least developed country" (LDC) to be stepping into the 21<sup>st</sup> century as a modern state and

as one of the world's major powers which allows none to dictate terms to it. Mao achieved this, and I suggest he was able to achieve this, by shutting China off from world consumerism and challenging the nation to show what it could accomplish by its creativity. The nation mobilized, and people set about to collectively transform what resources they had into producing what they needed – ultimately the consumables but riding only the bicycle meanwhile.

LDCs of today have taken the name which China did not, for a different purpose, i.e. To maximize the flow of foreign resources, opening the door to invite a different challenge, i.e. to consume without creating. Societies have been split as a result into the affluent and the well-to-do (successful) on the one hand and the deprived and the “poor” (unsuccessful) on the other hand. The conceptualization now is around entitlement to consume, with enormous sympathy for the “poor” who lack the entitlements. As a matter of fact the “poor” have a major contribution in augmenting entitlements of the affluent, in that their “poverty” can be shown to the world to attract more international assistance the bulk of which can be intercepted. And of course resources of the poor can also be taken away, even in the name of the development as well as otherwise.

The result, in LDCs as well as in most other so-called “developing” countries, is the consolidation of a set of structures and

processes which augment poverty for many while they also pull some people upward as actors and associates of gainful activities. The aggregate result may sometimes be a few steps forward, sometimes backward; but the task remains one of moving up a downward-sliding escalator, and the aggregate statistics with which the poverty watchers are engaged do not even reveal the trade-off between the resulting gain and loss of misery.

The poverty-augmenting structures and processes are being supported today by political systems which are being hailed as “democracies”, in which it is sufficient to be the nearest relative of an assassinated previous leader to qualify to lead the nation. Unlike the democracies of the west in their days of creative entrepreneurship, parties are coming into power in the democracies or incapable, therefore, to provide leadership for a revolutionary development of the productive forces.

Meanwhile, those who stay “poor” or become “poor” are struggling to survive, and they can only survive by being highly creative. Walking alone individually their creativity may not be very spectacular for acute dearth of resources; but examples of collective creativity of the poor abound and are well recognized, so much so that a new development jargon – “participatory development” – is now widely in vogue. Almost all United Nations agencies are advocating it. For South Asian countries the Independent South Asian Commission on Poverty Alleviation (1992) has assessed in

fact that the growth potential of these countries lies in the hands of the low income producers, the “poor”, if they are mobilized for participatory development. This assessment rests on the growing evidence cited by the Commission that thus mobilized the “poor”, are showing high marginal saving rates, low capital output ratio (because of greater labour-intensity in their activities and direct transformation of their labour into infrastructure capital without mediation by the market mechanism), sharing and caring characteristics that reduce the cost of meeting their consumption needs, and values of “simplicity and frugality” which were exhibited by the early entrepreneurs of the Industrial Revolution of the West but are no longer exhibited by the elite would-be entrepreneurs of our kind of countries. Some of these values are part of their traditions. Some such as the sharing and other economizing activities through cooperation, are stimulated or strengthened by getting mobilized which show possibilities of improving their situation by collective initiatives, and it is the poor who have the material compulsion to be thrifty and efficient to improve their status in life. The Commission, therefore, has recommended a net transfer of resources to the poor” to achieve not only poverty alleviation but growth itself, a strategy fundamentally opposed to the spirit of the SAP which merely wants privatization and “free” markets for releasing the unfettered operation of the “invisible hand”.

Many questions can be raised on this phenomenon of “participatory development”, and need to be raised. The key to participatory development seems to be in the hands of agents coming from outside to “animate” the people to mobilize for collective action and to provide them with a host of supporting services. It so then here arises a new problematic of the possibility of generating new forms of dependence and domination and many participatory development initiatives are indeed creating this kind of dependence susceptible to manipulation. Most of these outside agents are themselves dependent on foreign donor finance for their operations, and there is a question of accountability of their operations to their own societies. Such foreign dependence should also make a nationwide participatory development strategy, like the one recommended by the independent South Asian Commission on Poverty Alleviation, be mobilized to finance at such scales were available. Participatory development advocates as well as practitioners, therefore, have a lot to clarify their minds about, and have discern and choose between initiatives which are self-reliance oriented both for the people as well as for supporting agencies, and those that are promoting new dependence relations at either or both these levels.

However, with all its internal confusion, a basic message is signaling in the march of popular initiatives as an ideology for social life and social effort. We have lived through a war between two rival ideologies, the

capitalist and socialist ideologies, and are today left very confused. Capitalism has been a spontaneous reality in the march of human civilization which has only been glorified by its supporters but which did not need to be invented as a social system. The socialist ideology came, expounded by some of the world's most powerful thinkers, in response to the horrors of capitalism which may not be disputed. But socialism as a social system had to be invented from scratch as an alternative scheme of things, and its engineers never agreed on the edifice to be built nor how to build it. One may question if what have appeared as the "horrors of socialism" causing ultimately its collapse by its original masters: it may not be disputed that in the scheme that was built there in the name of socialism the "working class" was never making its own history as the ideology had conceptualized it- history had been seized by bands of bureaucrats, technocrats and professionals with little manual labour to their credits.

At the end of the day it is the "elite" who in one garb or another have revealed themselves to be dominating the people, whether under capitalism or under so-called socialism. This should be clarifying what the real ideological issue before mankind is – i.e. whether the people can live their own lives and "develop", if they choose to, as they choose to, or whether they are to be dominated, and "employed", to serve the affluent, the "elites" and be granted merely some entitlements to

consumption in return. The march of popular initiatives contains within it this ideological assertion, albeit with a lot of impurities, that the people should be masters of their own destiny.

And what does this mean ? Fundamentally, it means that we have to change our ways of thinking about the people and about our relations with them. The agenda is much deeper than "poverty alleviation", the new slogan that is in everybody's mouth today, in earnest in some, in deceit in others. The deceit is manifest in that the slogan has replaced the earlier slogan of "basic needs" satisfaction that was a favorite for about a decade among all dominant structures which, however, did not cede real ground for fulfillment of this promise. If they had done so, then "poverty alleviation" as a new slogan would not have been necessary. But those who are earnest about this are also missing a vital point. Poverty alleviation is possible on a national scale only by a strategy of high growth of a type whose benefits decidedly accrue to the low-income classes, not by a poverty augmenting or at best "trickle-down" macro growth strategy that the World Bank's SAP implies, with patchworks of poverty alleviation programmes to serve primarily as a "safety net". Even if one chose to stay within the conventional development paradigm, a serious concern for poverty alleviation would then mean going back to the search for a strategy of growth with distribution. The search might not be a long one today given, as discussed,

that the affluent of today are capital eaters and it is the low-income producers who seem to be offering the best promise to lead in a race for growth itself. One would, therefore, give this class the chance to lead, by redirecting social resources in their favour. One would let the surplus they are producing remain with them rather than be used to solve the “poverty problem” of the elites. One would put such structural reforms as the agenda, and not reform programmes which are designed by foreign interests to serve those interests and that reveal no knowledge of nor faith in the achievements and capabilities of our peoples. The peasant Chapter of 1981 (FAO) signed by 145 governments only to be forgotten, might have been a good first page to open to move in this direction. One could look out not only at China but also at South Korea and Taiwan to understand why Agrarian Reform remain the prerequisite of “development” in rural economics where labour becomes “surplus” only because perverse socio-economic structures reject and humiliate the available labour force unable to absorb them through cash demand, but which turns into a productive force driven by its own momentum when the needed social reform brings it back into a dignified existence with complementary agrarian resources under its own control (Sobhan 1993). One would also ponder why some such reforms were even induced by world capitalism when it needed them, while such reform is no longer in its agenda for countries of the south after the end of the cold war.

Economics might come back to such concerns within its own paradigm. But it would still be far from the world view of people who are not economists but human beings. Once again I refer to the joint articulation of their agony of the five popular movements in India, and I quote :

*“In most areas, before the destruction of the forest, people lived by growing crops, gathering food and hunting. All these were collective activities. Whether the product was distributed equally or not is immaterial. There are two good reasons why the equality in distribution is immaterial. Firstly, the product was not a result of ‘labour’ but of enjoyment and of sport. Labour is regarded as an unpleasant activity in most modern societies where, at best, it is regarded as a necessary evil which every person has to live with. To forest dwellers this was not the case, for they enjoyed their life through their work. Work was an integral part of the act of living. There was, therefore, no reason for evaluating either the equality or the quantity of work carried out by individuals... The second reason why quality in distribution was not an issue is because there was no denial based on work...”*

(Dasgupta 1986, pp 98-99)

This is asking for a change of the very paradigm of our discourses. To economists trained in the Anglo-Saxon tradition work is

a negative experience of life, to be suffered for entitlements to consumption. The purpose of life is to maximize one's time stream of consumption on is poorer the lower is the level of consumption. Labour being a disutility, if consumption can be raised by stealing, by begging, by perceptual borrowing, then why labour ?

The people, those who have not been educated by us, have a different view of life. To them life is living, not just consuming. Living includes working that fulfills: creating; exchanging, sharing, with fellow humans as well as with nature; working together to enjoy the vibrations of togetherness in life's activities. The question of equity would then be not a question of mere distribution of entitlements to consume, but of the opportunity to live whole lives, an integrated life of fulfilling work as well as consuming. Poverty would be a lack of this opportunity in its wholeness. And development – the articulations of the Zimbabwean popular groups challenge us to reconsider what we are after and to discover a role for ourselves as economists and social scientists in the people's development as they conceptualize it, if we claim to represent the people.

We are moving into the 21<sup>st</sup> century after decades of experiments with

development most of which have frustrated more people than they have fulfilled. Today we have reduced peoples to a mere category of poverty statistics and are asking them to sit on the other side of the "poverty line" for a periodic count of heads, promising them a path to cross over to this side through entitlements to consumption. We have not cared to consider how much this humiliates them: it is not only that these people are supporting our lives by the surplus we are extracting from them and are thus our providers; they are also trying to tell us that human beings are not born to solve their "poverty" problem- they are born to imprint their identity on the pages of history by living as they would themselves choose to live, and working, to produce and build, because this is what gives them pleasure. We have a challenge to respond, in order to feel proud about ourselves that we belong to a race where such peoples exist, whom we should want to see empowered so that they may assert their world-view and their indigenous cultures, and save us from sliding down as societies by trying to emulate those who are past their creative primes and are today in a process of decay.

I thank the Indian Economic Association for giving me this honour and opportunity to share my thoughts with you.



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