Development with and beyond the market: in search of economically rational alternatives to neo-liberalism

Michael Burgess
University of Wollongong
NOTE

This online version of the thesis may have different page formatting and pagination from the paper copy held in the University of Wollongong Library.

UNIVERSITY OF WOLLONGONG

COPYRIGHT WARNING

You may print or download ONE copy of this document for the purpose of your own research or study. The University does not authorise you to copy, communicate or otherwise make available electronically to any other person any copyright material contained on this site. You are reminded of the following:

Copyright owners are entitled to take legal action against persons who infringe their copyright. A reproduction of material that is protected by copyright may be a copyright infringement. A court may impose penalties and award damages in relation to offences and infringements relating to copyright material. Higher penalties may apply, and higher damages may be awarded, for offences and infringements involving the conversion of material into digital or electronic form.
Chapter 1 - Introduction

1. Background to the Thesis

The last quarter of a century has seen a resurgence of belief in the value of free market policies and smaller government. This trend has been especially pronounced in English-speaking countries such as Australia, the United States and the United Kingdom. These countries have, among other things, embraced vigorous programs of microeconomic reform, which include the privatisation of public enterprises and the deregulation or partial deregulation of labour markets and the financial and telecommunications sectors.¹ In Australia, such reforms have been strongly supported by a policy elite consisting of leading politicians in both successive Labor and Liberal governments, influential sections of the bureaucracy, members of private sector think tanks, and leading economic journalists.² Internationally, development institutions such as the World Bank and International Monetary Fund (IMF) have also been strong advocates of neo-liberal economic policies.³

As discussed at various points in this thesis, the rationale presented in support of free market reform has either not always been consistent with mainstream economic theory, or been criticised by large numbers of economists.⁴ Unlike many social scientists and large


⁴ In fact, in the case of the supply side economic policies favoured by the Reagan administration in the United States, one would have been hard put to find one economist in any of the major economics departments in that country who was a supply-sider in orientation. The proponents of such policies came instead mainly from areas such as journalism and conservative think tanks. For a review of the arguments of supply-siders and a discussion on how they were viewed by the majority of economists see Krugman, P. 1994. Peddling Prosperity: Economic
sections of the community, economists have, nevertheless, been generally enthusiastic about many of the changes taking place and accept that, up to a certain point, economic liberalism has been a force for good. The majority of economists agree, for example, that governments in developing countries should allow market forces much greater freedom to determine how resources are allocated between sectors. Traditionally, many developing countries have sought to accelerate the process of industrialisation by tilting the incentive structures of their economies in favour of their more capital-intensive industries.

Initially, the move to a more liberal economic environment was justified with a strict or relatively strict interpretation of neoclassical theory. As regards developing countries, a strong neoclassical view emphasises the importance of getting the economic fundamentals right and sees the state's role as limited to such areas as the provision of basic infrastructure. A weak neoclassical view acknowledges that market failure is often sufficiently pervasive to justify some relatively minor intervention by the state. An example of this is infant industry protection, which is uniform across activities and limited in scope. While both sets of perspectives have influenced the way economists and institutions view development, much of the literature has adopted a relatively strong neoclassical position. In Sanjaya Lall's opinion, a major reason for this has been the 'overwhelming emphasis given


5 On this see Argy, op. cit., pp. xi & 215-218.


8 Ibid.
to trade strategy and, more generally, to getting prices right’ as the solution to the developing world’s problems.9

The views of many economists and policy makers on the appropriate role for the state have also been influenced by broader political economy perspectives which emphasise ‘state failure’ rather than ‘market optimality’. According to neoclassical political economists10 such as Deepak Lal, governments, especially those in developing countries, either lack the capabilities required to intervene in their economies in a constructive fashion or are too corrupt and beholden to vested interests to be trusted to do so.11 In addition to being influenced by examples cited in the more empirically-oriented literature about interventionist policies going astray, the views of many neoclassical political economists on the appropriate role for the state have also been shaped by theoretical perspectives that highlight the causes of ‘government’ failure. These include property rights theory, contestable monopoly theory, franchising theory and public choice theory.12

The most influential and widely read of these perspectives are those found in the public choice literature.13 The central methodological tenet of public choice theory (which

---

9 Ibid.
12 On this see Quiggin, op. cit., pp. 65-66.
developed out of rational choice theory$^{14}$) is that the model of behaviour used in the analysis of market processes by neoclassical economists - that of the rational egoist 'homo economicus' - should also be used to analyse political behaviour.$^{15}$ This conclusion represents a fundamental break with conventional political philosophy which makes a clear distinction between public and private spheres (see chapter 3).$^{16}$

The Development Impasse

The resurgence of economic liberalism in its various guises coincided with a period of instability within the social sciences. A combination of factors ensured that social scientists were frequently ill-equipped to have a constructive input into important policy debates as well as defend their own disciplinary boundaries from challenges posed by public choice theorists. These factors included the decline in influence of Marxist analysis, the influence of post-modernism, and the need to take on board the concerns of social movements such as the environmentalist and feminist movements.$^{17}$

The field of development studies has not been immune to such instability. During the

---


$^{15}$ Quiggin, op. cit., p. 66; Stretton and Orchard, op. cit., pp. 1-3.

$^{16}$ Quiggin, op. cit., p. 66.

1970s, development analysis within the social sciences and on the political left was strongly influenced by neo-Marxist and dependency perspectives. By the early 1980s, the limitations of these perspectives had become increasingly apparent. As F. Schuurman notes, this led many left-leaning social theorists to conclude that social research and theorising about development had reached some kind of impasse:

Especially from the mid-1980s onwards, an increasing number of publications outlined the contours of what became known as the impasse in development theory. Major factors contributing to this impasse were post-modern criticism of theory formation in the social sciences, and the growing awareness that the emphasis on economic growth - awarded a central role in development theory - resulted in an insupportable burden on the natural environment.

The malaise of the early 1980s was not universally recognised. While many social theorists felt they were struggling out of an impasse, others had continued to make some progress by taking a more eclectic approach or an empirically-oriented one. Nevertheless as David Booth contends:

Because of the influence of Marxist and Marxisant ideas on the generation that came to teaching and research in the 1970s, the sense of unease was widely felt. Among those who shared this perception and thought seriously about it, there was also a substantial measure of agreement as to at least some of its major features and immediate causes. Many of the most significant gaps and weaknesses in research seemed to be connected with the highly generalised and economistic explanatory frameworks of Marxist and neo-Marxist origin that dominated social development theory in the west during the 1970s.

In recent years, many social theorists have attempted to develop less generalised and reductionistic interpretative frameworks. Despite some impressive research, the overall


19 Schuurman, op. cit.

20 Booth, op. cit.

21 Some of the most challenging research by actors seeking to offer an alternative to economic liberalism has been that (see chapter 4) by Robert Wade and others examining the role played by the state in the success of a number of East Asian economies. See, for example, Wade, R. 1990. Governing the Market: Economic Theory and the Role of Government in East Asian Industrialisation. Princeton University Press, Princeton; Amsden, A. 1989. Asia's Next Giant: South Korea and Late Industrialisation. Oxford University Press, Oxford; Mathews, T. and Ravenhill, J. 1994. 'Strategic Trade Policy: The Northeast Asian Experience.' In MacIntyre, A.
rate of progress is arguably still far less impressive than it should be. Some important areas of discourse, including those involving globalisation (see chapter 5), the environment (see chapter 7) and rural development (see chapters 6, 8, and 9) still continue to suffer from a good deal of confused analysis and misplaced priorities. While the reasons for this confusion and lack of progress vary greatly, one general factor identified in this thesis is the continuing failure of many critics of economic liberalism to develop sufficient familiarity with mainstream economic literature or, at least, approach it from a more open-minded frame of reference.

In fact, rather than simply question the strong faith many economists have shown in the value of neoclassical perspectives and free market policies, many non-economists often engage in an economically naïve questioning of the relevance of economics. In his book *A Reaction too Far*, Tony Killick provides a telling example of this tendency to throw out the mainstream economic baby with the neoclassical bathwater. As the title implies, Killick's central thesis is that policy elites have generally overcompensated for the economic mismanagement of governments in the past and now place too much reliance on market forces. When presenting a draft version of his publication at a multidisciplinary seminar, Killick took great care to identify areas where contemporary mainstream economic theorising has direct relevance to the policy problems of developing societies. Despite this, non-economists at the seminar 'joyfully interpreted it as an attack on the relevance of economics.'

Many non-economists are, of course, less dismissive in their attitude to mainstream economics. However, as shown in this thesis, certain misconceptions are sufficiently widespread to raise serious concerns about the perspectives and priorities of a large percentage of critics of economic liberalism. In Australia, for example, much of the criticism of what is often problematically referred to as 'economic rationalism' has


23 The problem with the use of the term 'economic rationalism' is that many critics failed to adequately distinguish between those who express a fundamentalist faith in the supremacy of market solutions and those who simply set out to determine policy on the basis of the
focussed on the issue of microeconomic reform, which is claimed to have had extremely negative consequences for social welfare.\textsuperscript{24} In his book \textit{Great Expectations: Microeconomic Reform and Australia}, prominent Australian economist John Quiggin presents a powerful case in support of the view that the overall benefits of microeconomic reform are unlikely to be as significant as advocates have generally suggested. However, as he also points out, by far the main economic factors reducing social welfare over the past 20 years or so have been the rise of large-scale unemployment and the slowdown in productivity growth that occurred. These problems also affected OECD countries which did not undertake any systematic programme of microeconomic reform.\textsuperscript{25}

2. Thesis Aims, Structure and Relevance

This thesis is primarily concerned with the economic and social problems of developing societies. However, a good deal of the analysis undertaken, including that on the merits of mainstream economic perspectives, the role of the state, technological change and globalisation also has relevance to developed countries. One general aim of the thesis is to highlight the limitations of the neo-liberal economic world view. A second aim is to identify some of the main factors that have prevented many socially and environmentally concerned critics of neo-liberalism, both within academia and elsewhere, from having a more constructive input into important policy debates. The third is to outline some of the strategies that are needed to encourage more rapid, equitable, and sustainable development in late-industrialising societies.

The thesis is in two parts. Part 1 explores some broad issues intended to provide insight into the merits of competing perspectives on the role of the state and on how much freedom


\textsuperscript{25} Quiggin, \textit{op. cit.}
markets should be allowed to have to determine outcomes. This includes an analysis of the strengths and limitations of neo-Marxist, neoclassical and ‘statist’ perspectives. Part 1 also explores why so many economists took so long to acknowledge some of the more obvious limitations of orthodox economic models, examines the implications this has for the credibility of the economics profession, and considers whether some recent theoretical developments within economics go far enough in their revision of neoclassical theory. It also contains an extensive analysis of the reasons for the economic success of South Korea and Taiwan and of what lessons other developing countries can learn from their experience. This includes an analysis of the merits of Paul Krugman’s ‘input driven growth thesis’. Some misconceptions about globalisation are also identified.

Drawing on the critical framework developed in part 1, the second part of this thesis (chapters 6 – 10) highlights some concerns with the way much of the discourse on how to encourage more equitable and sustainable development in late industrialising societies has evolved. The particular focus is on rural issues, especially agriculture. In the past, many development scholars made the same mistake as many governments in the developing world and viewed agriculture as something either to be exploited to support industrialisation or to keep the population in subsistence until the benefits of industrialisation reached them. In contrast, analysts such as Michael Lipton and John Mellor now argue that the key to more equitable and sustainable development in many developing countries is to allocate a much higher proportion of the available resources to agriculture, as well as to the rural sector in general.

Many of those who support such initiatives also support a broader set of policies aimed at developing the productive capacity of the poor and at encouraging a more decentralised, equitable and environmentally sustainable pattern of development. These initiatives include

---


the channelling of more resources into the development of more appropriate technologies for small farmers, social forestry projects, livestock rearing, fisheries, and rural industries, as well as to small-scale enterprises in general, both in the rural and the urban areas. In this thesis, such perspectives are referred to somewhat broadly as the ‘appropriate developmentalist’ approach.28

Part 2 has several aims. One is to explore what role the above-mentioned initiatives can reasonably be expected to play in the overall development process. A second is to highlight the ideological and other factors that have guaranteed that much of the academic and public discourse on issues such as agriculture policy and the appropriateness of development initiatives favoured by institutions such as the World Bank has often been so unproductive. This includes a discussion on the analytical limitations of widely-selling ‘popular’ writers on development such as Susan George, Frances Moore Lappé, and Joseph Collins.29

Because of the emphasis they place on the importance of food self-reliance, they and others who share a similar view are often referred to as belonging to the ‘Food First’ school of


development studies. This section of the thesis also identifies some of the dangers associated with the ‘alternative developmentalist’ discourse.

‘Alternative Developmentalism’

The ‘alternative development’ discourse (also the ‘another development’ or ‘post-development’ discourse) does not simply limit itself to criticising particular perspectives, but rather seeks to challenge the basis of ‘developmentalism’. As Jonathan Rigg contends, the diversity of perspectives among those calling for an alternative to so-called ‘mainstream’ or ‘western’ development sometimes have more in common with supporters of more conventional perspectives than they have with each other. Nevertheless, as he also points out, it is possible to identify certain views which are relatively widely held - at least, among more left-leaning ‘alternative developmentalists’ (ADs). These include the views that economics is a cultural force that has colonised the developing world; that modernisation, westernisation and commercialisation are processes which make people dependent on the market and their countries subservient to multinational capital and the developed world in general; and that the western dominated development discourse is a vehicle by which ‘western notions of progress, culture and society gain hegemony over

---


32 Rigg, op. cit., pp. 41-43.
indigenous systems.'33

Many ADs have been influenced by post-modernist critiques and stress the importance of understanding how language and power relations influence the development discourse.34 However, as Rigg claims, running alongside this conceptual critique is one that, while advocating similar cures, is 'firmly rooted in, and informed by, the real world'.35 This is through, for example, the involvement of many actors in social movements concerned with human rights and environmental issues and through non-government organisations involved in locally based development initiatives. While much of the 'alternative development' literature emphasises issues such as the importance of building on indigenous know-how, utilising more appropriate technologies and protecting the environment, a good deal of emphasis is often placed on less tangible concerns such as power, knowledge and popular participation.36

3. Methodology and Epistemology

In this thesis a diverse range of conceptual and theoretical approaches is utilised and evidence is drawn from a number of countries to identify those intellectual barriers which prevent a greater appreciation of the policies required to generate more rapid, equitable and sustainable development in late-industrialising societies. This thesis takes an interdisciplinary approach, drawing on economic, political, and political economy theory, as well as other theoretical approaches where appropriate, to highlight the deficiencies of particular theoretical perspectives and to identify any analytical gaps that exist between the theoretical framework of analysts and the policy prescriptions they favour.

Rather than undertake a major case study, this thesis favours a more global approach. This provides the freedom necessary to raise a wide range of concerns about how important

33 Ibid., pp. 32-3.
34 Ibid., pp. 30-31.
36 Ibid., pp. 30-68.
policy debates have evolved. As the thesis shows, some supporters of a more extensive role by governments in the management of economies have highlighted serious deficiencies in the neo-liberal economic world view. In many areas, sufficient evidence also now exists to draw strong conclusions on the type of initiatives required to encourage more satisfactory development. In fact, the main problem at the present time is arguably not a lack of good ideas about what is wrong with conventional thinking and about what policy changes are required, but rather the failure of many critics of neo-liberal economic policies to fully appreciate the importance of these ideas. Rather than concentrate their energies on supporting and extending these ideas, far too many of these critics spend far too much time focused on areas of low priority, pursuing dubious lines of inquiry or defending viewpoints which have little merit.

**Inbuilt Biases**

As with any research program in the social sciences, inbuilt biases are inevitable because of such factors as the type of evidence examined, the theoretical approaches favoured, and the epistemological positions of the author. These need to be identified and acknowledged to draw attention to the limitations or potential limitations of a particular research program and also to encourage a greater sensitivity to the insights offered by advocates of alternative positions. A virtue of the multi-theoretical approach taken in this thesis is that many of the dangers associated with over-specialisation are avoided, as it allows issues to be addressed from a variety of angles, generating insights that would not otherwise emerge. To be effective, the researcher needs to be clear about how this is done, otherwise there is a danger that the various theories will be applied in an ad hoc manner, or only availed of when needed to justify a particular perspective.

When discussing the State, for example, a number of approaches can be justifiably utilised to provide insight into several key questions. These include ‘who rules/makes policy’, ‘how

---


38 Marsh and Stoker, Conclusion, *op. cit.*

do they rule/make policy’, ‘why are certain actors in a privileged position in the policy-making process’, and ‘in whose interest do they rule and how does their rule result in that interest being served’? According to David Marsh and Gerry Stoker, policy network analysis is useful in addressing the first two of these questions, rational choice analysis is particularly relevant when examining the second, and the last two questions are the domain of political sociologists and state theorists. Whether or not Marsh and Stoker are correct on the specifics, their central point is undoubtedly a pertinent one, which is the importance of putting more effort into systematically incorporating complementary approaches into a more integral interpretation.

Whether the approach taken is a multi-theoretical one or one which relies heavily on a particular theoretical approach, there are deeper issues at stake which relate to how the creation of knowledge is viewed. Positivists take the view that truth can be determined by experience and observation and by a systematic examination of the different perspectives. This view is challenged by those who argue that analysts’ conclusions are strongly influenced by their prior theoretical and conceptual commitments. In recent years this line of argument has been taken a step or two further by those post-modernists critical of the Western Rationalist Tradition, who argue that many analytical categories exist, each containing their own truths, and that testing can never be definitive and is often irrelevant.

The majority of social scientists agree that determining the validity of competing knowledge claims is often more problematical than positivists suggest, and that factors such

---

40 Ibid.

41 Ibid.


as gender and cultural background have an important bearing on how evidence is interpreted and which factors are considered worthy of examination. However, rather than see such strong manifestations of post-modernist thought as representing the further evolution of post-positivistic thinking, many actors view them as being the product of a 'retreat into incoherence.' More specifically, critics argue that post-modernist analysis provides no methodology for determining the validity of competing claims.

The position taken in this thesis is that while it is not possible to be totally objective, strong judgements can still be made about the validity of competing knowledge claims. This can be done by examining theories for their internal consistencies; and by identifying areas where there is an analytical gap between the theoretical framework utilised and the policy conclusions drawn, where there has been a remarkable reluctance to consider compelling arguments put by supporters of alternative positions, and where there is sufficient empirical evidence to justify strong support for a particular position. For example, following the work of Amartya Sen, we now know that the causes of famine are far more complex than neo-Malthusians such as environmentalist Paul Ehrlich have suggested. Sen has, among other things, drawn our attention to the 'fact' that famines can occur in times of above average food production, as was the case with the 1943 Bengal famine.

More contentiously, this thesis also takes the view that more abstract questions involving competing values are best addressed from within a theoretical framework underpinned by certain liberal concepts such as the concept of universal human rights. As Daryl Glaser

44 To see the influence of cultural factors at work one only has to compare the ways social scientists in different countries go about studying such issues as the role of the State. In contrast, for example, to the situation in the United States, public choice theory and other approaches evolving out of rational choice analysis have not had that much influence on the way social scientists carry out research within Australia. On this see Brennan, op. cit., pp. 89-111.

45 See, for example, Halliday, F. 1996. 'The Future of International Relations Theory.' In Smith, Booth and Zalewski, op. cit., pp. 318-327.


points out, this can present problems as:

Those arguing for universal human rights court more than just academic controversy. They are speaking to a world marked by the decline of universalistic projects such as socialism and liberalism; growing national, religious and territorial fragmentation; and by the advance of an identity politics amongst women and ethnic minorities. In such a world, the ground for cross-cultural agreement about universal rights often seems tenuous.48

However, as Glaser goes on to argue, the ‘current multiplication of inter-community conflict’ also arguably lends support to the views of those who claim that it is imperative that universally agreed yardsticks are found to adjudicate between contending ethnic and cultural claims.49 Without some form of universal yardstick, how can one justify, for example, putting pressure on governments who cite cultural or religious imperatives as an excuse to maintain laws and policies that discriminate against women or members of particular ethnic or religious groups?

4. Outline of Chapters

Chapter 1: Background to the thesis.

Chapter 2: The first section of chapter 2 reviews the early development economics literature (from the 1950s to the 1970s) as well as the dependency literature. Subsequent sections then explore a range of issues which highlight the limitations of dependency and neo-dependency perspectives. Apart from providing a useful starting point from which to bring out some of the complexities involved, another purpose of this discussion is to demonstrate how unwilling many left-leaning social theorists have been to consider arguments or evidence presented in the mainstream economic literature or elsewhere, that challenged their perspectives. The discussion in this chapter also points to some limitations with the approach taken by many neoclassical political economists when seeking to explain why some developing countries are more successful than others, and why certain development strategies were chosen over others. It also provides some insight into the


49 Ibid.
merits of a more 'welfare oriented' approach to development.50

Chapter 3: Chapter 3 undertakes a detailed examination of the theoretical case in support of economic liberalism. This includes an analysis of some key assumptions incorporated into neoclassical economic models (those relating to technological change and institutions, etc.). It also contains an analysis of some of the assumptions made by public choice theorists and other neoclassical political economists when seeking to apply orthodox economic assumptions about human behaviour to a study of the political process, including to how states formulate and implement policy. This chapter also examines whether the new economic models developed by neoclassical revisionists such as Paul Krugman and Paul Romer go far enough in their revision of neoclassical theory.

Chapter 4: An important focal point for discussions on the state's role in economic development has been the debate on the reasons for the success of several rapidly growing East Asian economies. In chapter 4, the merits of competing explanations for this success are examined. This includes an analysis of Krugman's 'input driven growth' thesis.51 The main focus is on South Korea and Taiwan which, for comparative purposes, are the two most relevant of Asia's four Newly Industrialised Countries (NICs).52 This chapter also contains a discussion on the current Asian economic crisis.

Chapters 5: As long as late-industrialising economies invest sufficient resources into developing the capabilities, infrastructure and institutional arrangements required to take advantage of technologies and know-how developed elsewhere, they can potentially obtain significant benefits from trade liberalisation. Because of this, it is imperative, from the perspective of developing economies, that developed economies continue to lower their trade barriers. Without this and/or without stronger growth in the world economy, many of these potential gains could be competed away, as much greater competition now exists for

50 That is, the merits of governments allocating a higher proportion of their budgets to areas such as health, education and food subsidies than orthodox thinking on development deems desirable.


52 Singapore and Hong Kong are city states and did not, among other things, have to undergo a transition from an agricultural to an industrial economy.
access to affluent markets than was the case when the NICs (with their relatively small populations) began their export push. The problem for developing countries is that many in the developed world have a more pessimistic view of trade with low-wage economies, if not globalisation in general. As a result, governments are under increasing pressure to slow down the pace of trade liberalisation, and even introduce some new protectionistic measures. Because the international trade environment has such an important bearing on the development prospects of late-industrialising economies, chapter 5 examines whether these concerns have any validity.

This chapter also explores some broader issues relating to globalisation. Contrary to the impression given by Krugman and other critics of the more pessimistic literature on globalisation, critics of economic liberalism are not the only ones encouraging misconceptions about globalisation. A variety of actors, including powerful business interests, right-wing journalists and economists, and left-wing industry policy advocates have increasingly cited imperatives supposedly associated with globalisation to justify and gain support for the policies they favour. Many of these actors also exaggerate the extent to which the changes taking place in the world economy have undermined the ability of governments to control their own destinies. Such misconceptions have the potential to encourage flawed policies in both developed and developing countries, as well as, more generally, encourage a far too restricted view of the range of development trajectories open to societies.

Chapter 6: In chapter 6 some relatively widespread misconceptions about the impact of agricultural modernisation on developing societies are identified and examined. These include misconceptions about the nature of traditional societies, about the consequences of the growing of so-called cash crops, and the impact of India's Green Revolution. Such misconceptions have often prevented a constructive discourse on agriculture's role in the overall development process and on the type of policies needed to encourage more satisfactory development. They have also greatly undermined the effectiveness of many actors when lobbying governments and international organisations to place more emphasis on social and environmental concerns, and have even caused them to oppose development initiatives which are potentially beneficial to the poor. In fact, these misconceptions have also inhibited the effectiveness of the way some NGOs carry out their activities at the local
Chapter 7: The environmental problems facing many developing countries have now reached a level where they are undermining their development efforts and having a negative impact on a large proportion of the population, particularly the poor. Recent research efforts have provided much insight on the causes of many of these problems and the solutions required. However, for reasons only partly related to the relative newness of the endeavour and the complexities involved, discussions on the environmental problems of developing societies also often suffer from a good deal of confused analysis and mistaken priorities. To encourage a more constructive dialogue, the first half of chapter 7 identifies some general concerns with the way many socially and environmentally concerned actors approach environmental issues. This section of the chapter also identifies some of the strengths and limitations of the approach taken by environmental economists such as Edward Barbier and David Pearce.

The second part of chapter 7 contains a case study of the debate on the social and environmental impact of India's ambitious social forestry program. This program is, in theory, the type that is desperately needed if development is to become more equitable and sustainable. The intention of this case study is to both highlight the deficiencies of the program and show how the approach taken by some influential critics made it difficult for a more constructive debate to emerge on the policies required to improve outcomes. This discussion also raises some questions about the reliance placed by many socially and environmentally concerned academics on arguments and evidence presented in the more activist literature.

Chapter 8: In this chapter further issues relating to agriculture's role, and the rural sector's role in general, are explored, along with some other relevant issues. This includes an analysis of the strength and limitations of neoclassical and alternative perspectives on agricultural development. This section also identifies some potential weak links in the relatively long chains of reasoning employed by advocates of agricultural-led and small-sector-led development strategies. To generally illustrate how blinkered many analysts can be once they are driven by a compelling alternative vision of development, chapter 8 also contains a case study of the debate on the widespread use of so-called 'appropriate technologies'.
Chapter 9: In chapter 9, some issues relating to the relationship between the rural and urban sectors are examined. The first part looks at the merits of the argument put by ‘urban bias’ theorists such as Lipton that a major cause of many of the developing world’s problems are economic systems that are strongly biased against the rural sector. One aim of this discussion is to show how even someone like Lipton, with a deep understanding of political and economic theory and developing country realities, is prepared to ignore some obvious deficiencies in his analysis once he is captured by an alternative vision of development. The discussion on the merits of urban bias models also provides a good starting point from which to examine some broader concerns about the way many theorists and policy makers view rural/urban relationships. A good deal of development analysis, and not simply that by ‘urban bias’ theorists, is based on the assumption that a clear urban/rural divide exists. The dangers of this assumption are especially highlighted by the examination in section 2 of some the processes unfolding in Asia’s densely populated wet-rice growing regions.

Chapter 10: Chapter 10 summarises the main findings of this thesis and explores their implications. This includes an examination of the questions that this thesis raises about the priorities of many socially and environmentally concerned actors when pressurising governments and international institutions to change policy direction.