

Book Review

Syed Nawab Haider Naqvi. *Development Economics: A New Paradigm.* Karachi, Lahore and Islamabad: Oxford University Press, 1993.

The book essentially revolves around a discussion on the implications and meaning of the word 'paradigm' seeking an alternative paradigm for development economics. It is amply apparent that development economics is not an academic discipline and its usefulness is on its way out to all intents and purposes. The author attempts to make a brave effort to rescue it by highlighting its relevance and importance in the current corpus of economic theory.

He argues that it is not a minor branch of mainstream economics but a discipline performing a role that mainstream economics tends to somewhat neglect.

The author makes a useful and lucid distinction between growth theory and development economics, stating that the former has essentially been concerned with esoteric issues and 'elegant proofs' of the existence and stability of steady state growth paths, with no operational content whatsoever. He quotes Hicks who is said to have once remarked that growth theory reflected no more than 'the shadow of the real problems'.

The main thrust of the author's argument is that development economics is 'a viable, scientific research programme' although he could perhaps have gone into more depth to substantiate this claim. He also asserts that development economics must continue to focus on the relationship between economic growth and structural change. Quite rightly to my mind, he states that a redistribution of initial wealth holdings in developing countries is therefore essential to establish some kind of 'optimum regime' wherein the growing chasm between the rich and the poor is kept at a minimum.

The author rejects in fairly strong terms the exclusive reliance on the Invisible Hand, though at the same time he does not claim that it is entirely irrelevant.

He asserts that only if the market does not lead to an exacerbation of inequalities can it be considered as a superior form of economy, as compared to government intervention. This is another central theme of the book that is woven throughout most of it.

He then discusses the role and the functions of the three actors in the development episode, i.e. the policy maker, the development economist, and last but not least the 'defunct economist'.

The author reiterates past theories and says in rather colourful language that during the 'age of chivalry' the predominant sentiment amongst development economists was one of optimism, and they went about alleviating 'the dragon of poverty' by the simple manouvre of raising the rate of capital accumulation, along a balanced or unbalanced growth path.

He points out that both India and Pakistan have always been committed to a philosophy of growthmanship. In the case of Pakistan however, since it could not stand on its own feet, it had to resort to foreign aid as a salvaging measure.

In discussing the basic needs strategy, he states that egalitarianism can be counterposed to humanism as per Streeten *et al*, and that they are two mutually exclusive objectives. He emphasises the fact that Streeten's humanism must be accompanied by an increase in the real income of the poorer sections of society in order for there to be egalitarianism in the true sense of the word.

In rounding off his argument, Syed Naqvi asserts that it does not mean that neo-classical economics is irrelevant but that the deep insights it offers need to be redefined and re-focused for there to be any meaningful analysis of the problem of development. In doing so, the author seems to somewhat gloss over the issue without actually offering any concrete alternatives.

In its entirety, it is difficult to react to this book. When a book has an author a person of the standing and reputation of Syed Nawab Haider Naqvi, one is considerably constrained in commenting on it. He has an understanding of Pakistan and its problem of poverty which will remain a subject of one's admiration and respect. His sole shortcoming as an author is that it would have greatly eased the questioning reader's mind had there been some sort of blueprint for the future in terms of a clear and lucid alternative paradigm.

The author does have a point, rather a unique one in this day and age of massive privatisation and disfavour of government intervention which comes as a breath of fresh air. That is an achievement by itself. No doubt the author does display a strong sense of empathy and sensitivity towards the less privileged, a trait quite rare in today's world of the rat race and seeking after materialistic gains.

One of the author's main contentions is the dire need for incorporating a sense of morality in the body of development economics, that is, what is right and what is wrong. The knee jerk reaction of a layperson would, I imagine be to balk at this moral slant, but he does have a point. The author tends to give much leeway to subjective values in this regard. He calls for the need for a creative symbiosis of ethics and economics, but there again where does one draw the line? Is he just a preacher pontificating from the pulpit or is this what is truly lacking in development economics? That is left to the reader to ascertain.

All is not despair – in a world in which a wave of privatisation is sweeping the four corners, it is almost a lone voice in the dark, that somebody somewhere is advocating the imperative need for government intervention, which I for one, see as being of utmost necessity for developing economies.

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