

ECONOMICS OF UNDER-DEVELOPED COUNTRIES

IN discussing the economics of under-developed countries before Section F (Economics), Mr. W. B. Reddaway bases his presidential address largely on conditions in India, as analysed in his book *The Development of the Indian Economy*.

There is no need for a different set of fundamental economic principles when studying under-developed countries; but the economic problems of these countries are normally different, at least in degree, and the background assumptions which one should make in studying any particular problem are also different. These background assumptions do not correspond with those appropriate for analysing a Western economy on either of the traditional assumptions ('full employment' or 'recession').

The low level of output per head in under-developed countries is commonly attributed to lack of capital equipment and cultivable land; but much could be done by better methods of working to raise output per acre or per unit of capital. These are usually better yardsticks of success than output per man.

Nevertheless, it is most important to increase the stock of capital equipment of many kinds. One great difficulty for under-developed countries is that most machinery must be imported: unless there is a ready export market for things which they can easily produce, a development programme is likely to create an acute balance of payments problem, which cannot be overcome merely by willingness to save.

Some useful capital assets, for example rural roads, can, however, be created in the country by putting 'surplus' labour to work with simple tools and local materials, none of which presents supply problems. Nevertheless, one cannot rely on the Keynesian multiplier process to generate the necessary savings to cover this expenditure: the main secondary demand will be for food, the output of which is not limited by lack of demand. A programme of additional investment in public works financed by credit creation would lead mainly to a balance of payments deficit or (if imports were controlled) to rising prices.

The amount of rural road-making, etc., could, however, be expanded without curtailing other production if the expenditure were covered by taxation, or by aid from abroad in the form of surplus food-grains.

An inflationary process is liable to be more rapid in an under-developed country because the profits which it generates do not typically accrue to companies (and so go largely into savings or tax provisions, with the remainder distributed later to shareholders), but rather to farmers and small traders, who may well spend them immediately.

The development process renders the economy of a backward country very much more complex. Each productive unit is more dependent on the proper functioning of many others, and on the marketing network. Above all, the whole economy is dependent on the apparatus of Government, taken in the widest sense, attaining at least a certain standard of effectiveness.

Developed countries can help by providing not only 'aid' (in the form both of loans, etc., and of technical assistance), but also trade facilities. Admission of 'cheap Asiatic textiles' to their markets causes difficulties to particular producers, but these

are as nothing compared with the problems which exclusion of such goods causes to the whole development of the poverty-stricken countries of Asia.

TIME THE CATALYST: OR WHY WE SHOULD STUDY THE MATERIAL CULTURE OF PRIMITIVE PEOPLES

IN his presidential address to Section H (Anthropology), Mr. Adrian Digby discusses this question.

If we are to understand him properly, not only man but also his works should be the proper study of anthropology. Thirty years ago this was recognized by the broad division between physical anthropology and cultural anthropology, which was itself divided into a major aspect, social anthropology, and a minor partner, material culture studies. The common factor then was the primitive nature of the people to be studied. But to have any practical utility, anthropology must extend its studies to more advanced societies, including our own, and to the reactions of these societies to new stimuli and to technological advance. In pre-war days we regarded anthropology as, among other things, a convenient tool for the sympathetic and understanding administration of colonial peoples. To-day, when more and more new nations are gaining their independence, and acquiring at a tremendous rate new technological processes and new political and social institutions from our own extremely complicated civilization, it is more important than ever to understand the effects of technological change on their social institutions, when we meet them as equals. In particular the time taken in the new demands created by new techniques will have a profound effect on their social institutions.

British social anthropologists, following the lead of Malinowski and of Radcliffe Brown, have concentrated intensively on the working of social institutions and their effect on the integration of society as a whole.

These studies have not necessarily been limited to primitive communities, but are equally applicable to institutions in advanced communities. The material and technological sides of man's activities seem to have been neglected, or in any event underestimated so far as their effects on social institutions are concerned.

The historical approach to anthropology, exemplified in its extreme (and most unscientific) form by the writings of Elliot Smith and Parry, have been rejected as irrelevant.

The students of material culture and primitive technology, tending to ignore social problems, and using techniques strictly comparable with those of the archaeologists, have retained an evolutionary and historical approach, using the concept of diffusion, with caution, as a valuable historical tool. Much of the work on material culture is relevant to archaeologists if only by way of analogy and by the interpretation of the imperishable fragments of composite artefacts.

But the relevance of technological studies to social anthropology, implied in the old term 'cultural anthropology', is relevant to modern social studies. Social institutions must be influenced by the material needs of a community and by the time and labour involved in satisfying them. Time and amount of labour will vary according to the techniques used.