

REVIEW OF BOOKS

Dissent on Development: Studies and Debates in Development Economics.
P. T. Bauer. (Cambridge, Mass: Harvard University Press, 1972).

Since World War II, Professor P. T. Bauer has belonged to a minority of economists that have been critical of the conventional wisdom in economic development. *Dissent on Development* is a collection of his more important published essays (some revised) and a critical essay on Gunnar Myrdal's lengthy work, "Asian Drama".

In the introduction, Bauer provides the reader with his basic position and with his criticism of much of the field of economic development. As he states,

No general theory of development is put forward in this book. Its absence does not in itself imply an unintellectual approach. It reflects recognition that economic development is a major aspect of the historical process of entire societies, and is therefore not susceptible to general theory, in the sense in which phenomena studied by the natural and (to a lesser extent) the social sciences are. Moreover, economic development depends largely on determinants which cannot readily be analyzed with the tools of economic theory.

Bauer points out that economics does have a role in analyzing certain phenomena and in assessing policy considerations. However, the major determinants of material progress are not factors for which economists necessarily have the training or skills. These factors, according to Bauer, are 1) strongly hereditary ones such as capacities, faculties and abilities, and 2) social and cultural factors such as values, mores and political institutions.

This position is not congenial to planners in the developmental field who find that those variables are not pliable in their policy recommendations for underdeveloped areas. Bauer's position leads him to a sympathetic understanding of values and beliefs in underdeveloped societies. In contrast, he points out that Myrdal censures those values and beliefs that he finds inimical to development and material progress and sees the necessity of using compulsion by granting extensive powers to the state to achieve these changes in beliefs and institutions.

Bauer discusses the role of terminology in the development literature. Neutral terms have given way to such value-laden terms as underdeveloped, developing, less developed. As he states,

The terms underdeveloped and developing are especially inappropriate euphemisms: underdeveloped because it clearly suggests that the condition it describes is abnormal, reprehensible, and also perhaps readily rectifiable. And the term developing because its use leads to such contradictions as references to the stagnation and retrogression of the developing world.

The first part of the book "Ideology and Experience" (about two-thirds of the text) consists of critical essays attacking popular clichés and ideological approaches in development literature. His wide ranging criticism is reflected by the topics he undertakes: the vicious circle of poverty; the widening gap between the developed and the underdeveloped countries; the axiomatic case for comprehensive central planning; Marxism and the underdeveloped coun-

tries; and UNCTAD, Mrydal's Asian Drama. There are also concluding essays on the limited contributions of economics to development.

The remainder of this volume is divided into two parts. Part Two, "Case Studies", is devoted to Bauer's earlier work on West Africa and Part Three, "Review Articles" contains reviews of works of major authors in the development field, i.e., W. Arthur Lewis, Gunnar Myrdal, Benjamin Higgins, W. W. Rostow, John Pincus, Harry G. Johnson, Thomas Balogh, and J. Bhagivati.

An example of Bauer's approach is his discussion of the widely accepted notion that poor countries are caught in a vicious cycle of poverty. Bauer presents the various formulations of this thesis, most important one being the concept that a country with a very low level of income finds it impossible to save. Therefore, capital accumulation necessary for growth is not possible. He quotes prominent development economists in variations on this theme bringing to bear empirical evidence to refute this hypothesis. First, he notes that many individual groups and communities have risen from poverty to riches in other rich and poor countries. Also, the very existence of developed countries that started as poor nations refutes the thesis.

Bauer presents evidence of rapid economic growth in recent years in Latin America, Southeast Asia and West Africa. He concedes that the level of income is low, but growth has taken place to a considerable degree, in view of the fact that many of these countries have begun only recently to advance and to advance from very low levels. In his exposition, Bauer considers various objections to his critique. He notes that progress has not been apparent in all underdeveloped countries. Bauer attributes these differences in levels of development to the variations that exist in the list of the underlying determinants of development he had discussed earlier and not to a vicious cycle of poverty. As is apparent throughout the volume, Bauer is interested in the appeal of these theses for which he finds little or no empirical content. In Bauer's words,

The explanation seems to lie in its congruity with certain intellectual fashions and methods of approach, and also in its effectiveness in forwarding certain political aims, especially in the promotion of intergovernmental foreign aid and the establishment in underdeveloped countries of economies closely controlled by the state.

The proponents of the vicious cycle thesis, according to Bauer, have constructed a picture of a substantially homogeneous underdeveloped world in contrast to the developed world. They find it uncongenial to recognize the diversity of peoples, attitudes, faculties and other factors affecting their mode of living. By typing the underdeveloped world in homogeneous terms, Bauer recognizes the gains that are possible in studying different phenomena. In this case, however, the procedure has obscured the major underlying factors that differentiate the development of these nations.

Who should read this book? For one, the intellectually curious who would like to see "the other side of the development controversy." This is not

a book to race through. Bauer is meticulous in his writing and it may be difficult to go through the entire volume. However, it is possible to be selective among the essays presented and individual sections can prove rewarding.

J. GERMAN
*Assistant Professor, Economics
Towson State College*

Oil and World Power: Background to the Oil Crisis. Peter R. Odell. Third Edition. (Baltimore: Penguin Books Inc.) 1974. 243 pp.

The book, *Oil and World Power*, clearly demonstrates author Peter Odell's insight into the oil industry. In this third revision of his basic work he deals directly with its complexities and intricacies. Odell quite effectively shows the scope of the oil industry and how the developments of the last three years have come to affect practically every aspect of life around the world.

Since World War II, oil has played an increasingly dominant role in supplying the world energy needs to the point of becoming, as some would argue, the "very staple of life itself." Odell discusses the growing need for oil and the ultimate dependence on this resource by nearly every industrial nation in the world and it is a handful of decision-makers who dictate what the specific needs of the world are. This small group of administrators is supported by one of the most complex and detailed organizations of our time. A shift in leaders and the meaning that this action has for the world is the very core of Odell's work. He devotes almost half of this book to understanding and analyzing this event.

The power structure in the oil industry is not constant, and to the dismay of many, is subject to an infinite number of variables. In the past, the oil industry has been dominated by the economic and industrial might of the western world. In the wake of a newly realized political force, oil producing countries for the first time have taken control of the marketing and pricing structure of their operations. The Organization of Petroleum Exporting Countries (O.P.E.C.) was to be the realization of this force. Odell points out that until O.P.E.C. could gain some continuity and coordination among member states, they held very little actual power over their product. Odell contends that the first real triumph for the oil producing nations came when the Nixon Administration was persuaded to allow the oil companies to deal directly with oil exporters. Now, without legal interference, these two elements of the industry have come together to try to maximize their own separate ideals. The aim of O.P.E.C. was to secure maximum return on their product through newly found political and economic unity.

Odell implies that the oil companies, through the veil of an oil crisis, wanted to maximize their profits. The United States government, on the other hand, desired the stabilization of oil producing countries in order to help with the Middle East conflict. Slightly more important was the idea that they could secure a cheap oil resource. However, the most important factor to emerge from this meeting was the very recognition that the oil producing countries received something that, until this time, was unheard of. This force, small at first, has developed into a force of formidable size. It has also become a model for other developing nations to follow to better enable them to achieve their long term. There is no attempt to question the economic validity of this system, as Odell makes it quite clear that the oil industry is complicated enough without getting into any specific ideological conflicts of economic policies.

The major portion of the first half of the book deals with the developments of the oil industry in the United States, Western Europe, Japan, and

the Soviet Union. Through this, Odell presents a firm background from which to operate. All of his explanations and deductions stem from the basic facts set forth thus far. In the latter half of *Oil and World Power*, Odell examines such problems as the growing world dependence on oil, oil in international relations, and oil as an instrument of diplomacy in the future.

The vast complexities of an industry that spans the world and forces mighty consumers into submission cannot be stated in a few words. Odell has translated his many years of experience and knowledge into a publication that not only can help make sense out of a system that is composed of many complex economic realities, but also one that is heavily seeded with potential political bomb shells.

BRUCE B. AUGER

Copy Editor, Towson State

Journal of International Affairs
Towson State College

OTHER BOOKS RECEIVED — SOME OF WHICH MAY BE REVIEWED IN FUTURE ISSUES

- Fagen, Richard and Cotler, Julio (Eds.). *Latin America and the United States; the Changing Political Realities*. Stanford, Stanford University Press, 1974.
- Fairbairn, Geoffry. *Revolutionary Guerrilla Warfare*. Baltimore, Penguin Books, 1974.
- Rosenau, James N. *Comparing Foreign Policies*. New York, Halstead Press, 1974.
- Sihanouk, Norodom. *My War with the C.I.A.* London, Penguin Books, 1974.