Development emerged during the colonial era. While it may have been experienced by nineteenth century Europeans as something specifically European, over time it came to be viewed as a universal necessity. Understanding why this was so helps to answer the question “what is development?”

As we have seen in Chapter 1, development (as social engineering) framed European colonization of the non-European world. Not only did the extraction of colonial resources facilitate European industrialization, but this process also required colonial administrators to manage subject populations adjusting to the extractive economy and monocultures, administering colonial rule for their masters, and experiencing physical, as well as psychic displacement. Under these circumstances, development assumed an additional meaning: the proverbial “white man’s burden,” a dimension that has persisted in various ways.

Non-European cultures were irrevocably changed through colonialism, and the postcolonial context was founded on inequality. When newly independent states emerged, political leaders had to negotiate an unequal international framework not of their making but through which their governments acquired political legitimacy. How that framework emerged is the subject of this chapter. But first we must address the historical context of colonialism.

Colonialism

Our appeal to history begins with a powerful simplification. It concerns the social psychology of European colonialism, built largely around stereotypes
that have shaped perceptions and conflict for at least five centuries. *(Colonialism* is defined and explained in the box below, and the European colonial empires are depicted in Figure 2.1.) One such perception was the idea among Europeans that non-European native people or colonial subjects were “backward” and trapped in stifling cultural traditions. The experience of colonial rule encouraged this image, as the juxtaposition of European and non-European cultures invited comparison—but through the lens of Europe’s powerful missionary and military-industrial apparatus. This comparison was interpreted—or misinterpreted—as European cultural superiority. It was easy to take the next step and view the difference as “progress,” something the colonizers had, and could impart to their subjects.

**WHAT IS COLONIALISM?**

Colonialism is the subjugation by physical and psychological force of one culture by another—a colonizing power—through military conquest of territory and stereotyping the relation between the two cultures. It predates the era of European expansion (fifteenth to twentieth centuries) and extends to Japanese colonialism in the twentieth century and, most recently, Chinese colonization of Tibet. Colonialism has two forms: colonies of settlement, which often eliminate indigenous people (such as the Spanish destruction of the Aztec and Inca civilizations in the Americas); and colonies of rule, where colonial administrators reorganize existing cultures by imposing new inequalities to facilitate their exploitation. Examples of this are the British creation of local landlords, *zamindars*, to rule parts of India; the confiscation of personal and common land for cash cropping; depriving women of their customary resources; and the elevation of ethnoracial differences, such as privileging certain castes or tribes in the exercise of colonial rule. Outcomes are, first, the cultural genocide or marginalization of indigenous people; second, the introduction of new tensions around class, gender, race, and caste that continue to disrupt postcolonial societies; third, the extraction of labor, cultural treasures, and resources to enrich the colonial power, its private interests, and public museums; fourth, the elaboration of ideologies justifying colonial rule, including racism and notions of backwardness; and fifth, various responses by colonial subjects, ranging from death to submission and internalization of inferiority to a variety of resistances—from everyday forms to sporadic uprisings to mass political mobilization.
Figure 2.1 European Colonial Empires at the Turn of the Twentieth Century
Such a powerful misinterpretation—and devaluing—of other cultures appears frequently in historical accounts. It is reflected in assumptions made by settlers about indigenous people they encountered in the Americas and Australasia. Europeans perceived the Native Americans and aboriginal Australians as people who did not “work” the land they inhabited. In other words, the native populations had no right of “property”—a European concept in which property is private and alienable. Their displacement from their ancestral lands is a bloody reminder of the combined military power and moral fervor with which the European powers pursued colonization. It also foreshadowed the modern practice of rupturing the unity of the human and natural world, a unity that characterized non-European cultures.

In precolonial Africa, communities relied on ancestral ecological knowledge and earth-centered cosmologies to sustain themselves and their environment. These methods were at once conservative and adaptive because, over time, African communities changed their composition, scale, and location in a long process of settlement and migration through the lands south of the equator. European colonists in Africa, however, saw these superstitious cultures as static and as only occupying—rather than improving—the land. This perception ignored the complex social systems adapted first to African ecology and then to European occupation. Under these circumstances, Europeans viewed themselves as bringing civilization to the non-white races. French historian Albert Sarraut, ignoring non-European inventions such as gunpowder, the compass, the abacus, moveable type printing, and the saddle, claimed,

It should not be forgotten that we are centuries ahead of them, long centuries during which—slowly and painfully, through a lengthy effort of research, invention, meditation and intellectual progress aided by the very influence of our temperate climate—a magnificent heritage of science, experience, and moral superiority has taken shape, which makes us eminently entitled to protect and lead the races lagging behind us.

The ensuing colonial exchange was captured in the postcolonial African saying, “When the white man came he had the Bible and we had the land. When the white man left, we had the Bible and he had the land.” Under colonialism, when non-Europeans lost control of their land, their spiritual life was compromised insofar as it was connected to their landscapes. It was difficult to sustain material and cultural integrity under these degrading extractive processes and conditions. At the same time, European colonization of natural resources converted land, water, cultivars, and food into economic categories, discounting their complex regenerative capacities and ecological interdependencies.
All precolonial cultures had their own ways of satisfying their material and spiritual needs. Cultures varied by the differentiation among their members or households according to their particular ecological endowments and social contact with other cultures. The variety ranged from small communities of subsistence producers, who lived off the land or the forest, to extensive kingdoms or states. Subsistence producers, organized by kin relations, usually subdivided social tasks between men, who hunted and cleared land for cultivation, and women, who cultivated and processed crops, harvested wild fruits and nuts, and performed household tasks. These cultures were highly skilled in resource management and production to satisfy their material needs. They generally did not produce a surplus beyond what was required for their immediate needs, and they organized cooperatively—a practice that often made them vulnerable to intruders because they were not prepared for self-defense. Unlike North American Indians, whose social organization provided leadership for resistance, some aboriginal cultures, such as those of Australia and the Amazon, lacked leadership hierarchies and were more easily wiped out by settlers. By contrast, the Mogul empire in seventeenth century India had a complex hierarchical organization based on local chiefdoms in which the chief presided over the village community and ensured that surpluses (monetary taxes and produce) were delivered to a prosperous central court and "high culture." Village and urban artisans produced a range of metal goods, pottery, and crafts, including sophisticated muslins and silks. Caste distinctions, linked to previous invasions, corresponded to divisions of labor, such as trading, weaving, cultivating, ruling, and performing unskilled labor. Colonizers typically adapted such social and political hierarchies to their own ends—alienating indigenous cultures from their natural ecologies, and their political systems from their customary social functions, incubating tensions that have been inherited by postcolonial states.

Sources: Bujra (1992); Rowley (1974).

Development thus came to be identified as the destiny of humankind. The systematic handicapping of non-Europeans in this apparently natural and fulfilling endeavor remained largely unacknowledged, just as non-European scientific, ecological, and moral achievements, and legacies in
Instituting the Development Project

European culture, were generally ignored. Being left holding the Bible was an apt metaphor for the condition of non-Europeans who were encouraged to pursue the European way—often without the resources to accomplish this task—of “development.”

The Colonial Division of Labor

From the sixteenth century, European colonists and traders traveled along African coasts to the New World and across the Indian Ocean and the China seas seeking fur, precious metals, slave labor, spices, tobacco, cacao, potatoes, sugar, and cotton. The principal European colonial powers—Spain, Portugal, Holland, France, and Britain—and their merchant companies exchanged manufactured goods such as cloth, guns, and implements for these products and for Africans taken into slavery and transported to the Americas. In the process, they reorganized the world.

The basic pattern was to establish in the colonies specialized extraction and production of raw materials and primary products that were unavailable in Europe. In turn, these products fueled European manufacturing as industrial inputs and foodstuffs for its industrial labor force. On a world scale, this specialization between European economies and their colonies came to be termed the colonial division of labor (see Figure 2.2).

Figure 2.2  Distinguishing Between an International and a National Division of Labor

<table>
<thead>
<tr>
<th>European states</th>
<th>Nation state</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufactured goods</td>
<td>Industry</td>
</tr>
<tr>
<td>Primary products</td>
<td>Manufactured goods</td>
</tr>
<tr>
<td>Colonies</td>
<td>Primary products</td>
</tr>
<tr>
<td>Colonial, or international, division of labor</td>
<td>“Internal” division of labor, between national economic sectors</td>
</tr>
</tbody>
</table>
While the colonial division of labor stimulated European industrialization, it forced non-Europeans into primary commodity production. Specialization at each end of the exchange set in motion a transformation of social and environmental relationships, fueled by a dynamic relocation of resources and energy from colony to metropolis: an unequal ecological exchange. Not only were the colonies converted into exporters of raw materials and foodstuffs, they also became “exporters of sustainability.”

**CASE STUDY**

The Colonial Division of Labor and Unequal Ecological Exchange

The ecological dimension of the colonial division of labor reminds us that industrialism is premised on transforming nature from a regenerative system to mere “raw material.” Prior to industrial society and colonialism, the majority of humans depended on their local ecosystem to supply their various needs via a multiplicity of locally produced materials, harvesting just what was necessary. Overharvesting resources wastes energy, reducing an ecosystem’s capacity and thereby threatening the sustainability of the human community. The colonial division of labor depended on overharvesting. Here, trade across ecosystemic boundaries focused extractive activities on those few resources profitable to the traders. Stephen Bunker and Paul Ciccantell, in their research on Amazonian ecology, observe, “Extractive economies thus often deplete or seriously reduce plants or animals, and they disrupt and degrade hydrological systems and geological formations [which] serve critical functions for the reproduction of other species and for the conservation of the watercourses and land forms on which they depend. Losses from excessive harvesting of a single species or material form can thus ramify through and reduce the productivity and integrity of an entire ecosystem.”

The early Portuguese colonists, enslaving indigenous labor, extracted luxury goods from the Amazon such as cacao, rosewood, spices, caymans, and turtle eggs—all of which had high value to volume ratios in European markets. Wealthy Europeans prized turtle oil for perfume and lighting their lamps, but wasteful harvesting of turtle eggs for the oil severely depleted protein supplies and Amazonian aquatic environments on which populations depended for their material reproduction. English and French colonies of the eighteenth century imposed monocultures of sugar, tobacco, coffee, and tea. Mimi Sheller observes, “In consuming the Caribbean . . . Europe was itself transformed.”

By the nineteenth century, European and North American extraction focused on industrial inputs such as rubber, further disrupting Amazonian
habitats and ecology and exposing local industry to competition from commodities imported cheaply in the ample cargo space on the return leg of the rubber transport ships. As demand for rubber intensified later in the century, rubber plantations were established in Southeast Asia and Africa, by the British and the Americans respectively—in turn transforming those ecologies by introducing monocultures, and also impoverishing the Amazonian economy as feral rubber extraction declined.

Why does the developmentalist focus on human exchange through trade ignore the exchange with nature?


The colonial division of labor, as cause and consequence of economic growth, exposed non-European cultures and ecologies to profound disorganization, given the precipitous way in which colonies were converted into supply zones of labor and resources. Local crafts and mixed farming systems were undermined, alienating land and forests for commercial exploitation and rupturing the ecological balance. Not only did non-European cultures surrender their handicraft industries in this exchange, but also their agriculture was often reduced to a specialized export monoculture, where local farmers produced a single crop, such as peanuts or coffee, for export, or plantations (sugar, cotton, tea, rubber, bananas) were imposed on land appropriated from those who became plantation laborers. Systems of export agriculture interrupted centuries-old patterns of diet and cultivation, creating the all-too-familiar commercial food economy, in which “what was grown became disconnected from what was eaten, and for the first time in history, money determined what people ate and even if they ate.”

Handicraft decline was often deliberate and widespread. Perhaps the best-known destruction of native crafts occurred through Britain’s conquest of India. Until the nineteenth century, Indian cotton muslins and calicos were luxury imports into Europe (as were Chinese silks and satins). By that time, however, the East India Company (which ruled India for the British Crown until 1858) undermined this Indian craft and, in its own words, “succeeded in converting India from a manufacturing country into a country exporting raw produce.” The company had convinced the British government to use tariffs of 70 to 80 percent against Indian finished goods and to permit virtually free entry of raw cotton into England. In turn, British traders flooded India with cheap cloth manufactured in Manchester. Industrial technology (textile machinery and the steam engine) combined
with political power to impose the colonial division of labor, as British-built railway systems moved Indian raw cotton to coastal ports for shipment to Liverpool and returned across India with machine-made products, under-mining a time-honored craft.

**Social Reorganization under Colonialism**

The colonial division of labor devastated producing communities and their craft- and agriculture-based systems. When the British first came to India in the mid-eighteenth century, Robert Clive described the textile city of Dacca as “extensive, populous, and rich as the city of London.” By 1840, Sir Charles Trevelyan testified before a British parliamentary committee that the population of Dacca “has fallen from 150,000 to 30,000, and the jungle and malaria are fast encroaching upon the town. . . . Dacca, the Manchester of India, has fallen off from a very flourishing town to a very poor and small town.”

While native industries declined under colonial systems, local farming cultures lost their best lands to commercial agriculture supplying European consumers and industries. Plantations and other kinds of cash cropping proliferated across the colonial world, producing specialized tropical exports ranging from bananas to peanuts, depending on local agri-ecologies (see Table 2.1). Non-European societies were fundamentally transformed through the loss of resources and craft traditions as colonial subjects were forced to labor in mines, fields, and plantations to produce exports sustaining distant European factories. This was a global process, whereby slaves, peasannies, and laborers in the colonies provisioned European industrial classes with cheap colonial products such as sugar, tea, tropical oils, and cotton for clothing. European development was realized through a racialized global relationship, “underdeveloping” colonial cultures. The legacy of this relationship continues today—for example, Mali (ranked 160th out of 169 on the UN Human Development Index) derives half of its export revenues from cotton, with 40 percent of its population depending on this crop for their livelihoods, but the country is in unequal competition with highly subsidized cotton producers in the United States, the European Union, and China.

Colonial systems of rule focused on mobilizing colonial labor. For example, a landed oligarchy (the hacendados) ruled South America before the nineteenth century in the name of the Spanish and Portuguese monarchies, using an institution called encomienda to create a form of native serfdom. Settler colonialism also spread to North America, Australasia, and southern Africa, where settlers used military, legal, and economic force to wrest land from the natives for commercial purposes using slave, convict, and
indentured labor. As the industrial era matured, colonial rule (in Asia and Africa) grew more bureaucratic. By the end of the nineteenth century, colonial administrations were self-financing, depending on military force and the loyalty of local princes and chiefs, tribes, and castes (note that the British presence never exceeded 0.5 percent of the Indian population). Native rulers were bribed with titles, land, or tax-farming privileges to recruit male peasants to the military and to force them into cash cropping to pay the taxes supporting the colonial state.

Male entry into cash cropping disrupted patriarchal gender divisions, creating new gender inequalities. Women’s customary land-user rights were often displaced by new systems of private property, circumscribing food production, traditionally women’s responsibility. Thus British colonialism in Kenya fragmented the Kikuyu culture as peasant land was confiscated and men migrated to work on European estates, reducing women’s control over resources and lowering their status, wealth, and authority.

<table>
<thead>
<tr>
<th>Colony</th>
<th>Colonial Power</th>
<th>Export Crop</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>Britain</td>
<td>Wool, wheat</td>
</tr>
<tr>
<td>Brazil</td>
<td>Portugal</td>
<td>Sugar, coffee</td>
</tr>
<tr>
<td>Congo</td>
<td>Belgium</td>
<td>Rubber, ivory</td>
</tr>
<tr>
<td>Egypt</td>
<td>Britain</td>
<td>Cotton</td>
</tr>
<tr>
<td>Ghana</td>
<td>Britain</td>
<td>Cocoa</td>
</tr>
<tr>
<td>Haiti</td>
<td>France</td>
<td>Sugar</td>
</tr>
<tr>
<td>India</td>
<td>Britain</td>
<td>Cotton, opium, tea</td>
</tr>
<tr>
<td>Indochina</td>
<td>France</td>
<td>Rice, rubber</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Holland</td>
<td>Rubber, tobacco</td>
</tr>
<tr>
<td>Côte d’Ivoire</td>
<td>France</td>
<td>Cocoa</td>
</tr>
<tr>
<td>Kenya</td>
<td>Britain</td>
<td>Coffee, tea, sisal</td>
</tr>
<tr>
<td>Malaya</td>
<td>Britain</td>
<td>Rubber, palm oil</td>
</tr>
<tr>
<td>Senegal</td>
<td>France</td>
<td>Peanuts</td>
</tr>
<tr>
<td>South Africa</td>
<td>Britain</td>
<td>Gold, diamonds</td>
</tr>
</tbody>
</table>
In India, production of commercial crops such as cotton, jute, tea, peanuts, and sugar cane grew by 85 percent between the 1890s and the 1940s. In contrast, in that same period, local food crop production declined by 7 percent while the population grew by 40 percent, a shift that spread hunger, famine, and social unrest. Using tax and irrigation policies to force farmers into export agriculture, Britain came to depend on India for almost 20 percent of its wheat consumption by 1900. Part of the reason that “Londoners were in fact eating India’s bread” was the destruction of Indian food security by modern technologies converting grain into a commodity. New telegraph systems transmitted prices set by London grain merchants, prying grain reserves from villages along railway networks for export to Britain. Thus new global market technologies undermined the customary system of grain reserves organized at the village level as protection against drought and famine. For example, during the 1899–1900 famine, 143,000 peasants in Berar starved to death as the province exported tens of thousands of cotton bales in addition to 747,000 bushels of grain.

Starvation in the colonies was not simply due to conversion of resources into export commodities. British rule in India, for example, converted the “commons” into private property or state monopolies. Forest and pasture commons were ecological zones of nonmarket resources to which villagers were customarily entitled—village economy across monsoonal Asia “augmented crops and handicrafts with stores of free goods from common lands: dry grass for fodder, shrub grass for rope, wood and dung for fuel, dung, leaves, and forest debris for fertilizer, clay for plastering houses, and, above all, clean water. All classes utilized these common property resources, but for poorer households they constituted the very margin of survival.” By the end of the 1870s, Britain had enclosed all Indian forests, previously communally managed. Ending communal access to grassland resources ruptured “the ancient ecological interdependence of pastoralists and farmers,” and age-old practices of extensive crop rotation and long fallow, to replenish soils, declined with the expansion of cotton and other export monocrops. Export monocultures displaced indigenous irrigation systems with canals, which blocked natural drainage, and thus exacerbating water salinity and pooling water in swamps, the perfect host environment for the dreaded malarial anopheline mosquito. A British engineer reported to the 1901 Irrigation Commission, “Canals may not protect against famines, but they may give an enormous return on your money.”

The colonial division of labor developed European capitalist civilization (with food and raw materials) at the same time that it undermined non-European cultures and ecologies. As European industrial society matured, the exploding urban populations demanded ever-increasing imports of
sugar, coffee, tea, cocoa, tobacco, and vegetable oils from the colonies, and the expanding factory system demanded ever-increasing inputs of raw materials such as cotton, timber, rubber, and jute. The colonists forced more and more subjects to work in cash cropping, employing a variety of methods such as enslavement, taxation, land grabbing, and recruitment for indentured labor contracts.

As the African slave trade subsided, the Europeans created new schemes of forced, or indentured, labor. Indian and Chinese peasants and handicraftsmen, impoverished by colonial intervention or market competition from cheap textiles, scattered to sugar plantations in the Caribbean, Fiji, Mauritius, and Natal; to rubber plantations in Malaya and Sumatra; and to British East Africa to build the railways that intensified the two-way extraction of African resources and the introduction of cheap manufactured goods. In the third quarter of the nineteenth century alone, more than 1 million indentured Indians went overseas. Today, Indians still outnumber native Fijians; they also make up 50 percent of the Guyanese population and 40 percent of the residents of Trinidad. In the same period, 90,000 Chinese indentured laborers went to work in the Peruvian guano fields, and 200,000 went to California to work in the fruit industry, on the gold fields, and on the railways. Displacement of colonial subjects from their societies and their dispersion to resolve labor shortages elsewhere in the colonial world have had a lasting global effect—most notably in the African, Indian, and Chinese diasporas. This cultural mosaic underlines modern expressions of race, ethnicity, and nationality—generating ethno-political tensions that shape national politics across the world today, and question the modernist ideal of the secular state.

**THE COLONIAL PROJECT UNLOCKS A DEVELOPMENT PUZZLE**

Colonialism was far-reaching and multidimensional in its effects. We focus here on the colonial division of labor because it isolates a key issue in the development puzzle. Unless we see the interdependence created through this division of world labor, it is easy to take our unequal world at face value and view it as a natural continuum, with an advanced European region showing the way for a backward, non-European region. But viewing world inequality as relational (interdependent) rather than as sequential (catch-up), calls the conventional
The secular-modernist ideal is contradicted by colonial racialized rule, where industrial and/or military techniques organized labor forces, schooling, and urban and rural surveillance, as well as supervised hygiene and public health. European exercise of power in the colonies revealed the hard edge of power in the modern state, premised on class structuring via racial humiliation. Such methods produced resistances among subject populations, whether laborers, peasants, soldiers, or civil servants. These tensions fed the politics of decolonization, dedicated to molding inchoate resistance to colonial abuses into coherent, nationalist movements striving for independence.

Decolonization

As Europeans were attempting to “civilize” their colonies, colonial subjects across the Americas, Asia, and Africa engaged the European paradox—a discourse of rights and sovereignty juxtaposed against their own subjugation. In the French sugar colony of Saint Domingue, the late-eighteenth-century “Black Jacobin” revolt powerfully exposed this double standard. Turning the rhetoric of the French Revolution successfully against French colonialism, the rebellious slaves of the sugar plantations became the first to gain their independence in the newly established nation of Haiti, sending tremors throughout the slaveholding lands of the New World.

Resistance to colonialism evolved across the next two centuries, from the early-nineteenth-century independence of the Latin American republics
(from Spain and Portugal) to the dismantling of South African apartheid in the early 1990s. Although decolonization has continued into the present day (with the independence of East Timor in 2002 and the Palestinians still struggling for a sovereign homeland), the worldwide decolonization movement peaked as European colonialism collapsed in the mid-twentieth century, when World War II sapped the power of the French, Dutch, British, and Belgian states to withstand anticolonial struggles. Freedom was linked to overcoming the deprivations of colonialism. Its vehicle was the nation-state, which offered formal political independence. Substantively, however, the sovereignty of independent states was shaped by the cultural and economic legacies of colonialism.

**Colonial Liberation**

Freedom included overcoming the social-psychological scars of colonialism. The racist legacy of colonialism penetrated the psyche of colonist and colonized and remains with us today. In 1957, at the height of African independence struggles, Tunisian philosopher Albert Memmi wrote *The Colonizer and the Colonized*, dedicating the American edition to the (colonized) American Negro. In this work (published in 1967), he claimed,

Racism . . . is the highest expression of the colonial system and one of the most significant features of the colonist. Not only does it establish a fundamental discrimination between colonizer and colonized, a *sine qua non* of colonial life, but it also lays the foundation for the immutability of this life.20

To overcome this apparent immutability, West Indian psychiatrist Frantz Fanon, writing from Algeria, responded with *The Wretched of the Earth*, a manifesto of liberation. It was a searing indictment of European colonialism and a call to people of the former colonies (the Third World) to transcend the mentality of enslavement and forge a new path for humanity. He wrote,

It is a question of the Third World starting a new history of Man, a history which will have regard to the sometimes prodigious theses which Europe has put forward, but which will also not forget Europe’s crimes, of which the most horrible was committed in the heart of man, and consisted of the pathological tearing apart of his functions and the crumbling away of his unity. . . . On the immense scale of humanity, there were racial hatreds, slavery, exploitation and above all the bloodless genocide which consisted in the setting aside of fifteen thousand millions of men. . . . Humanity is waiting for something other from us than such an imitation, which would be almost an obscene caricature.21
Decolonization was rooted in a liberatory upsurge, expressed in mass political movements of resistance. In Algeria (much as in Palestine today), the independence movement incubated within and struck at the French occupation from the native quarter. The use of terror, on both sides, symbolized the bitter divide between colonizer and colonized (portrayed in Gillo Pontecorvo’s classic film *Battle of Algiers*).

**CASE STUDY**

**The Tensions and Lessons of the Indian Nationalist Revolt**

Mahatma Gandhi’s model of nonviolent resistance to British colonialism affirmed the simplicity and virtue in the ideal-typical premodern solidarities of Indian village life. Rather than embrace the emerging world of nation-states, Gandhi argued, didactically, that Indians became a subject population not because of colonial force but through the seduction of modernity. Gandhi’s approach flowed from his philosophy of transcendental (as opposed to scientific or historical) truth, guided by a social morality. Gandhi disdained the violent methods of the modern state and the institutional rationality of the industrial age, regarding machinery as the source of India’s impoverishment, not only in destroying handicrafts but in compromising humanity:

> We notice that the mind is a restless bird; the more it gets the more it wants, and still remains unsatisfied. . . . Our ancestors, therefore, set a limit to our indulgences. They saw that happiness is largely a mental condition. . . . We have managed with the same kind of plough as existed thousands of years ago. We have retained the same kind of cottages that we had in former times and our indigenous education remains the same as before. We have had no system of life-corroding competition. . . . It was not that we did not know how to invent machinery, but our forefathers knew that if we set our hearts after such things, we would become slaves and lose our moral fibres.

Gandhi’s method of resistance included wearing homespun cloth instead of machine-made goods, foreswearing use of the English language, and mistrusting the European philosophy of self-interest. Gandhi viewed self-interest as undermining community-based ethics, and advocated the decentralization of social power, appealing to grassroots notions of self-reliance, proclaiming,
Independence must begin at the bottom. Thus, every village will be a republic or panchayat having full powers. It follows, therefore, that every village has to be self-sustained and capable of managing its affairs even to the extent of defending itself against the whole world.

While Gandhi’s politics, anchored in a potentially reactionary Hindu religious imagery, galvanized rural India, Indian nationalism actually rode to power via the Indian National Congress and one of its progressive democratic socialist leaders, Jawaharlal Nehru. Nehru represented the formative national state, viewing the Gandhian philosophy as inappropriate to the modern world but recognizing its mobilizing power. Infusing the national movement with calls for land reform and agrarian modernization to complement industrial development, Nehru declared, “It can hardly be challenged that, in the context of the modern world, no country can be politically and economically independent, even within the framework of international interdependence, unless it is highly industrialized and has developed its power resources to the utmost.”

Together, Gandhi and Nehru are revered as fathers of independence and the Indian national state, respectively. Note that the struggle against empire was woven out of two strands: an idealist strand looking back and looking forward to a transcendental Hinduism anchored in village-level self-reliance, as well as a realist strand looking sideways and asserting that Indian civilization could be rescued, contained, and celebrated in the form of a modern state.

Did Gandhi and Nehru’s opposing visions of development at the time of Indian independence foreshadow today’s rising tension between sustainability and maximum economic growth?

Source: Chatterjee (2001: 86, 87, 91, 97, 144, 151).

Other forms of resistance included militarized national liberation struggles (e.g., Portuguese African colonies, French Indo-China) and widespread colonial labor unrest. British colonialism faced widespread labor strikes in its West Indian and African colonies in the 1930s, and this pattern continued over the next two decades in Africa as British and French colonial subjects protested conditions in cities, ports, mines, and on the railways. In this context, development was interpreted as a pragmatic effort to preserve the colonies by improving material conditions—and there was no doubt that colonial subjects understood this and turned the promise of development back on the colonizers, viewing development as an entitlement. British
Colonial Secretary MacDonald observed in 1940, “If we are not now going to do something fairly good for the Colonial Empire, and something which helps them to get proper social services, we shall deserve to lose the colonies and it will only be a matter of time before we get what we deserve.” In these terms, eloquent international appeals to justice in the language of rights and freedom by the representatives of colonized peoples held a mirror up to the colonial powers, in their demands for freedom.

A new world order was in the making. From 1945 to 1981, 105 new states joined the United Nations (UN) as the colonial empires crumbled, swelling UN ranks from 51 to 156. The extension of political sovereignty to millions of non-Europeans (more than half of humanity) ushered in the era of development. This era was marked by a sense of almost boundless idealism, as governments and people from the First and Third Worlds joined together in a coordinated effort to stimulate economic growth; bring social improvements through education, public health, family planning, and transport and communication systems to urban and rural populations; and promote political citizenship in the new nations. Just as colonized subjects appropriated the democratic discourse of the colonizers in fueling their independence movements, so leaders of the new nation-states appropriated the idealism of the development era and proclaimed equality as a domestic and international goal, informed by the UN Universal Declaration of Human Rights (1948).

The UN declaration represented a new world paradigm of fundamental human rights of freedom, equality, life, liberty, and security to all, without distinction by race, color, sex, language, religion, political opinion, national or social origin, property, birth, or other status. The declaration also included citizenship rights—that is, citizens’ rights to the social contract: everyone was “entitled to realization, through national effort, and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.”

Decolonization and Development

Decolonization gave development new meaning, linking it to the ideal of sovereignty, the possibility of converting subjects into citizens, and the pursuit of economic development for social justice. Already independent Latin American states adopted similar goals, having been inspired by French and U.S. revolutionary ideologies of liberal-nationalism, which informed nineteenth-century European nation building via national education systems, national languages and currencies, and modern armies
In the era of decolonization, the world subdivided into three geopolitical segments. These subdivisions emerged after World War II (1939–1944)
during the Cold War, dividing the capitalist Western (First World) from the
communist Soviet (Second World) blocs. The Third World included the
postcolonial bloc of nations. Of course, there was considerable inequality
across and within these subdivisions, as well as within their national units.
The subdivision of the world is further explained in the box below.

In this era, the United States was the most powerful state economically,
militarily, and ideologically. Its high standard of living (with a per capita
income three times the West European average), its anti-colonial heritage,
and its commitment to liberal domestic and international relations lent it
the legitimacy of a world leader, and the model of a developed society.

HOW WE DIVIDE THE WORLD’S NATIONS

Division of the nations of the world is quite complex and extensive, and it
depends on the purpose of the dividing. The basic division made (by French
demographer Alfred Sauvy in 1952) was into three worlds: The First World was
essentially the capitalist world (the West plus Japan), the Second World was
basically the socialist world (the Soviet bloc), and the Third World was the
rest—mostly former European colonies. The core of the Third World was the
group of Nonaligned Countries steering an independent path between the First
and Second Worlds, especially China, Egypt, Ghana, India, Indonesia, Vietnam,
and Yugoslavia. In the 1980s, a Fourth World was named to describe marginal-
ized regions. The United Nations and the development establishment use a
different nomenclature: developed countries, developing countries, and least
developed countries—this terminology echoes "modernization" theory, which
locates countries on a continuum, or "development ladder," ascended as a
country develops an industrial economy, rational-legal administrative struc-
tures, and a pluralist-representative political system.

Ranged against the United States were the Soviet Union and an assort-
ment of Eastern European communist states. This Second World was con-
sidered the alternative to First World capitalism. The Third World, the
remaining half of humanity—most of whom were still food-growing rural
dwellers—was represented in economic language as impoverished or, in
Fanon’s politico-cultural language, as the “wretched of the earth.”

Whereas the First World had 65 percent of world income with only 20
percent of the world’s population, the Third World accounted for 67 percent
of world population but only 18 percent of its income. While some believe the gap in living standards between the First and Third Worlds registers differential rates of growth, others believe that much of it was a result of colonialism.\textsuperscript{26} Still others are skeptical of distinguishing cultures via a uniform standard based on income levels, since non-Western cultures value non-cash-generating practices.

Economic disparity between the First and Third Worlds generated the vision of development that would energize political and business elites in each world. Seizing the moment as leader of the First World, President Harry S. Truman included in a key speech on January 20, 1949, the following proclamation:

\begin{quote}
We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas. The old imperialism—exploitation for foreign profit—has no place in our plans. What we envisage is a program of development based on the concepts of democratic fair dealing. . . . Only by helping the least fortunate of its members to help themselves can the human family achieve the decent, satisfying life that is the right of all people. Democracy alone can supply the vitalizing force.\textsuperscript{27}
\end{quote}

The following year, a Nigerian nationalist echoed these sentiments:

\begin{quote}
Self-government will not necessarily lead to a paradise overnight. . . . But it will have ended the rule of one race over another, with all the humiliation and exploitation which that implies. It can also pave the way for the internal social revolution that is required within each country.\textsuperscript{28}
\end{quote}

Despite the power differential between the United States and the African countries, the shared sentiments affirmed the connection between decolonization and development, where sovereign states could pursue national economic growth with First World assistance. The program of development pursued by new nations, “dependence” in independence, marked the postcolonial experience.

President Truman’s paternalistic proclamation confirmed this understanding in suggesting a new paradigm for the postwar era: the division of humanity into developed and undeveloped regions. This division of the world projected a singular destiny for all nations. Mexican intellectual Gustavo Esteva commented,

\begin{quote}
Underdevelopment began, then, on January 20, 1949. On that day, two billion people became underdeveloped. In a real sense, from that time on, they ceased
being what they were, in all their diversity, and were transmogrified into an inverted mirror of others’ reality: a mirror that defines their identity . . . simply in the terms of a homogenizing and narrow minority. 29

In other words, the proclamation by President Truman divided the world between those who were modern and those who were not. Development/modernity became the discursive benchmark. This was a way of looking at the world, a new paradigm, suggesting that the ex-colonial world was not only backward, but could also develop, with help.

This new paradigm inscribed First World power and privilege in the new institutional structure of the postwar international economy. In context of the Cold War between First and Second Worlds (for the hearts and resources of the ex-colonial world), “development” was simultaneously the restoration of a capitalist world market to sustain First World wealth, through access to strategic natural resources, and the opportunity for Third World countries to emulate First World civilization and living standards. Because development was both a blueprint for the world of nation-states and a strategy for world order, I call this enterprise the development project. The epithet project emphasizes the political content of development, as an organizing principle. It also underlines the subjective meaning of development, as defined by those with the means to make the rules.

The power of the new development paradigm arose in part from its ability to present itself as universal, natural, and therefore uncontroversial—obliterating its colonial roots. In a postcolonial era, Third World states could not repeat the European experience of developing by exploiting the labor and resources of other societies. Development was modeled as a national process, initiated in European states. Its aura of inevitability devalued non-European cultures and discounted what the West learned from the non-European world. Gilbert Rist observed of postcolonial states, “Their right to self-determination had been acquired in exchange for the right to self-definition,” 30 suggesting that in choosing the Western-centered future for the world, they legitimized (or naturalized) it. Of course, each state imparted its own particular style to this common agenda, drawing on regional cultures such as African socialism, Latin American bureaucratic authoritarianism, or Confucianism in East Asia.

Ingredients of the Development Project

The development project was a political and intellectual response to the condition of the world at the historic moment of decolonization. Under these conditions, development assumed a specific meaning. It imposed an
essentially economic (reductionist) understanding of social change. In this way, development could be universalized as a market culture common to all, driven by the nation-state and economic growth.

**The Nation-State**

The **nation-state** was to be the framework of the development project. Nation-states were territorially defined political systems based on the government–citizen relationship that emerged in nineteenth-century Europe. Colonialism exported this political model (with its military shell), framing the politics of the decolonization movement, even where national boundaries made little sense. The UN Economic Commission for Africa, for example, argued in 1989 that African underdevelopment derived from its arbitrary postcolonial geography, including 14 landlocked states, 23 states with a population below 5 million, and 13 states with a land mass of fewer than 50,000 hectares each. The following insert illustrates the effects of these arbitrarily drawn boundaries.

**HOW WAS AFRICA DIVIDED UNDER COLONIALISM?**

The colonial powers inflicted profound damage on that continent, driving frontiers straight through the ancestral territories of nations. For example, we drew a line through Somalia, separating off part of the Somali people and placing them within Kenya. We did the same by splitting the great Masai nation between Kenya and Tanzania. Elsewhere, of course, we created the usual artificial states. Nigeria consists of four principal nations: the Hausa, Igbo, Yoruba, and Fulani peoples. It has already suffered a terrible war which killed hundreds of thousands of people and which settled nothing. Sudan, Chad, Djibouti, Senegal, Mali, Burundi, and of course Rwanda, are among the many other states that are riven by conflict.

*Source: Quoted from Goldsmith (1994: 57).*

During the 1950s, certain leading African anticolonialists doubted the appropriateness of the nation-state form to postcolonial Africa. They knew that sophisticated systems of rule had evolved in Africa before colonialism. They advocated a pan-African federalism whose territories would transcend
the arbitrary borders drawn across Africa by colonialism. However, decisions about postcolonial political arrangements were made in London and Paris where the colonial powers, looking to sustain spheres of influence, insisted on the nation-state as the only appropriate political outcome of decolonization. Indeed, a British Committee on Colonial Policy advised the prime minister in 1957, “During the period when we can still exercise control in any territory, it is most important to take every step open to us to ensure, as far as we can, that British standards and methods of business and administration permeate the whole life of the territory.” An African elite, expecting gains from decolonization—whether personal or national—prepared to assume power in the newly independent states. The power its members assumed was already mortgaged to the nation-state system: a vehicle of containment of political desires and of extraction of resources via European military and economic aid, investment, and trade—the paradox of sovereignty.

Pan-Africanism was unsuccessful; nevertheless, it did bear witness to an alternative political and territorial logic. Some of Guinea’s rural areas were in fact attached as hinterlands to urban centers in other states, such as Dakar in Senegal and Abidjan in the Côte d’Ivoire. Considerable cross-border smuggling today is continuing testimony to these relationships. Fierce civil wars broke out in Nigeria in the 1960s and in Ethiopia in the 1970s, states such as Somalia and Rwanda collapsed in the early 1990s and, in the twenty-first century, military conflict in the Congo threatened a repartition of Africa, and Sudan subdivided, creating a new state in 2011: South Sudan.

Such eruptions all include ethnic dimensions, rooted in social disparities and cross-border realities. In retrospect, they suggest that the pan-African movement had considerable foresight. Ideas about the limits to the nation-state organization resonate today in new macro-regional groupings.

**Economic Growth**

The second ingredient of the development project was economic growth. A mandatory UN System of National Accounts institutionalized a universal quantifiable measure of national development. The UN Charter of 1945 proclaimed “a rising standard of living” as the global objective. This “material well-being” indicator is measured in the commercial output of goods and services within a country: capita gross national product (GNP), or the national average of per capita income. While per capita income was not the sole measure of rising living standards (health, literacy, etc.), the key criterion was measurable progress toward the “good society,” popularized by U.S. presidential adviser Walt Rostow’s idea of the advanced stage of “high mass consumption.”
In the minds of Western economists, development required a kind of jump-start in the Third World. Cultural practices of wealth sharing and cooperative labor—dissipating individual wealth, but sustaining the community—were perceived as a traditional obstacle to making the transition. The solution was to introduce a market system based on private property and accumulation of wealth. A range of modern practices and institutions designed to sustain economic growth, such as banking and accounting systems, education, stock markets and legal systems, and public infrastructure (transport, power sources) was required.

The use of the economic growth yardstick of development, however, is fraught with problems. Average indices such as per capita income obscure inequalities among social groups and classes. Aggregate indices such as rising consumption levels, in and of themselves are not accurate records of improvement in quality of life. Running air conditioners is measured as increased consumption, but it also releases harmful hydrocarbons into the warming atmosphere. Economic criteria for development have normative assumptions that often marginalize other criteria for evaluating living standards relating to the quality of human interactions, physical and spiritual health, and so on.

The emphasis on converting human interactions into measurable (and taxable) cash relations discounts the social wealth of nonmonetary activities (nature’s processes, cooperative labor, people growing their own food, performing unpaid household labor, and community service). Wolfgang Sachs observed of early 1940s comparative statistical measurement of “economic growth,”

As soon as the scale of incomes had been established, order was imposed on a confused globe: horizontally, such different worlds as those of the Zapotec people of Mexico, the Tuareg of north Africa, and Rajasthanies of India could be classed together, while a vertical comparison to “rich” nations demanded relegating them to a position of almost immeasurable inferiority. In this way, “poverty” was used to define whole peoples, not according to what they are and want to be, but according to what they lack and are expected to become. Economic disdain had thus taken the place of colonial contempt.

Framing the Development Project

Perhaps the most compelling aspect of the development project was a powerful perception by planners, governmental elites, and citizens alike that development was destiny. Both Cold War blocs understood development in these terms, even if their respective paths of development were different.
Each bloc took its cue from key nineteenth-century thinkers. The West identified free-enterprise capitalism as the endpoint of development, based in Jeremy Bentham’s utilitarian philosophy of the common good arising out of the pursuit of individual self-interest. Communist orthodoxy identified the abolition of private property and central planning as the goal of social development, deriving from Karl Marx’s collectivist dictum: “from each according to their ability, and to each according to their needs.”

Although the two political blocs subscribed to opposing representations of human destiny, they shared the same modernist paradigm. National industrialization would be the vehicle of development in each.

**National Industrialization: Ideal and Reality**

“National industrialization” had two key assumptions. First, it assumed that development involved the displacement of agrarian civilization by an urban-industrial society. For national development policy, this meant a deliberate shrinking of the agricultural population as the manufacturing and service sectors grew. It also meant the transfer of resources such as food, raw materials, and redundant labor from the agrarian sector as peasants disappeared and agricultural productivity grew. Industrial growth would ideally feed back into and technify agriculture. These two national economic sectors would therefore condition each other’s development, as in the U.S. case discussed earlier in this chapter and illustrated in Figure 2.2.

Second, the idea of national industrialization assumed a linear direction for development—that is, playing catch-up with the West. Soviet dictator Joseph Stalin articulated this doctrine in the 1930s, proclaiming, “We are fifty or a hundred years behind the advanced countries. We must make good this distance in ten years. Either we do it or they crush us.” Stalin’s resolve came from the pressures of military (and therefore economic) survival in a hostile world. The Soviet Union industrialized in one generation, “squeezing” the peasantry to finance urban-industrial development with cheap food.

Across the Cold War divide, industrialization symbolized success. Leaders in each bloc pursued industrial development to legitimize their power; the reasoning was that, as people consumed more goods and services, they would subscribe to the prevailing philosophy delivering the goods and support their governments. Development is not just a goal; it is a method of rule.

The competitive—and legitimizing—dynamic of industrialization framed the development project across the Cold War divide. Third World states
climbed on the bandwagon. The ultimate goal was to achieve Western levels of affluence. If some states chose to mix and match elements from either side of the Cold War divide, well and good. The game was still the same: catch-up. Ghana’s first president, Kwame Nkrumah, proclaimed, “We in Ghana will do in ten years what it took others one hundred years to do.”

Economic Nationalism

Decolonization involved a universal nationalist upsurge across the Third World, assuming different forms in different countries depending on the configuration of social forces in each national political system. Third World governments strove to build national development states—whether centralized like South Korea, corporatist like Brazil, or decentralized and populist like Tanzania. The development state organizes national economic growth by mobilizing money and people. It uses individual and corporate taxes, along with other government revenues such as export taxes and sales taxes, to finance public building of transport systems and to finance state enterprises such as steel works and energy exploration. And it forms coalitions to support its policies. State elites regularly use their power to accumulate wealth and influence in the state—whether through selling rights to public resources to cronies or capturing foreign aid distribution channels. As Sugata Bose remarked of the Indian state, “Instead of the state being used as an instrument of development, development became an instrument of the state’s legitimacy.” Either way, the development state was a central pillar of the postwar development era.

Import-Substitution Industrialization

Just as political nationalism pursued sovereignty for Third World populations, so economic nationalism sought to reverse the colonial division of labor—as governments encouraged and protected domestic industrialization with tariffs and public subsidies, reducing dependence on primary exports (“resource bondage”).

Economic nationalism was associated with Raul Prebisch, an adviser to the Argentine military government in the 1930s. During that decade’s world depression, world trade declined and Latin American landed interests lost political power as shrinking primary export markets depleted their revenues. Prebisch proposed an industrial protection policy. Import controls reduced expensive imports of Western manufactured goods and shifted resources into domestic manufacturing. This policy was adopted in the
1950s by the UN Economic Commission for Latin America (ECLA), under Prebisch’s lead as executive secretary.

**Import-substitution industrialization (ISI)** framed initial economic development strategies in the Third World as governments subsidized “infant industries.” The goal was a cumulative process of domestic industrialization. For example, a domestic automotive industry would generate parts manufacturing, road building, service stations, and so on, in addition to industries such as steel, rubber, aluminum, cement, and paint. In this way, a local industrial base would emerge. ISI became the new economic orthodoxy in the postwar era. In formally promoting economic nationalism, ironically ISI substantively resulted in encouraging direct investment by foreign firms.

Development states like Brazil redistributed private investment from export sectors to domestic production, establishing a development bank to make loans to investors and state corporations in such central industries as petroleum and electric power generation. When the domestic market was sufficiently large, multinational corporations invested directly in the Brazilian economy—as they did elsewhere in Latin America during this period. Latin America characteristically had relatively urbanized populations with expanding consumer markets.

By contrast, the South Korean state centralized control of national development and the distribution of industrial finance. South Korea relied less on foreign investment than Brazil and more on export markets for the country’s growing range of manufactured goods. Comprehensive land reforms equalized wealth among the rural population, and South Korean development depended on strategic public investment decisions that more evenly distributed wealth among urban classes and between urban and rural constituencies.

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**FOREIGN INVESTMENT AND THE PARADOX OF PROTECTIONISM**

When states erected tariffs in the development era, multinational corporations hopped over and invested in local, as well as natural resource, industries. For Brazil, in 1956, foreign (chiefly U.S.) capital controlled 50 percent of the iron and rolled-metal industry, 50 percent of the meat industry, 56 percent of the textile industry, 72 percent of electric power production, 80 percent of cigarette manufacturing, 80 percent of pharmaceutical production, 98 percent of the...
To secure an expanding industrial base, Third World governments constructed political coalitions among different social groups to support rapid industrialization—such as the Latin American development alliance. Its social constituency included commercial farmers, public employees, urban industrialists, merchants, and workers dependent on industrialization, organized into associations and unions. Policy makers used price subsidies and public services such as health and education programs, cheap transport, and food subsidies to complement the earnings of urban dwellers, attract them to the cause of national industrialization, and realize the social contract.

The development alliance was also a vehicle of political patronage, whereby governments could manipulate electoral support. Mexico’s Institutional Revolutionary Party (PRI), which controlled the state for much of the twentieth century, created corporatist institutions such as the Confederation of Popular Organizations, the Confederation of Mexican Workers, and the National Confederation of Peasants to channel patronage “downward” to massage loyalty “upward.” Political elites embraced the development project, mobilizing their national populations around the promise of rising living standards, and expecting economic growth to legitimize them in the eyes of their emerging citizenry.

In accounting for and evaluating the development project, this book gives greatest attention to the Western bloc, since Western affluence was the universal standard of development and modernity, and this has been extended under the guise of the globalization project to the ex–Second World following the collapse of the Soviet empire in 1989.

PART I. The Development Project (Late 1940s to Early 1970s)

SUMMARY

The idea of development emerged during, and within the terms of, the colonial era. This global hierarchy informed the understanding of development as a European achievement. Meanwhile, colonialism disorganized non-European societies by reconstructing their labor systems around specialized, and ecologically degrading, export production, and disorganizing the social psychology of colonial subjects. Exposure of non-European intellectuals, workers, and soldiers to the European liberal discourse on rights fueled anticolonial movements for political independence.

The political independence of the colonial world gave birth to the development project, a blueprint for national political-economic development as well as a “protection racket,” insofar as international aid, trade, and investment flows were calibrated to military aid from the West to secure Cold War perimeters and make the “free world” safe for business. Third World states become at once independent, but collectively defined as “underdeveloped.”

The pursuit of rising living standards, via industrialization, inevitably promoted Westernization in political, economic, and cultural terms as the non-European world emulated the European enterprise. The influential terms of the development project undercut Frantz Fanon’s call for a non-European way, qualifying the sovereignty and diversity that often animated the movements for decolonization. It also rejected the pan-African insight into alternative political organization. Both of these ideas have reemerged recently, and they have a growing audience.

The remainder of this book explores how these ideals have worked out in practice, and how they have been reformulated. The next chapter examines the development project in action.

FURTHER READING