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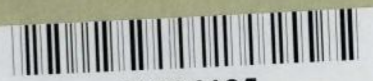


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THIS FILE IS CLOSED AS OF

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FOR FURTHER CORRESPONDENCE SEE:

1969 - 1971.

RECORDS MANAGEMENT SECTION  
February 1969



19th December 1968.

Enclosed are details of the 8th Study Seminar to be organised by the Institute of Development Studies at the University of Sussex, Brighton, England. As you will see from the brochure this Seminar will be held in Uganda at Makerere University College and will be organised in co-operation with the Social Science Research Council of the University of East Africa. I should be glad if you would bring this to the attention of anyone who might be interested in making application to attend.

E. Thompson (Miss)

(for Secretary)

**DEVELOPMENT PLANNING:  
EMPLOYMENT  
EDUCATION  
MANPOWER**

**Institute of Development  
Studies  
at the  
University of Sussex.  
England**

**in co-operation with the  
Social Science Research  
Council,  
University of East Africa**

**8th STUDY SEMINAR**

**4th May - 13th June,  
1969**



# Development Planning: Employment Education Manpower

**4th May to 13th June, 1969**

**Director of Studies:** Richard Jolly,  
*Institute of Development Studies, Brighton.*

**Advisory Committee, University of East Africa:**  
Emil Rado (*Chairman*),  
Dunstan Ireri  
Yoeri Kyeshimira,  
Jon Moris,  
Francis Ojow,  
Ronald Watts.

The Institute of Development Studies at the University of Sussex, England will hold its 8th Study Seminar from 4th May to 13th June, 1969 on Development Planning: Employment, Education and Manpower.

The Seminar will be held at Makerere University College in co-operation with the Social Science Research Council, University of East Africa.

The decision to hold the seminar abroad was recommended by the first seminar on employment and manpower, attended by thirty participants in Brighton last year. By holding the seminar abroad, it will be possible to relate the seminar's work more clearly to planning techniques and activities currently used in developing countries. There will be a strong, but not exclusive, emphasis on African issues. The issues and techniques under consideration are in broad terms common to all developing countries, though there are important differences between different regions of the world. The exact amount of emphasis to be given to African problems will depend on the countries and interests represented by the participants who apply and are accepted.

The staff of the seminar will be drawn partly from the Institute of Development Studies and partly from specialists currently working in universities, research institutes or government departments in East Africa.

Manpower, education and employment planning has in various forms been widely adopted throughout the developing countries and increasing experience is available of its strengths and weaknesses. The limitations and possibilities are now clearer and techniques are being refined. Recently the emphasis has been shifting, from long run general plans to short run and specific policies. A second major change is from a somewhat narrow pre-occupation with skilled and educated manpower to a broader concern with employment-creation and rural development.

The objective of this seminar will be to take stock of the experience gained so far, in order to apply its lessons in a practical way to the problems of planning and policy making in developing countries.

The work of the seminar will be concentrated on several themes:-

- Key issues in educational policy
- techniques and approaches of existing manpower plans.
- efficient use of existing manpower resources.
- employment creation, including plans and experience on implementation.
- incomes and wages policies, in relation to the objectives and economies of low income countries.
- administrative machinery for implementing co-ordinated manpower, education and employment strategy.

Work on these themes will involve four kinds of activity.

1. Introductory lectures, to make clear the issues and provide a framework for analysis.

2. Intensive study of case material, involving a careful consideration in groups or individually of country plans and experience in carrying these out.
3. Individual reading and study.
4. Visits to selected projects or programmes concerned especially with rural development. If possible a visit may be arranged to the planning offices in Uganda.

Three aspects of the programme deserve particular attention. The comparisons of existing techniques will be based on the results of a research project being undertaken at the Institute of Development Studies. This project involves the comparison of fifteen African manpower plans and six cost benefit studies of education. Each has been evaluated in terms of its objectives, statistical basis, projection assumptions and techniques, sensitivity to key assumptions, and the areas of policy it seeks to influence.

A second point to emphasise is the multi-disciplinary approach which will be followed, especially in the treatment of policies for education and wages and incomes. Political scientists, educationalists and sociologists will address the seminar, as well as economists. The treatment of wages and incomes policies will be especially important in this regard. The objectives and possibilities of such policies in low income countries will be analysed, in terms of both economic and political conditions for success.

The third point to emphasise concerns the implementation of manpower policies especially within the public sector. This will cover objectives, elements of organisation required, the experience of manpower planning boards and their relation to other planning bodies, the collection and processing of statistics and machinery for co-ordinating manpower aid of all types with the country's needs and objectives.



## **participation**

The seminar is intended for senior and middle level professional planning staff, and others concerned with formulating manpower and educational policies. It is expected that those selected will be working in central planning offices, Ministries of Labour or Education. A university degree in economics is highly desirable but the experience and responsibilities of the job performed by the applicants are more important. The fullest information regarding the functions undertaken should be given on the application form.

Although it is expected that a good proportion of the participants will be from Africa, a balance will be maintained between countries and continents. Persons from countries outside Africa should have no hesitation in applying. Persons not accepted for this Seminar in Africa will be considered by the Institute for future seminars on this topic.

## **fellowships**

The Institute has no financial resources to award fellowships. British Government Technical Assistance awards will be available for officials from less developed countries. Awards will cover the cost of travel, maintenance and seminar fees. In some cases it may be possible to meet part of the cost of participation of Fellows selected from the private sector; the award would however cover only the cost of maintenance and seminar fees. It is hoped that awards will be administered by the British Council (who will be responsible for notifying particulars to Study Fellows when an award has been made.)

**Proficiency in English – Members of the Seminar must be proficient in English – To derive the maximum benefit from attendance, Study Fellows should be able to follow and take an active part in discussions during the Seminar. Arrangements will be made with the British Council representatives for a certificate of proficiency to be given.**

## **accommodation**

Provision has been made for Study Fellows to stay in Mitchell Hall, Makerere University College, University of East Africa, Kampala, during the period of the seminar. The cost of accommodation and meals will be E.A. forty-five shillings per day. For those with Technical Assistance awards, arrangements will be made for accommodation for up to three days at either end of the seminar.

## **duration of seminar**

Study Fellows will assemble at 7.00 p.m. on the 4th May at Mitchell Hall, Makerere University College, University of East Africa. Participants will be free to disperse in the afternoon of the 13th June unless anything to the contrary is arranged.

## **travel to and from Uganda**

Travel arrangements to Makerere University College for Study Fellows awarded British Government Technical Assistance awards will be made by the British Embassy or High Commission as appropriate. It is hoped that arrangements for the homeward journey will be made by the British Council in Uganda. Other members should make their own arrangements.

## **fees**

£150. This relates only to tuition and does not cover the cost of board and lodging.

## **closing date**

Applications should be submitted preferably by 28th February, 1969.

## **application forms**

can be obtained from:-

The Secretary, Institute of Development Studies, at the University of Sussex, BRIGHTON BN1 9QA, ENGLAND.



2 - Inst of Dev. St.  
December 27, 1968

Dear Mr. Lipton:

Please accept my apologies for being unable to get in touch with you again during my recent visit to London. I hope you will believe me when I tell you that it was just not physically possible.

I want to assure you, however, that I have read with great interest your paper of November 5. My reaction is contained in the attached copy of the memorandum I wrote to our Agriculture Projects Department. I should draw your attention that this is an internal communication and you cannot use it, directly or indirectly: It would not help your case, and it would only hurt me. I shall write to you later on what the Bank position on this subject is, as distinct from my personal view.

Happy New Year. Please convey my best regards to Professor Streeten.

Sincerely yours,

Dragoslav Avramovic

Mr. Michael Lipton  
The Institute of Development Studies  
University of Sussex  
Stanmer, nr. Brighton, Sussex  
ENGLAND

cc: Miss Nora Reade (London Office)  
Miss Janet Cordery (London Office)

Attachment

Avr:mb

December 27, 1968

Dear Mr. Lipton:

Please accept my apologies for being unable to get in touch with you again during my recent visit to London. I hope you will believe me when I tell you that it was just not physically possible.

I want to assure you, however, that I have read with great interest your paper of November 5. My reaction is contained in the attached copy of the memorandum I wrote to our Agriculture Projects Department. I should draw your attention that this is an internal communication and you cannot use it, directly or indirectly. It would not help your case, and it would only hurt me. I shall write to you later on what the Bank position on this subject is, as distinct from my personal view.

Happy New Year. Please convey my best regards to Professor Streeter.

Sincerely yours,

Dmitriy Avramovic

Mr. Michael Lipton  
The Institute of Development Studies  
University of Sussex  
Stanner, nr. Brighton, Sussex  
ENGLAND

cc: Miss Nora Heads (London Office)  
Miss Janet Gorbary (London Office)

Attachment

Avram

1969 JAN - 2 PM 5:46



*L. Inst of Dev St.*

Mr. S. Takahashi

December 26, 1968

Dragoslav Avramovic

Rural Communities Project of the Institute of Development  
Studies, Sussex

1. Earlier this year I sent you the papers which Mr. Andrew Shonfield, Research Director, Chatham House, London, made available to me, concerning a research project on development problems and policies in small-scale agriculture, then envisaged by the Institute of Development Studies, University of Sussex, Brighton, England.

2. I have now received a more detailed description of the project, prepared by Mr. Michael Lipton, from the Institute. It is attached. I do not know Mr. Lipton: I met him for the first time during my last visit to London, on his initiative. He appears to be capable and enthusiastic concerning the project.

3. I do not know whether the Bank, as a matter of principle, financially assists studies of this kind. If it does, it may be useful to consider this project: I understand that we are now becoming increasingly concerned with small-scale agriculture (as distinct from commercial agriculture) and Mr. Lipton's pioneering work appears to me, as a layman, a useful first step in any systematic effort we may undertake.

4. Would you let me know what to reply to professor Lipton? Perhaps you or someone else may talk to him while passing through England?

cc: Mr. I. Friedman  
Mr. M. Hoffman

Avr:mb

Mr. William Clark

December 20, 1968

John H. Adler

IDS Conference on Crisis in Planning

This is to let you know that I have tentatively accepted an invitation from Dudley Seers to attend a conference on The Crisis in Planning which the Institute of Development Studies is organizing for a 10-day period starting June 30, 1969.

I understand that (a) at one time Mr. McNamara was supposed to go but finally turned down the invitation, and (b) that Mr. Waterston has accepted and will give a paper. I wrote to Dudley some time in November after receiving a personal and fairly urgent invitation that I would like to come, but that I would not want to compete with other officials of the Bank whom he might ask in addition to Mr. Waterston. I also mentioned that I was somewhat hesitant because my views on planning were quite different from those of Mr. Waterston and I was not sure whether it would be appropriate to hear two different positions of World Bank officials.

The list of persons who have accepted looks quite impressive. They include, inter alia, Lord Balogh, Kenneth Berrill, Robert Buron (ex President of OECD Development Centre), Hollis Chenery, Paul Clark (AID, Chenery's successor), Gamani Corea (Ceylon), Felipe Herrera (IDB), Cristobal Lara (Director-General ECLA Institute), Sir Donald Macdougall, Edwin M. Martin (DAC), Gerald M. Meier (Stanford), E. N. Omaboe (Commissioner for Economic Affairs, Ghana), Dr. Pitambar Pant (Planning Commission of India), Gustav F. Papanek (Director, Development Advisory Service, Harvard), R. Prentice, K. N. Raj (Director, Delhi School of Economics), Brian Reddaway, Peter Shore (Secretary of State for Economic Affairs), Jan Tinbergen, Eric Williams (Prime Minister of Trinidad) and Geoffrey Wilson.

On the first point Dudley assured me that he did not intend to invite anybody else; on the second he thought that at the kind of conference he had in mind differences of views rather than institutional positions would be welcome.

JH *[Signature]*

CROSS REFERENCE SHEET

COMMUNICATION: Letter  
DATED: November 20, 1968  
TO: Mr. Lars Lind

FROM: Viggo Christensen

FILED UNDER: Public Relations - Paris General

SUMMARY:

Excerpt:

At the same time, I should like to draw your and David's attention to a Seminar on "Project Evaluation and Planning" arranged by the Institute of Development Studies at the University of Suusex, May 11-June 13. I enclose a copy of a brochure. Would you like us to make some preliminary soundings-out on Bank participation in the way of one or several talks

Ack Dec. 2, 1968



**PROJECT EVALUATION  
and PLANNING**

**Institute of Development  
Studies  
at the**

**University of Sussex.  
Brighton**

**9 th STUDY SEMINAR**

**11 th May - 13 th June,  
1969**

1

# Project Evaluation and Planning

11 th May - 13 th June  
1969

Director of Studies: Leonard Joy  
*Fellow in Agricultural Economics,  
Institute of Development Studies.*

Assisted by: George Irvin,  
*Research Officer,  
Institute of Development Studies.*

## object

The improvement of project planning is a generally recognised need in most of the less developed countries. Not only are the International and Government lending agencies setting increasingly demanding standards of evidence for the justification of project aid, but the countries themselves are anxious to avoid the potentially high economic and political costs of failure. For many countries, particularly those at an early stage of economic development, project planning is at the core of the planning exercise, and meeting Plan objectives turns critically on channelling specialist manpower resources into the design, evaluation, and follow-up stages of particular projects. Such talent is typically scarce. Even where technical assistance can be obtained from abroad for handling part of this task, clear priorities must be established with respect to which projects are to be allowed to pass from blueprint to finance to construction stage, and what sorts of answers provide proper justification for letting a project move from one stage to the next. Basic familiarity with the language of the technical experts is required on the part of the administrators, but even more important, administration must be geared to initiating and maintaining adequate flows of information between the relevant decision-making bodies.

2

This seminar is designed with the following objectives in mind:

- to give participants a working knowledge of the language and techniques of project planning and to set project planning in the wider perspective of overall Plan formulation
- to develop a critical understanding of current methods of project evaluation through the use of a number of case studies drawn from agriculture, industry, power and transport
- to consider various aspects of project finance, both domestic and external, and examine critically the practices and procedures for obtaining project aid
- to improve decision making through giving participants a clearer notion of the sequence of decisions involved in project planning, the sorts of questions which are necessary to ask at each stage, and the sorts of information necessary to answer these.

A full week of the seminar will be devoted to the design, evaluation, finance, and implementation of a hypothetical project, and participants will be expected to form their own Committees, set terms of reference, write reports, apply for financial assistance and so on.

## content

The content of the course can be summarised under the following main headings:

### Project Appraisal

Emphasis will be placed on a critical examination of project appraisal techniques, particular attention being paid to problems of identification and pricing of costs and benefits, discounting, and investment criteria. Illustrative examples will be drawn from actual case studies, and lectures will be supported by classes and syndicate groups in which participants will have opportunities for detailed discussion.

Consideration will also be given to the overall framework of planning, emphasising the progression from macro to sectoral to micro planning in order to place project evaluation in some perspective.

3

### Project Finance

Problems of assessing alternative forms of project finance will be discussed, and consideration given to both domestic and overseas sources of capital. Particular emphasis will be placed on the aid-finance of projects, and participants will consider both the content and procedure of applications for project aid to Government or International Lending Agencies with a view to appraising these in the light of their own experience. Consideration will also be given to financing local costs, hidden costs of certain types of tied aid, and problems of debt servicing. Participants will have the opportunity to discuss with representatives of donor institutions how applications for aid are received and administered.

### Case Studies in Project Planning

A number of case studies of projects in different fields will be examined in detail. The aim of the exercise will be, in the first instance, to understand problems and shortcomings of evaluation procedures in practice. But equally important, these examples will be treated as case studies in decision making, with a view to identifying weak points in the decision sequence arising out of either improper or inadequate analysis, information, or administrative structures. Consideration will also be given to how far decision making can be improved by attempting to standardise evaluation procedures.

### Simulation of the Stages of Project Planning

This will take the form of a "Committee Week", which will be an attempt to simulate all the stages in decision making in taking a project through to completion. The week begins with a briefing on a hypothetical problem situation, and suggestions for possible action. Participants will then go into committee to discuss which suggestions seem worth investigating, and commission one or more preliminary studies to "consultants" (tutors). On successive days, consultants present their reports, participants go back into Committees to discuss, criticise, recommend further investigation,



and so on. The process continues through the various stages of feasibility study, full evaluation, aid application, aid approval, and implementation. As a result of this process participants will gain a real sense of the relevant questions to ask at each stage, and how to frame decisions taken at one stage in anticipation of problems likely to emerge at the next.

Participants will also have the chance during the course of the five weeks to present papers to the Seminar on particular projects or aspects of project planning in their own countries. Although the presentation of such papers will in no way be considered a condition of acceptance for the Seminar, applicants wishing to do so are asked to indicate the subject matter of their paper on the application form so that suitable time-table arrangements can be made.

## **participation**

The Seminar is designed to meet the needs of individuals having substantial responsibility for the design and administration of policy at any one of the various stages of project planning. As such, the Seminar will not be limited to specialists in techniques of project evaluation, though some training in economics will, of course, be an advantage. Candidates will be selected on the basis of the amount of practical experience and degree of responsibility they have in the area of project planning, and care will be taken to ensure a balance between participants having different roles in this process.

## **fellowships**

The Institute has no financial resources to award fellowships. British Government Technical Assistance awards will be available for officials from less developed countries. Awards will cover the cost of travel, maintenance and seminar fees, together with certain incidental expenses. In some cases, it may be possible to meet part of the cost of participation of Fellows selected from the private sector; the award would however only cover the cost of maintenance and seminar fees. Awards will be administered by the British Council.

**Proficiency in English — Members of the Seminar must be proficient in English —** To derive the maximum benefit from attendance, Study Fellows should be able to follow and take an active part in discussions during the seminar. Arrangements will be made with the British Council representatives for a certificate of proficiency to be given.

## **accommodation**

Provision is made for Study Fellows to stay in the Old Ship Hotel, Marine Parade, Brighton during the period of the Seminar. The cost of the hotel will be about 60/- per day for bed and breakfast plus 10% service charge. For those with technical assistance awards the British Council will also make provision for accommodation for up to three days at either end of the Seminar in Brighton or London.

## **duration of seminar**

Study Fellows will assemble at 7 p.m. on the Sunday evening, 11th May in the Old Ship Hotel, Brighton. Participants will be free to disperse on the morning after the last date of the seminar.

## **travel to and from Britain.**

Travel arrangements to the Institute for Study Fellows awarded British Government Technical Assistance awards will be made by the British Embassy or High Commission as appropriate, and for the homeward journey, by the British Council. Other members should make their own arrangements although the British Council will arrange travel within this country if necessary.

## **fees**

£125. This relates only to tuition and does not cover the cost of board and lodgings.

## **closing date**

Applications should be submitted preferably by 1st. February, 1969.

## **application forms**

can be obtained from:-

The Secretary, Institute of Development Studies, at the University of Sussex, BRIGHTON BN1 9QA, ENGLAND.



2 - Inst. of Dev. Studies  
November 20, 1968

Mr. A.R. Jolly  
Institute of Development Studies  
Stanmer  
Brighton, BN1 9AQ  
England

Dear Mr. Jolly,

I recently had some correspondence with Mr. Reddaway, of the Department of Applied Economics at Cambridge, whom I consulted about the World Bank's new work in the field of population studies. He mentioned that you had some interest in this topic in the development context and I am taking the liberty of writing to you to inquire about your possible interests. The Bank is now looking for staff to expand this work and I wondered if you might be interested in our possibilities.

We are seeking people for permanent appointments, but would also be interested in short term assistance, either for summer appointment or other forms of consultancy work. I enclose a job description which gives a more detailed idea of what we have in mind. If you are not interested yourself, perhaps you know of others who might be and would like to hear of them.

I hope to be in England in the second week of December and would be happy to meet you to discuss this further. I am writing to David Eversley in the hope that I can talk to him during my visit. If I came down to Brighton for this purpose, perhaps I could call on you at the Institute as well. Apart from our interest in staff, I am also anxious to learn about work already being done in this field by universities and other research centers.

Yours sincerely,



E. K. Hawkins  
Population Studies Division  
Economics Department

EKHawkins/w

Enclosure (1)





L - Inst. for Dev. St.

November 12, 1968

Professor Michael Lipton  
Institute of Development Studies  
Stanmer near Brighton  
Sussex, England

Dear Michael:

You asked for comments on your proposal "Accelerating economic progress in small rural countries: synthesis and analysis of village studies". Your request was one which arrived when I was on leave.

Two of my colleagues have commented as follows:

Mr. A: " Lipton's is a good idea and convincingly expressed. The mere collecting of all or most of the village studies, which is his first objective, is a very useful chore in itself. Nor can one quarrel with the second major aim, which is the analysis and policy lessons to be drawn from the exercise. As regards the financial means to carry out the project, I believe he is short-changing himself. Considering his staffing pattern, I don't see how he could make it go at the rate of £25,000 per year. Of course, it is possible that in England the people involved in such projects work for peanuts."

Mr. B: " I think the idea is excellent, but I think it would be risky to try to do a cross-sectional analysis of 13 countries right from the start. Might be better to start on one country (e.g. India?) or even one region, where there are reasonable administrative, cultural etc. similarities.

It's not clear just what kind of hypotheses Lipton wants to test; I'd be happier if one started out with some specific ideas first, e.g. "effect of literacy of farmers' on their ability to accept new cultural practices" and then use village studies - plus other studies - to follow up. Why limit oneself to village studies?"

I pass these hastily conceived comments to you for what they are worth, again with apologies for my long delay in responding to your note.

We expect that Mr. Wolf Ladejinsky will be returning from Washington to India, to his assignment with our Resident Mission, before the end of this year. In fact, he may leave Washington before I return from my own brief trip

Professor Michael Lipton

- 2 -

November 12, 1968

starting tomorrow. I have asked Ladejinsky to stop in Sussex on his way to India in the hope that you and Leonard Joy will be able to find time to exchange views with him and to bring Ladejinsky up to date on the research you are doing. Wolf will be in touch with you directly as soon as his travel plans are firmed up; meanwhile, I would like to thank you in advance for your cooperation in this matter.

Yours sincerely,

Gregory B. Votaw  
South Asia Department

cc: Mr. Wolf Ladejinsky

GBVotaw:vr  
IBRD-lh



2 - Inst. of Dev. St.

November 7, 1968

Mr. Richard Symonds  
The Institute of Development Studies  
at the University of Sussex  
Stanmer, Brighton BN1 9QA  
England

Dear Symonds:

This is just a brief note to let you know that we appreciate the difficulty you are in as a result of John Adler's illness. One thing we cannot do at this juncture is to present him with any problems. I just want to assure you that we are working, as a matter of urgency, on some solution and will advise you as soon as possible.

Sincerely,

Michael L. Hoffman  
Associate Director  
Development Services Department

MLHofman/pnn



cc: Mr. Eschenberg (with incoming)

2 - Inst. of Dev. Stud.  
A. K. ...  
THE INSTITUTE OF DEVELOPMENT STUDIES

at THE UNIVERSITY OF SUSSEX STANMER BRIGHTON BN1 9QA

Telephone BRIGHTON (OBR3) 66261

Telegrams DEVELOPMENT BRIGHTON

OP files

ML/LF.

30th October, 1968.

Gregory Votaw,  
Asia Desk,  
International Bank for Reconstruction and Development,  
1818 H Street, North West,  
Washington, D.C. 20433, U.S.A.

Dear Greg,

I gather from Mr. Dunn that he was passing my project outline, "Accelerating Economic Progress in Small Rural Communities", on to you in September, on your return to the Bank. I wonder if you have any comments on this project, and in particular on the possibility of the World Bank giving it some form of support?

I gather that Mr. Avramovic is going to be over here in mid-November, and I hope to talk with him about the project then. But I should like your reactions, and views on prospects, first.

With best wishes,

Yours sincerely,

Michael

Michael Lipton



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NAME

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*Mr Wapenhans*

RETURNED WITH THANKS.

W.A.W. (Nov. 26)

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Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

*For your information.*

*It will be interesting to see the results; Lipton is very able — young + energetic, as well.*

From

*L. Votaw*



Accelerating economic progress in small rural communities:  
 synthesis and analysis of village studies

---

MICHAEL LEPTON, Institute of Development Studies,  
 Stanmer, nr. Brighton, Sussex.

The programme outlined below seeks to collate, select and analyse the better village studies from less developed countries. The programme arises from general dissatisfaction with the state of development studies. This dissatisfaction, which has for many years been widespread among social scientists, takes several forms. It is felt that:-

- (i) There is not enough rigorous testing of hypotheses.
- (ii) There is too much concentration on big, statistically unreliable aggregates.
- (iii) There is too much armchair analysis - the construction of attractive, logically possible propositions relating either chance observations or hypothetical data.
- (iv) There is too much transference of models, originally developed to explain Western experience, to possibly unsuitable environments.
- (v) Economic aspects of behaviour are considered in isolation from other social sciences.
- (vi) The findings of social sciences other than economics are often presented in non-quantitative form, or in the form of a set of observations of unknown representativeness.
- (vii) There is no way in which a planner, faced with the need to spot promising possibilities in order to narrow down his choice among investment opportunities, can discover what practical guidance is offered to him by the empirical findings of the social sciences.

In my view, there is ample empirical, micro-analytic work available to correct these related defects. This work consists mainly of village studies. Some of these are very good, but they are so widely dispersed (often unpublished), and at present so little related whether to one another or to the testing of hypotheses, that they are almost wholly unused, whether for the construction and testing of theories of development or for planning and policy-formation.

- (1) The aims of this programme are to contribute to quantitative, multi-disciplinary and applicable work on rural development, and in particular -
  - (i) to retrieve, classify and index by subject the village studies already undertaken in less developed countries, and to publish an annotated bibliography (the retrieval and bibliography project);
  - (ii) to select the 5-10 per cent of such studies that use acceptable scientific procedures\*, and to prepare/guide to the proper aim, design, methodology of village studies (the methodology project);

Contd/.

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\* These need not always be quantitative. A good descriptive study of a village would permit classification of the environment (e.g. 'millet, unirrigated, peasant-proprietor'), and might well be comparable with other studies of similar environments so as to enable the pay-off to alternative schemes (e.g. types of primary school) to be ranked.



- (iii) to undertake 6 to 8 evaluation projects using (ii) and a small number of other sources, and seeking to rank alternative projects in the chosen fields (such as education) by their contribution to development in various environments, and where possible to estimate cost/benefit ratios; and to publish a series of pre-investment manuals, usable by planners in estimating past yields of comparable investments in comparable environments, and helping them to narrow their range of choice by reference to relevant successes or failures elsewhere;
- (iv) to summarise the result of each project, harmonise them, and use them as draft chapters for a book, which would advance and test general hypotheses/<sup>about</sup> how poor countries (a) in fact have developed and planned, and, much more tentatively, (b) ought to develop and plan (the development project).

These aims are presented in (3) below as a series of independent phases of the programme, which can be altered at each stage.

(2) The proposed staffing and organisation are -

- (i) a Programme Director (Michael Lipton);
- (ii) a Research Director, both full-time;
- (iii) a Programme Committee (not paid in that capacity), comprising supervisors of junior staff, a 'pool' of potential short-period Senior Visiting Fellows, and recognised experts in rural development, meeting roughly quarterly;
- (iv) a small number of Senior Visiting Fellows, including specialists in cost-benefit analysis, project evaluation, and agronomy;
- (v) a group of research assistants to contribute to the methodology project and prepare the evaluation projects, some of which would be submitted as doctoral dissertations;\*
- (vi) secretarial staff.

The project will take  $4\frac{1}{2}$  years. It will be based on Chatham House, London, and the Institute of Development Studies, Brighton.\*\* Research assistants will normally be based in one of these institutions, but could in fact work at any university in easy reach of London.

Contd/.

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\* The use of recently graduated students might be questioned, given the somewhat ambitious and uncharted nature of the programme. The case for using them is threefold. First, many of the techniques in the evaluation projects are familiar, and training in them is normal part of doctoral work. Second, the development of a social-science 'team' at this level is itself desirable. Third, it is the cheapest way to do this research.

\*\* An academic base is needed, and the Institute, with its concentration on rural development studies by several social sciences, is an obvious choice, especially as the programme is strongly complementary to Professor Joy's ongoing field study of district-level rural planning in India. But an institutional base, with political and administrative contacts throughout the developing world, located in London, and already the focus for high-level development seminars, is also needed; Chatham House suggests itself. The two places are 90 minutes apart, and have co-operated before in preparing published work.



- (3) Retrieval will take about 9 months, and will require four well-prepared visits of about 3 - 4 weeks each: one each to the U.S., Latin America, Africa and S. Asia. A very large number of village studies exist, but owing to the lack of collation they are both scattered and useless for policy. A great deal of library-scouring, and micro-filming is required. In order to limit this, and to secure a wide range of evidence from each of a number of different politics, retrieval will be concentrated on the 13 poor countries with more than 30 m. population, plus one or two specialised rural research centres such as Makerere. Contacts will have to be made by the Programme Director and the Research Director.
- (4) Selection of village studies can begin after the first 3 months of retrieval. All studies retrieved will be indexed and briefnotes provided. For the 5-10 per cent of studies selected for more intensive work, a check-list would be provided, showing the village, tenure type, main crop, water regime, monetisation, and a few other items, and indicating the possible evaluation projects to which the studies would be relevant. Selection will be carried out by recent graduates, students with secretarial help; these students should at least be interested in future advanced work on the programme. Junior research staffing would continue during selection (see (7) below).
- (5) An interregnum of 5-6 weeks will follow selection. In this period, the director and the research director, with some help from the programme committee, will reconsider staffing and the rest of project design.
- (6) Each of the evaluation projects will proceed as described in (i) (iii) above. Where essential, field checks on the sources selected under (4) above, and very exceptionally original fieldwork\*, will be undertaken. In all cases, attention will be paid to measuring physical inputs and outputs as well as costs and prices, so that the effects of change can be analysed (or at least ranked) in a uniform, computable and where possible comparable way. I hope to include, in assessments of the contribution of alternative investments in each field to the welfare of a village, items not normally considered as part of income (e.g. access to schools, roads or doctors, as well as the costed use of such facilities). My present thoughts on evaluation projects are: education; health and nutrition; settlement schemes; traditional agricultural inputs; new inputs; improved practices; altered administrative arrangements; incentives. Precise details must depend on the interests of the junior research staff, since we are looking for imaginative people who can formulate hypotheses and test them, and who can exercise considerable autonomy.
- (7) Junior research staff (Research assistants) must be paid somewhat more than the £900 minimum, and if possible allowed to link their work to Ph.D. studies, if the programme is to attract candidates with the rather unusual qualifications required. Even so, the formation of hypotheses, in a field as little worked as

Contd/.

\* The function of this programme is not (a) to collect new primary data or (b) to 'correct' other people's data ex post. It may, however, sometimes be necessary to establish on the spot some details of how and when data were collected.



- the analysis of grouped village studies, will require more maturity than most of our junior staff are likely to possess. Hence the proposal for Senior Visiting Fellows - to be attached to the programme closely, through membership of the Programme Committee and possibly doctoral supervision, partly to reduce the ill-feeling otherwise generated between footsloggers and visiting staff officers. Since the framework of the programme is cost-benefit analysis (if only ordinally or implicitly in some cases), some willingness to acquire (or background in) elementary economics and statistics will be needed for most **junior research** staff; but for some of the projects a major undergraduate emphasis on another subject (anthropology, politics, psychology) is preferable.
- (8) Why undertake this programme, when the difficulties of comparison (especially internationally) are so vast? Because there is a vast store of material, some excellent, waiting to provide a numerical, micro-analytic, inter-disciplinary basis for development theory and pre-investment planning. For at least ten years, everybody has agreed that this basis is needed; this programme would be the first serious attempt to provide it. Like all such programmes it is ambitious, perhaps too ambitious; that is why -
- (a) the programme has been phased so that, if things go badly wrong, a cut-off is possible after selection (see (4) above), still leaving the project with a good pay-off: a data bank, an indexed bibliography, and work in progress on the methodology of village studies,
  - (b) some geographic limitation is proposed (the 13 'big poor' countries),
  - (c) the pay-off analysis is confined to the rural sector where our present comparative information is scantiest, extrapolation from Western experience least desirable, and planning interest (and competent aggregative studies) growing most quickly.
- (9) The staffing, costs and timing now look like this to me. The starting date could be varied, but the periods required for each phase of the programme remain as below.
- |                      |   |
|----------------------|---|
| March 1969:          | Appointment of Programme Director, Research Director and Programme Committee  |
| March - July 1969:   | Over the period of University finals and their results, selection of 3 or 4 potential research workers, initially for 18 months of association with selection and classification as Research Assistants (possibly associated with M.Sc./M.A. work), with probability of renewal to July 1972 (perhaps submitting some of their project work for a Ph.D.). Selection of two secretaries, one high grade (and preferably graduate) for administrative purposes. Simultaneously, commencement of retrieval; letters to relevant institutions; travel arrangements within U.S., S. America, Asia, Africa; field visits. |
| Aug - Jan 1969/1970: | Completion of retrieval; later field visits (making 4 in all); completion of selection. Search for further research workers to complete   |



team of 6 to 8 by May 1970 (which means employing 8-10 to allow for turnover)

Jan - Feb 1970:

Indexing of data. Meetings of Programme Committee to reconsider the classification of the primary material into research projects, on the basis of quality and comparability of retrieved data, and developing interests of actual and potential research staff.

March-July 1970:

Classification of data, roughly according to scheme outlined under (3) of my earlier memorandum, modified according to recommendations of Programme Committee, Programme Director and staff.

Late July 1970:

Meeting of Programme Committee.

Aug 1970 - May 1972:

Preparation of Evaluation Projects, with limited consultancy guidance and field checks. Programme Director to pull together implications for the under-developed economy as a whole, as well as maintaining some consistency of approach and style among the Evaluation Projects.

May 1972 - July 1972:

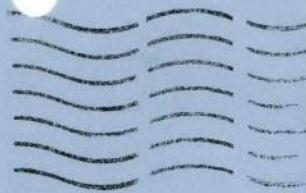
Summarisation of Evaluation Projects.

July 1972 - October 1973:

Preparation of book as under 1 (iv) above.

Staff summary:

Programme director: March 1969 - Oct. 1973.  
 Research director: March 1969 - Oct. 1973.  
 3 or 4 research assistants, possibly submitting for M.Sc. or M.A.: July 1969 - July 1970.  
 6 to 8 research assistants, some possibly submitting for Ph.D.: July 1970 - July 1972.  
 Graduate secretary (who would also have administrative duties): March 1969 - October 1973.  
 Secretarial assistant: Aug. 1969 - October 1973.  
 Consultants, say 24 man-weeks in 1970-72.



Mr. David Fulton,

I.B.R.D.,

International Development Assoc.,

1818 H Street, N.W.,

WASHINGTON D.C. 20433,

U.S.A.

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Sender's name and address:

Mr. D. Seers,  
Institute of Development Studies,  
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U.K.

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*File*

DUDLEY SEERS (Director)

DS/PH

24 October 1968

Mr. David Fulton,  
I.B.R.D.,  
International Development Association,  
WASHINGTON DC 20433, U.S.A.

*Dear Mr. Fulton,*

Many thanks for your letter of 21 October. We have already invited Al Waterston and John Adler to the conference and the former has accepted; so I do not know whether we need bother you for the moment for somebody else from the Bank, though I appreciate the offer of help and may get in touch with you later as the programme takes a more detailed shape.

With best wishes.

*Dudley Seers*

L- Institute of Dev.  
Studies  
Kaefer

IDA	IBRD	IFC
FORM NO. 92 (4-68) CORRESPONDENCE RECORD FORM		
FROM  <b>D. Seers The Institute of Development Studies Brighton</b>		DATED <b>Oct. 15, 1968</b>
SUBJECT  <b>Refers to June 28th letter of addressee, in connection with conference on planning next summer. Will be transmitting copy of provisional programme as well as copy of the Institute's Annual Report.</b>		
ADDRESSED TO <b>Secretary to Mr. McNamara</b>	ROUTED TO <b>Information Dept.</b>	DATE RECEIVED <b>10/17/68 jgv</b>



L. Dist of Des St.

AIR MAIL

October 8, 1968

Mr. Richard Symonds  
Institute of Development Studies  
The University of Sussex  
Stanmer, Brighton  
Sussex, England

Dear Richard:

Thank you very much for your letter of September 30. I am looking forward to getting a copy of your report. ✓

I don't know whether you know but Mr. McNamara and myself did go up to New York in order to call on the Secretary General, and give him a draft of the speech given to the Governors of the Bank. We invited his comments, and got a very favorable response. I enclose a printed copy of the speech in case you have not had one, and if you want more copies for the Institute please let me know.

I have noted your comment about work on the population problem in the Bank, and will take appropriate action.

I shall be in England probably the first week-end of November and hope we can make contact.

Yours ever,



William Clark  
Director  
Information and Public Affairs

WC:mb

2/1. IDS?  
Ed.

October 7, 1968

Professor P. P. Streeten  
Warden,  
Queen Elizabeth House,  
21, St. Giles,  
Oxford, England

Dear Paul,

As promised in my letter of October 4, I am enclosing  
the text of Mr. McNamara's speech.

Yours sincerely,

Bimal Jalan

BJ:dwh



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Mr William D. Clark  
 International Bank for Reconstruction & Development  
 1818 H. Street, N.W.  
 Washington, D.C. 20433  
 U.S.A.

Sept 30  
1968

5 - Populat.

THE INSTITUTE OF DEVELOPMENT STUDIES

at The University of Sussex, ~~Palmer~~ Falmer, Brighton, Sussex.

TELEPHONE BRIGHTON ~~66755~~ 66261 TELEGRAMS DEVELOPMENT, BRIGHTON

STANMER

Dear William,

I have just received the revised version of my population report. I asked U.N. to send it to you. But if you don't get it you could ask MACURA, Director of the U.N. Population Division, or P.S. Menon who works with him.

If the Bank were to expand its population work and needed someone on the operational side to work with governments & UN agencies, I'd be glad to be kept in mind, as this Institute is too academic for me to be very useful.

Yours love

Richard

arr. Oct 8/68



2 - Inst. of Dev. St.  
September 26, 1968

Professor P. P. Streeten  
The Institute of Development Studies  
The University of Sussex  
Stanmer, Brighton BN1 9QA  
England

You must have wondered what happened to your paper on POI studies which you sent to me some time in July. It arrived just after I had left on leave and when I got back I passed it to Andy Kamarck without realising that he also was about to go away.

My secretary gave me a fit of bad conscience yesterday by saying that so far as she could trace your paper had gone without acknowledgement from anybody. I am sorry about that, but I would hope that Kamarck would now get in touch with you.

SIGNED *J. H. Williams*

J. H. Williams

2 - 1000 - for sec. 12,  
September 23, 1968

Dear Professor Baeck:

I am coming to Belgium in about a week's time to attend a meeting in Brussels. I intend to stay for a day or so after the meeting, and would greatly appreciate an opportunity to see you, either at Louvain or, if you should be in the city anyway, in Brussels.

If we have an opportunity to talk, I would appreciate having from you some information about the activities of the Belgian Commission Justice and Peace. Here in the United States, the Bank has a close and, I think, mutually helpful relationship with the National Commission; but so far, we do not have working relationships with any of the European commissions.

The day that I would hope to see you is Monday, October 7. It would be kind of you if you would drop me a note to await my arrival at the Hotel Westbury in Brussels, telling me whether we can meet on that day and whether Brussels or Louvain would be more convenient for you.

Sincerely yours,

Harold Graves  
Associate Director  
Development Services Department

Professor Louis Baeck  
Chairman  
Institute for Development Studies  
2A Edward van Evenstreet  
University of Louvain  
Louvain  
Belgium

*Hugh*

cc: Paris Office

HG:ap



*2 - Inst of Dev. St.  
Please treat  
this copy as a  
yellow chson  
SFA*

September 20, 1968

Dear Mr. Staniland,

Thank you very much for your letter of September 9th and its enclosures, which I have read with considerable interest.

I am afraid however that it would not be appropriate for me as an international civil servant to enter into this particular controversy, which is essentially a British domestic problem. If it were any country but my own I would feel easier about it, but I am afraid I must regretfully decline.

Yours sincerely,

William Clark  
Director  
Information and Public Affairs

Martin Staniland, Esq.,  
The Institute of Development Studies  
The University of Sussex,  
Stamper,  
Brighton BN1 9QA  
Sussex,  
England

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MS/SL

Fellow in Politics  
Martin Staniland

Mr. William Clark,  
Director of Information,  
International Bank for Reconstruction  
and Development,  
1818 H Street N.W.,  
WASHINGTON, D.C. 20433,  
U.S.A.

*Peter B.*  
*No you think this*  
*would suit (for you)*  
*to do a me to him!*  
*don't it*

9th September, 1968.

*No. P.S.*

Dear Mr. Clark,

I am editing the Bulletin of the Institute of Development Studies, a copy of which is enclosed.

In the first issue of the Bulletin we printed one of the earliest reviews, by Lord Balogh, of Gunnar Myrdal's 'Asian Drama': since then Enoch Powell's review of the book has appeared in The Sunday Telegraph (I enclose a copy of his review). Mr. Powell's review has provoked alarm among the academic developmentalists and I propose therefore to devote most of the second issue of the Bulletin to a symposium on the utility of development aid, starting with a restatement of the Powell position. I am writing to invite you to contribute to this symposium in the form either of a direct reply to or comment on Mr. Powell's review or of comments on the questions outlined below, which I have derived from his review. I am inviting other views and shall make every effort to give the widest representation of opinion. So far Professor Paul Streeten and Hans Singer have agreed to write and I am writing, among others, to President Nyerere, René Dumont, Peter Bauer, Sir George Sinclair, Harry Johnson, and Philip Ndegwa.

The questions I have in mind are:-

1. Is the idea of transferable techniques of 'development' and 'growth' essentially objectionable in its assumptions? If not, is it futile in practice? Is this because 'development' has been too narrowly conceived?
2. In what directions does our conception of 'development' need to be changed or expanded to make it possible for the contribution of industrialised countries to be more beneficial than damaging?
3. Enoch Powell remarks that "'aid' implies an arrogant presumption on the part of Western countries, an ambition to substitute one's own values for those of others, which is more than the older colonial imperialisms.... ever dreamt of". Is this seen as the case by recipient countries? What kinds of change would be necessary in aid policies, or in fact in international structures, to detach this presumption from aid? Or is the notion of aid intrinsically arrogant?

cont/.....

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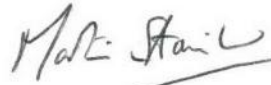


4. Is more aid required, less aid, or a different kind of aid? What should people and governments in industrialised countries do to assist the promotion of social and economic opportunities in less developed countries?

I should perhaps say that this Institute has no official position on aid. Its central, and in the present case sole, <sup>objective</sup> is to acquire and communicate an understanding of the development process.

I hope very much that you can write something for the Bulletin, if possible by 1st October. I am very sorry that I cannot offer you a fee, but I shall send copies of the Bulletin to you when it appears. Also if we can reciprocate at any time in the future, please let me know.

Yours sincerely,



Martin Staniland.

P.S. For this and subsequent issues the Bulletin will be printed and bound professionally: it is already circulated widely abroad and from this issue its circulation in Great Britain will be increased substantially.

# Time to Say 'Told You So'

By ENOCH POWELL, M.P.

Asian Drama BY GUNNAR MYRDAL. Allen Lane The Penguin Press, 3 vols, 10gns. the set.

"WEIRD" is the adjective which occurs to me to describe the experience of reading Asian Drama, an immense "Inquiry into the Poverty of Nations," in three volumes and 2,250 pages, by the veteran economist Gunnar Myrdal.

Almost everyone knows the sensation: "This has all happened to me before"; and it is weird. Here is a vast piece of re-learning by a very considerable man, who makes no secret of having been forced to overturn the assumptions which, along with near-contemporaries, he had cherished and propagated about "under-developed countries," "aid" and "planning development" in the countries of South Asia. As the Director of the fund which financed the study says in a foreword:

"Professor Myrdal had not only to move against accepted premises and assumptions; what was more difficult, he had to move against those premises which he had himself done so much to establish and to make seem self-evident." In the author's own words:

"I am deeply conscious of the fact that I have myself shared many of the ways of thought I criticise in this book."

What then is the recondite truth that so much learning and research, so much mental agony and honesty, have gone into discovering? It is that the underdevelopment, or call it what you will, of the countries of Asia is deeply rooted and casually intertwined with their social and political institutions and with the whole outlook and mentality of their peoples.

To approach them with Western categories and propose to make them "grow" by development planning or economic aid is worse than futile: it is a mockery. Nothing less than a revolution,

political, social, religious, philosophical, is the precondition of Western-style economic growth.

If such a revolution were to occur, it would render "aid" manifestly superfluous; unless and until it does, "aid" implies an arrogant presumption on the part of Western countries, an ambition to substitute one's own values for those of others, which is more than the older colonial imperialisms, being tintured with knowledge and experience at first hand and therefore more modest and respectful, ever dreamt of.

The weird, the frightening thing almost, is that Gunnar Myrdal's revelation on the road to Damascus is something which has been perfectly familiar and indeed obvious to oneself from the start. That the Member of Parliament for Wolverhampton South-West, whose name—I make no complaint—does not occur in the index, knew the answer before Professor Myrdal started to look for it and could have told it him in 10 minutes years ago if we had happened to meet—this is not a matter for arrogance or self-satisfaction, but for alarm.

It raises in governmental form one of the most worrying questions of our time. How can the nations, not merely the politicians, but the economists, the social scientists, the men of good will, the international organisations, in short almost everybody articulate, proclaim the most arrant and manifest piffle for years together, and yet nobody see, or say, or be allowed to be heard to say, that it is piffle?

In the early 1960s Harold Macmillan set up within his Government a new "Department of Technical Assistance." At the General Election of 1964 the opposing political parties bid against one another in promising more "aid to developing countries." The incoming Labour Government created a "Ministry of Overseas Development," with a Minister of Cabinet rank in charge; and the Conservative opposition complained that the Government were not doing enough.

To protest against this fashionable cult did not even make people angry. In public and private, in speech and writing, while a member of the consultative committees of Sir Alec Douglas-Home and of Mr. Heath, I stated and argued that "aid to developing countries does more harm than good," to the recipient as well as the donor.

I was not even "sacked" for it. Evidently dissent was regarded as too whimsical to be noticed seriously. Yet here is a passage—from a speech in December 1964—which could serve as the blurb for Professor Myrdal's book:

"Whence, then, if from anywhere, are the means of improvement to come? There is only one



ENOCH POWELL

"No electoral pull in 'aid.'"

answer: essentially from within. The investment and the initiative which made possible the development of the Western economy was not subscribed or donated from outside: it came from within.

The rise of Japan, in far less than a century from Admiral Perry's arrival, to challenge the Western countries in technology and production was not because she was spoon-fed with grants and uneconomic loans from Europe and America. It was due to the spirit and character of her people and their aptitude and appetites to learn.

The great, the only truly beneficent gift we have to offer is the example of that which made the West productive—capitalism and enterprise. But it is a gift which implies the power and the will to receive it; and that, although we can teach and demonstrate by precept and example, it is not in our power to confer."

The significant thing is that there is virtually no electoral pull in "aid." On the contrary, except among a small minority of the electorate, "aid" is positively and increasingly unpopular. In any case, the proposal to give away still more to other countries is hardly a classic method of bribing the electorate. It follows that it is an oversimplification to suppose that political parties in our democracy are solely motivated by direct considerations of electoral popularity. We have to recognise that another, and strong, motivation is the desire to be intellectually fashionable and the fear of being thought unenlightened.

Presumably the underlying assumption is that sooner or later the mass electorate will come round to the fashionable views, or that the deferential mentality of the British makes them demand that their party shall talk like their intellectual betters. Hence the enslavement of the parties, and not least the Conservative party, to the "opinion-formers," whose censure is feared as if it were a sentence of political death.

Unfortunately, the intellectually fashionable causes have a way of being perverse and, like all fashions, relatively short-lived. So the politicians are left carrying the intellectual baby after its true parents have run off, and maintaining their all-important consistency by asserting propositions which the rest of the world has begun to doubt or has already deserted.

I wonder how long it will take the Conservative party to get rid of "aid to developing countries."



VOL. 1

NO. 1

June 1968

# bulletin

Institute of Development Studies University of Sussex



THE INSTITUTE OF DEVELOPMENT STUDIES, STANMER

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## Editorial

The Institute of Development Studies was set up in 1966 as the result of an initiative by the Minister of Overseas Development. From an initial establishment of two staff members and three offices it has grown to a present establishment of forty-nine packed into temporary premises at Stanmer House. Its academic staff includes sociologists, economists, agricultural economists and political scientists as well as students of public administration and international relations. The range of our present activities can be judged from what follows: the point of these activities is to enhance the study of international deprivation, to provide some light for those concerned with the reduction of poverty and disease.

So far our means have been individual research, research projects, courses, conferences and study seminars. With the publication of this Bulletin, we hope to establish contact with others involved in the same problems. By "contact" we mean both the communication of our own work and ideas and an invitation to dialogue with all engaged in the study and promotion of development.

The layout and content of the Bulletin reflects this concern. Each quarter's issue will contain four sections. The first section will consist of an account of a major IDS research project: in the second issue the work of the research group on training in public administration will be described, while the subsequent issue will include a report of Professor Joy's study of farming development in India. The second section will comprise a discussion of a major problem in development: in this issue, for example, David Wall discusses proposals for a general preference system as they stand after the second UNCTAD conference: in later issues we hope to deal with such topics as population planning and the integration of educational and manpower planning.

This section will be followed by a review article in which specialists examine recent work in their own fields. The first two contributors in this third section will be economists - Dr. Thomas Balogh, a member of the Institute's Governing Body and Board of Studies, and David Feldman, Fellow in agricultural economics: in the third issue it will be the turn of a sociologist. The last section of the Bulletin will consist of "house news": reports of conferences and details of publications, appointments, research, and visitors. In this section we shall also give details of our latest research papers (with an invitation to all who may be interested to write and ask for them to be sent).

That is how we see the Bulletin. We are anxious that readers of it should tell us how they think it should be changed and we shall also be very glad to have comments on our articles as well as suggestions about topics we may have ignored or mishandled. In this way we hope the Bulletin will develop itself and develop our knowledge of others and other people's acquaintance with us.

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# From Colonial Economics to Development Studies

Dudley Seers

The Institute of Development Studies was set up as a centre for teaching and research on the problems of development, and has drawn together a number of experienced professionals in economics (especially agricultural economics), manpower planning, political science, public administration and sociology.

"Development" is, of course, by no means an entirely new field of study. As metropolitan powers became more involved in the affairs of their colonies during the first half of this century, it began to be realised that these problems were to some extent specialised. "Anthropology", which from the beginning implicitly treated the object of study as the indigenous man of the colonial world, received a good deal of support from colonial governments, because of its usefulness to administrators, as did "Tropical agriculture". "Colonial economics" also appeared in University syllabuses; this was particularly designed for those going to work overseas, and was mostly descriptive.

A new phase opened in the 1950's. Changes in fields of academic studies reflected changes in the real world, though - as is usually the case - with some delay. Since most of the governments of the poorer countries, especially those which became independent after the Second World War, gave a very high priority to development, which was thought of as an almost exclusively economic process, "development economics" began to emerge as a separate subject, much more widely taught. Although this was a big advance on "colonial economics", because of considerably greater emphasis on the conditions for progress, it was still part of the syllabus of economics, and not a

very reputable part in the eyes of the profession, who continue to be mainly concerned with the local problems of the small group of countries bordering the North Atlantic.

The 1960's could well be called the decade of disillusion. The development plans prepared in many countries, often with the help of highly sophisticated economists, have proved of limited use as guides to policy decisions. They were very largely government investment programmes. Most of us working for governments have come, however, even if slowly and perhaps reluctantly, to realise that what holds up development is usually not only, or even primarily, lack of capital, but systems of education or land tenure, politicians unwilling or unable to change the social structure, administrative systems which are archaic or nepotistic, etc., etc.

Economists writing or teaching about development problems began, as a consequence, to say that "social factors" ought also to be taken into account. In fact, however, most of them, after giving a nod in this direction, still restricted their analysis, and more dangerously their recommendations, very much to a range of economic variables, especially those which were quantifiable.

No doubt the majority of economists would have preferred to hold the line there. After all, interesting possibilities were still open to those researching on the economic patterns of development. But in some fields of work such restraint became more and more obviously inappropriate, as the conditions for progress were more deeply explored. The difficulty of mobilising the agricultural sector, which has become increasingly



important in the theory and practice of development, is clearly more than just a question of price policy, or even of arranging for irrigation and the distribution of fertilisers.

It was problems in the field of manpower that finally made a new approach inevitable. Those concerned in actual work, especially in tropical Africa, could hardly help seeing that development over the next two or three decades depended very much on the supply of professionally and technically qualified people. The first steps in this new field were mostly quantitative, and indeed bore a strong formal resemblance to the existing body of economists. The requirements of "human capital" were in relation to the expected levels of national income, like estimates of needs for physical capital, and these manpower projections were in turn converted into required levels of output of the educational system, which was treated as a sort of capital-goods industry.

But while conventional capital theory can be defined within this formal framework, this is impossible for the economics of manpower. Estimates of the number of graduates required lead inevitably into a discussion of the nature of the education provided - the structure of universities by departments, for example, and the content of the syllabuses taught. Similarly, manpower planning poses major and broad issues of income and migration policy. Whereas in the case of the markets for merchandise one can make useful propositions about their economic operation (in terms of elasticities for example), "purely economic" propositions about the market for manpower do not take one very far and may be highly misleading.

This points to a fundamental reason why "economic factors" cannot usefully be studied in isolation for economically backward countries. While the political and social framework is broadly treated as given by economists in industrial countries even for quite wide movements in economic variables, and this is not obviously unreasonable, such treatment just does not work in other countries. Indeed, for them, one could almost turn this approach on its head, the problem being not so much to achieve economic advance given certain political and social constraints, as to achieve social and political change within an economic framework, which sets the room for manoeuvre\*. Custodians of received doctrine used to question whether "development economics" constituted a recognisable separate branch of economics. Now one must ask: can the economics of development be usefully studied in isolation from its politics and sociology?

Whilst economists were making inroads into these unmapped territories, sociologists and political scientists were starting - somewhat belatedly, especially in Britain - to achieve new insights into other aspects of the process of development; and economists were - perhaps even more belatedly - becoming aware of this. The political scientists found that they needed a methodological revolution (in this case largely under the influence of studies on South Asia), this is still in progress, but it is already producing a new conceptual structure, which fits to some extent that of economics. So an extension of the area patrolled by economists has been meeting sorties in the opposite direction from other disciplines and we are beginning to study the process of development as a whole.

\* I owe this formulation to a contribution by Thomas Vietorisz at the recent conference of the Society for International Development in Washington.



The Institute of Development Studies is constructed and operates in ways which reflect a recognition of need to look on development in this way, indeed that the interesting area is precisely where economic and non-economic forces interact. Hence the broad range of subjects covered by its staff. Moreover, when recruiting for senior posts, the Institute has given weight to experience in helping overseas governments, rather than to teaching in Britain; practical work compels people to take account of factors outside their own speciality.

The difficulty is, of course, to achieve a genuine fusion of disciplines. Past attempts to set up "inter-disciplinary" syllabuses have usually expected the student to integrate for himself a number of different disciplines (as is broadly still true, for example, of the Oxford rubric for Philosophy, Politics and Economics). The Institute is at least alert to this danger (as we are to the other risk - that "inter-disciplinary" work will be heavily descriptive rather than analytic, and therefore of little use as a basis for further studies). Those in charge of research or running seminars draw on the experience of colleagues in other disciplines. Future projects will be carried out by teams, covering several fields, rather than by individuals. Various Fellows are already cooperating in an introduction to development, and texts for our seminars and courses will also be produced co-operatively.

There is one other difference which should be mentioned. "Colonial economics" was concerned largely with internal problems, except for fluctuating commodity markets which were taken as facts of life, almost completely beyond the control of any particular colony. The political

pressures from the Third World have compelled those working on development problems to do so in the context of the whole relationship between rich countries and poor, including aid and trade, and the adequacy of international machinery for correcting the growing inequality between them.

We in the Institute hope to build up development studies which will be help to the countries of Africa, Asia, Latin America and the Caribbean. But not merely to them. Other nations often show recognisable symptoms of strain in the development process - for example, chronic difficulties in foreign payments, shortages of engineers or racial frictions. Many comparatively well-to-do countries face familiar structural obstacles to development such as somewhat antiquated educational or administrative systems - Britain is a case in point! The trade of every country, especially Britain, suffers from the lurching and uncertain progress of the world economy, and the failure of large parts of it to show any significant progress at all. The development of development studies will, therefore, throw an increasing amount of light on our problems too.



# Towards a General Preference System David Wall

The following is an amended text of a contribution by Mr. D. Wall to a recent IDS conference on the outcome of UNCTAD 2 which took place at the White House, Isle of Thorns on May 25th 1968.

## BACKGROUND

The resolution of UNCTAD I (Final Act Annex A: III:5) and UNCTAD II (UNCTAD Document No. TD/II/RES/21) on the subject of preferences are substantially the same. The resolution passed in New Delhi does not, however, reflect the substantial progress which has been made on the subject since 1964. The four years between the conferences have seen feverish activity in various inter-governmental centres attempting to clarify complex issues involved and to reconcile the conflicting positions of the various countries and groups. At first little progress was made. The turning point came in a speech made by President Johnson to a meeting of Heads of American States at Punta del Este early in 1967. In this speech President Johnson said "...we think this idea (preferences) is worth pursuing. We will be discussing it further with members of Congress, with business and labour leaders, and we will seek the cooperation of other governments in the world trading community to see whether a broad consensus can be reached."

## PROGRESS

It proved possible for each of the two main negotiating groups - the developed Group B countries and the Group of 77 - to achieve a 'broad consensus' among themselves. The

positions of the two groups prior to the New Delhi conference are to be found in UNCTAD Doc. TD/56, which gives the position of the developed (OECD) countries, and UNCTAD Doc. TD/38, the Algiers Charter which gives the position of the Group of 77. It did not prove possible in New Delhi, however, for the two negotiating groups to reach a consensus on the details of the proposed General System of Preferences (GPS). The only visible difference of the outcome of the two conferences on this issue is that whereas at the 1964 conferences the developed countries either voted against or abstained from voting on the preferences resolution, at the 1968 conference the resolution was approved unanimously. In 1964 the problem was to achieve agreement on whether a GPS was desirable or not, in 1968 the problem was what form, in detail, the GPS should take.

## CURRENT STATUS OF THE PROPOSAL

The resolution adopted in New Delhi established a Special Committee on preferences, as a subsidiary organ of the UNCTAD Board. The resolution requested that this Committee should meet in November 1968 and should have the objective of settling the details of the arrangements for the G.P.S. in the course of 1969. The resolution concluded by noting "the hope expressed by many countries that the arrangements should enter into effect in early 1970".

## MAIN ISSUES

On the basis of the Algiers Charter and the OECD group report (and contemporary press releases and reports) it is possible to assess which issues are likely to have been the main causes of conflict at New Delhi. The key issues were probably: i) how to ensure that the least advanced of the less developed countries (LDCs) would benefit from the scheme; ii) what the basis for the exclusion of specific products from the



outset should be; iii) what 'safety measures' clauses should be incorporated into the scheme which the developed countries could invoke when they considered that the 'disruption' of their markets was threatened; iv) what should be the duration of the scheme; v) what to do about existing preference systems, including reverse preferences; and vi) how to ensure equal sharing of the burden of the GPS by the developed countries. These issues are very much inter-related, although it seems as if they were treated as separate issues in New Delhi. Judging from the evidence available it appears that the key issue was the problem presented by the least advanced of the LDCs, particularly in relation to the question of the commodity coverage of the GPS.

In order to provide a focus for the discussion on preferences, the following section will briefly examine these issues and will attempt to define the main points of conflict arising under each of them. It does not pretend to be an exhaustive coverage, and nothing is implied by the order in which they are presented.

### The Less Advanced Developing Countries

The problem is that the preferences system is only intended to cover semi-manufactured and manufactured products, with processed agricultural products being specifically excluded in the OECD report. Thus the benefits would for the most part accrue to those, relatively few, less developed countries which already have well established manufacturing sectors. Those less developed countries, particular those in Africa, who are dependent on exports of agricultural products and only have a primitive industrial sector could not expect to benefit much from a preference system which excluded processed agricultural products. The Group of 77 appear to have been unanimous in their insistence that the

GPS should cover Brussels Nomenclature Groups 1 to 24. On the other hand there seems to have been disagreement among the developed countries with the extremes represented by the U.S.A. who were in favour of all processed or manufactured goods being included and by France who appear to have insisted on the total exclusion of all processed agricultural products. Between the positions of the U.S.A. and France were several countries who favoured treating processed agricultural products on a case-by-case approach. The impasse on this issue does not seem to have been breached by the end of the conference.

Another point on this issue, referred to in the Algiers Charter, which does not seem to have been taken up in the discussion at New Delhi is that the time limits of the GPS could be made flexible. This suggestion in effect means that the system would be 'rolling' in that the least advanced LDCs would continue to receive preferences after the more advanced LDCs had ceased to benefit. A rider to this suggestion was that the developed countries should take specific commitments of technical and financial assistance to the least advanced LDCs to enable them to take advantage of the GPS. The problem with this suggestion is that it is in direct conflict with the developed countries position that they cannot guarantee any period for the extension of preferences - i.e. they retain the right to negotiate MFN tariff reductions among themselves.

That the problem of what to do about the least advanced of the LDCs is a very real problem does not seem to have been questioned. The difficulty is what to do about them. The author's view is that the GPS should be seen as part of the global aid programme and that the country by country distribution of capital and technical assistance should take into account the expected and revealed benefits of the GPS received by the different LDCs.



### Exception lists.

The OECD report makes it clear that before the developed countries could be expected to approve of and implement the GPS they would have to be allowed to publish lists of products for which they were not prepared to extend preferential treatment to. The rules for the inclusion of a product in the exception lists appear to be i) where an increase in imports of a product would cause injury to domestic industry; ii) where the domestic industry was classified as a sensitive industry and iii) that the burden of supporting the GPS should be equitably distributed among the developed countries, so that if several of them put a product on their exception lists others would be free to do so too, to prevent their markets from being swamped with imports of the product concerned. Unfortunately no attempt appears to have been made to give any rigorous definition to the concepts 'injury', 'sensitive', and 'burden'. It is obvious that these concepts could be so interpreted as to render the GPS totally useless, as all products of export interest to the LDCs could quite conceivably be excluded. This issue seems to have been one in which a protectionist attitude on behalf of the developed countries seems to have prevailed; it is only such an attitude which can give any meaning to such concepts as 'injury', 'sensitivity', and 'burden'. This is obviously one of the major issues to be resolved in the committee set up to continue the discussion on preferences. The economist has little to contribute to the discussion of this issue as the outcome will depend predominantly on the different strength of the various domestic industrial pressure groups in the developed countries.

### Safety Measures

If we assume that meaningful definitions are agreed for the concepts of 'injury', 'sensitivity'

and 'burden' then it is clear that in a dynamic world economy industries in developed countries which are not currently regarded as sensitive or subject to injury could come to be so regarded. In this situation it is recognised that there should be some safety measures which the developed countries could invoke to safeguard the interests of their industries. In the words of the OECD report "This would be necessary in order to mitigate the possible effects of increased competition in their markets, or to provide a means of safeguarding the export interests of third countries, whether beneficiary countries or not". (TD/56, 44 27.) In this connection what has to be weighed are the relative merits of the two most discussed forms that this safeguard mechanism might take, viz.: a system of tariff quotas under which if the clause was invoked the importing country would specify the quantity of imports of a product it was prepared to allow in at the preferential rate of duty, with all imports above this figure being subject to the full MFN rate and other applicable barriers; a system which if invoked would allow the importing country to limit the quantity of imports of the product concerned to some specific figure, such as a proportion of total domestic consumption, or domestic production, or the previous years imports. The strongest supporter of the first system has been the U.S.A., and of the latter, France.

### Duration of System

The OECD document makes it very clear that the GPS is intended by them to be "temporary and subject to periodic review". It is to be regarded as a waiver of the GATT rules and not an obligation. The period suggested in the document is ten years "subject to a major review before this period elapsed in order to determine in the light of circumstances then prevailing whether special treatment should be continued modified, or abolished." (44 37.)



This strong position was taken by the developed countries in order to maintain their freedom to negotiate MFN tariff reductions in GATT. The document takes the line that the LDCs would have to accept that the preferential margin afforded by the GPS could be reduced in this way.

In contrast to the OECD position is that of the LDCs. In the Algiers Charter they requested that the GPS be an arrangement which would "last for 20 years and (which) should be reviewed towards the end of this initial period. In any event the preferential treatment should not there-fore be abruptly terminated." (Page 10, 4th.) Despite the obvious conflict of opening positions of the two sides on this issue it does not seem to have taken up much time at New Delhi. The issue seems to reduce to the question of whether the GPS is to be a temporary method of assisting the LDCs to establish competitive manufacturing industry or is envisaged as a new and permanent method of providing aid for the Third World. The developed countries tend towards the former view and the LDCs towards the latter, although no explicit discussion seems to have taken place on this point. There is also the related question of what is the minimum period in which an LDC can be expected to establish a competitive modern manufacturing industry.

The question of duration obviously has different implications for LDCs with manufacturing sectors at different stages of development. Assuming that the GPS had a fairly wide commodity coverage it is clear that Hong Kong would reap substantial benefit from the outset; for this reason it is probable that both sides would wish to exclude Hong Kong from participation in the scheme. The problem here is to define the criterion of eligibility for participation in the scheme. If competitiveness

is to be the criterion, as would be implied by the exclusion of Hong Kong, then several countries which could hardly be regarded as developed - e.g. India, Pakistan, Taiwan, and Mexico - would be in danger of fairly early exclusion from the GPS. The issue here is whether the moving spirit underlying the GPS idea is derived from the aid argument or from the 'infant economy' argument. 'Need for preferences' is an ambiguous concept.

#### Existing Preference Systems

It seems to have been generally agreed (except by the French) that existing preference systems operated by some developed countries in favour of some less developed countries (the most important of which are the Commonwealth Preference System and the Yaounde Convention System) should be abolished upon the inauguration of the UNCTAD GPS. This, it was argued, could involve considerable hardship for some of the less developed countries benefiting from the existing systems (the author is not convinced of this) and it seemed generally agreed between the two groups (Group B and the Group of 77) at UNCTAD that these countries should be compensated for any losses they might experience (the author is not convinced of the logic of this agreement either). The form of words which reflects the agreement reached on this issue is perhaps represented by the following sentence taken from the Algiers Charter (page 94 g): "The new system of preferences should ensure at least equivalent advantages to developing countries enjoying preferences in certain developed countries to enable them to suspend their existing preferences on manufactures and semi-manufactures." The difficulty which remains is that it is totally impossible to quantify the concept of "at least equivalent advantages". It is worth noting on this point that the Commonwealth countries expressed their willingness to forego their Commonwealth preferences in order to participate in the GPS, as long as the "at least equivalent advantages were forthcoming. The French and Francophile



African countries, however, seem to have insisted that the GPS should be so designed as not to conflict with the benefits of discriminatory preferences received by the Associated States of the E.E.C.

### Reverse Preferences

The U.S.A. has more or less made it a condition of its acceptance of the GPS that existing arrangement under which some developed countries receive preferential tariff entry to the markets of some developing countries should be abolished. Of the developed countries currently benefiting from such arrangements it appears that only France took the opportunity presented by New Delhi to make it a major issue. From the evidence it seems that France took the line that the 'costs' to the developed countries concerned of abolishing reverse preferences should be regarded as part of the burden they were bearing in supporting the GPS. This would seem to have been a tactical move on the part of the French, in an attempt to forestall some of the criticism of the exception list they will eventually produce.

### Burden Sharing

This was not an issue at the New Delhi conference in the same way as those examined above were. Much was made of the notion by the developed countries in their deliberations in the OECD Special Group, as is indicated by the report of the group submitted to UNCTAD. To the author 'burden sharing', or even the notion of the GPS representing a 'burden' at all, is totally meaningless. Can the replacement of uncompetitive, previously protected, domestic production by cheaper imports ever be suitably termed a 'burden' to the importing country? Attention might be usefully directed to the question of whether the concept has been introduced as an evasive tactic by the developed countries to justify the restrictiveness of their negotiating

position on various aspects of the GPS, or whether the notion really does refer to a phenomenon which threatens the successful and meaningful implementation of the GPS.

### Further Topics for Discussion

The author would like to suggest two further topics for consideration, without developing them here in any detail. The first is concerned with the likely impact of the successful implementation of the GPS. The second is concerned with how the developed countries might best provide for the accommodation of the GPS in their overall economic planning.

### Implications of GPS

Little thought has been given to what the likely effect of a GPS on the international economic situation would be. It seems as though the proposers and opposers of the scheme have been content to discuss the scheme entirely in relation to either the export prospects of the LDCs taken as a group or in relation to its impact on the protected industries of the developed countries. Two questions present themselves as candidates for early and urgent research. 1) Would the GPS encourage the rationalization of the location of the world's industry, as the supporters of the System have claimed, or would it result in the emergence of a situation parallel to that prevailing in the primary commodity market - i.e. surplus production of a variety of manufactured goods? How would the distribution of market opportunities amongst the various LDCs be determined? 2) Would the type of industrialization that the GPS encouraged be consistent with the efficient and equitable development of the LDCs benefiting from the System?

### Accommodation of GPS by Developed Countries

(11) A major problem of the GPS, still to be faced, is that of selling it to the legislatures, industrialists, and



public of the developed countries. It is important that when this time comes the whole notion of burden sharing must have been entirely removed from the debate. The public relations work for the GPS should be based on the line that it is in the developed countries own interests. It should be shown

that the GPS is complementary to the Kennedy Round for example, and to any further moves toward trade liberalization on a global scale which may be being considered at that time. It could even be argued that such a scheme was essential if full advantage was to be taken by the developed countries of the opportunities for expanded trade among themselves.

## The Scrutable East

Thomas Balogh

ASIAN DRAMA. An Inquiry Into the Poverty of Nations. By Gunnar Myrdal, assisted by William J. Barber, Altti Majava, Alva Myrdal, Paul P. Streeten, David Wightman and George W. Wilson. Foreword by August Heckscher. Charts and tables 2,284 pp. New York: The Twentieth Century Fund, cloth, boxed, \$ 25. Pantheon Books, paper, boxed, \$ 8.50.

The incredibly detailed knowledge assembled in the three volumes of "Asian Drama" by Mr. Myrdal and his international team of assistants will make the work a basic source not only for the study of that area, but for the whole field of economic development. In the appendices, even more than in the main body of the text, if that is possible, we are given political economy at its best: the investigation, in their contemporary historical setting, of the economic and social factors, which underlie the appalling situation in Asia resulting from the violent increase in population and poverty.

Two massive peaks of interpretative political economy tower over the arid, flat plain inhabited by the conventional modern economists who, lured on by the mirage of mathematical determinacy, undue generalization, illicit aggregation and inadequately documented secular vistas, aspire to the status of scientists. The one is John Kenneth Galbraith's "The New Industrial Society," about the industrialized, opulent, yet increasingly self-frustrated societies of the West. The other is "Asian Drama. An Inquiry Into the Poverty of Nations," a gigantic encyclopedia of 2,284 pages analyzing the political economy of South and Southeast Asia, prepared by the Swedish economist Gunnar Myrdal.

The architectonic sweep of the work takes us systematically from country to country: India to Pakistan, Ceylon, Indonesia and the half-dozen countries of Southeast Asia. Practically the whole of Volume I is devoted to establishing the historical setting as a determinant of stunted economic growth.

The exposition of the political-sociological framework is followed by an analysis of the economic realities as they have been shaped by the past. Population, the structure of the economies, the levels of living, the distribution of income, the relation



of the area to the economy of the rest of the world are treated in turn. Thus future prospects are explored through the vicissitudes of the past and present.

The rest of the work is designed to explore the main obstacles to progress. Volume II is concerned with the political driving force of the area: the ideology of planning. Myrdal describes its history, and gives a sociological analysis of its limitations and frustrations. This is epitomized in pursuit of the ideology of planning by a tiny elite, enjoying immense privileges in an ambiance of poverty, and at the same time having to face a mass democracy and the uncertainties of electoral favor. Myrdal leads us through the contradictions, tergiversations, hypocrisies and doubletalk of declared aims of democratic planning for equality and prosperity.

Yet there is no hint of superior knowledge or hindsight in his treatment of these breakdowns and frustrations. It is all discussed with deep compassion and understanding. To judge countries of teeming and exploding populations in the tropics by the aseptic standards of the Northern Atlantic climate is foolish. Though Myrdal at times allows a glimmer of satisfaction and pride at being a Viking to snow through his austere framework, it never distorts his vision.

Myrdal then takes up the theme of labor utilization, and his somber reflections are continued in a discussion of the population problem. He finally turns to what is, of necessity, the basis for better and fuller labor utilization, namely the improvement in the quality of manpower through education and health. The easy and foolish optimism of the middle forties and early fifties which hoped to solve labor utilization by increased investment is swept away in a meticulous analysis.

One might perhaps have wished that Myrdal had given greater emphasis to the population explosion as the most menacing single factor in underdeveloped countries. Its fatal impact is due to the sudden superimposition of the Western biochemical revolution on a completely unprepared social texture. It did not derive as in Western Europe, from a steady improvement of nutrition, urban development and public health following organically on the development of productive forces. Consequently it has exacerbated the insufficiency of traditional agriculture, caused a catastrophic deterioration of social relationships in rural areas, and now threatens to undermine living standards and the whole basis of political stability and social justice.

Prejudice and religious fervor in the rest of the world have prevented timely recognition of the fatality of this process and inhibited the organization of a general educational effort from outside. Yet even stronger prejudices and religious fervor express themselves in a drive for large families among traditional societies and in a fatalistic or even hostile attitude to birth control. It is only with the arrival of the intra-uterine devices that a feasible method of family planning was found for use under primitive conditions. If one reflects, however, on the existence of one half to three-quarters of a million or so villages in India, or on the vast populations of Indonesia and Pakistan, the administrative difficulties in the way of effective action appear overwhelming.

Myrdal's pessimistic approach to the problem of deficient utilization of labor is surprising only so long as we fail to realize that his denial of the existence of disguised unemployment is a semantic rather than real objection to the conventional "modern" approach to the problem. He regards the vast numbers of underemployed in rural and even urban areas as incapable of being employed more intensively; and he



argues that there is no labor which does not contribute something to total output, even if the average remuneration is higher than its contribution. The fact remains that the vast majority could represent a formidable work potential. I feel that, provided no facile conclusions are drawn, the approach which regards the tradition-bound rural masses as capable of being mobilized is politically right, even though the cost of mobilization may be heavy.

Land tenure problems and poverty itself between them create the vicious circle of self-perpetuating misery. In areas where the larger peasant holdings could develop, as in the Punjab, great advances have been made in increasing the marketable surplus, intensifying cultivation and developing the use of modern agricultural techniques. Unfortunately, the organic interrelationships within economic development programs do not permit the piecemeal introduction of such changes. We must plan for balanced growth, rather than rely on the operation of unbalanced spurts of development, which were responsible for the prosperity of the United States and Western Europe. A total attack is needed, together with the simultaneous introduction of the basis of modern agriculture: large-scale irrigation. Despite great efforts to construct large-scale irrigation works, the record is not altogether encouraging. The older, smaller systems of water regulation started in colonial days by plantation owners and landlords are running down in many parts of Asia because of inadequate communal support.

Yet intensive agriculture would give greater employment and income opportunities than manufacturing industry, at any rate for the very long period during which agriculture will continue to generate an overwhelming part of national employment.

The "applied" part of Myrdal's monumental investigation is supported by (14)

no less than 16 theoretical appendices, comprising some 400 pages, which almost fill the third volume by themselves. Outstanding among them is the second, on the mechanics of underdevelopment, on which Paul P. Streeten (professor of economics at the University of Sussex) collaborated, and the third, on the relevance of the modern model-building-quasi-mathematical approach for planning in South Asia, which is entirely Streeten's. Both are major contributions in the methodology of economics, and they pitilessly expose the weaknesses of the mechanistic approach, which turns what is really an art and a historical system of analysis into inapplicable generalizations.

For someone as skeptical as myself about the pretensions of "modern" pseudo-science in establishing precise economic criteria for "investment in humans", Myrdal's analysis of the educational and health problems is a refreshing reminder of the saner and less pretentious approach adopted by earlier writers. To regard education, and especially literacy, as necessarily a boon is folly which can only lead to the misallocation of scarce resources. Learning by doing, collective education by working together, the conscious undermining of social differentiation and degradation - these are the needs. The enormous number of Indians now manning international agencies and the universities of advanced countries are a grim reminder that education may even positively hinder economic development. Just as in technical research a new approach is needed if the poor countries are to be aided effectively, so we need a new and saner approach in these fields.

Attitudes to development both on the plane of economic thought and the plane of political action, have undergone startling and not altogether justifiable changes. Interest in poverty-stricken areas among the universities of the prosperous area and the willingness by the more fortunate parts of the world to aid with technical knowledge and resources are among the



few positive (and probably the best) features of our time. With this interest came a great wave of optimism. The economists felt that, provided aid was given and used to increase investment, a decisive advance could be achieved. This optimistic spirit was reflected in a strengthened faith on that part of the newly independent countries in the effectiveness of social democratic planning for development.

On both planes there has been a sharp reaction of late.

On the one hand, voices are heard counseling against further aid, using the persuasive argument that absorptive capacity would thus be increased and the price mechanism allowed to work its wonders. This was accentuated by a breakdown of democracy in large parts of the developing areas, often replaced by military dictatorship without any apparent improvement of performance.

These violent reactions have been strengthened in the last part of the so-called International Development

Decade (1960-1970) by the distinct slowing down in the absolute rate of economic expansion of the poorer areas to a level well below that achieved a decade ago, and below that of the rich areas. There has also been a frightening acceleration in the rate of population growth, which has yet to be brought under control.

Gunnar Myrdal's work re-establishes a balance between these extremes. He does not slur over the difficulties, such as political and social defects of Asian countries, nor, on the other hand, does he countenance easy rationalization of the obvious temptation for the rich to wash their hands. For this alone, and for the ruthless honesty of his analysis, Gunnar Myrdal has earned the gratitude of both his colleagues and of the political leaders of the world.

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# IDS News

## RESEARCH IN PROGRESS

### 1. Farming Development in India

The aim of this study is to predict and evaluate the response of agricultural production in two particular regions of India to policy alternatives affecting agriculture. The range of policies to be considered will include irrigation, fertilisers, seeds, credit, education, extension etc. The results of the study will consist of

- a) substantive conclusions with regard to the particular region studied; and
- b) the development of methods which could be used in other regions in India and in other countries.

The project is being undertaken jointly with the London School of Economics and is directed by Mr. L. Joy.

### 2. Public Administration Training

This project is investigating the training of administrative Civil Servants for developing countries. The study is restricted to institutional forms of training and aims to provide

- a) a reasonably comprehensive picture of the development, distribution patterns and costs of such training in developing countries since 1945.
- b) a detailed study of how such training may be evaluated and what is the value of the training studied.

Six persons will take part in the project which is directed by Messrs. Leys and Schaffer.

### 3. Scientific Instruments for India

This project, which is being undertaken jointly with the Science Policy Research Unit of the University, (16)

aims to explore the research and technical know-how problems involved in stimulating the growth of a science-based industry in a developing country by means of a thorough case study. It is under the direction of Dr. Oldham.

### Individual research by Institute Staff

J. R. Symonds. A survey of the results of training in Pakistan under ODM awards and a survey of the work of the Specialised Agencies of the U.N.

M.A.B. Christie. Economic Studies of Zambia Construction Industry.

H.A. Alavi. Political Structure and Economic Development in Rural West Pakistan.

O. Braun. Economic Development in Chile 1938/63 and Private Investment in Argentina.

P. P. Streeten. Private Overseas Investment.

M. Staniland. The Ivory Coast - a Political Study.

H. E. Caustin. Technical Assistance - An Evaluation.

D. Seers. The "Brain Drain" from poor countries and its effect on income distribution.

D. Feldman. The determinants of agricultural change.

M. Lipton. Inter-farm differences in efficiency in an Indian village.



## STUDY SEMINARS

During 1967 and early 1968, eighty-five Study Fellows attended Study Seminars on Aid and Trade, Development of the Rural Sector, Population Growth and Population Policies, and Employment, Education and Manpower Planning. In the main they were officials of developing countries but a number were from countries, universities, voluntary organisations and elsewhere.

In the Seminars emphasis is laid upon the exchange of ideas and experience. Work is done through syndicates and lectures, the approach being to use the former for relating the experience of participants to the general principles that are raised in the latter.

Further seminars planned to take place during the rest of 1968 and the first half of 1969 are as follows:-

S.S.6.	30th June - 26th July.	Finance & Resources for Economic Development.	M. Lipton
S.S.5.	3rd Sept. - 27th Sept.	Aid and Trade.	P. P. Streeten
S.S.7.	3rd Nov. - 6th Dec.	Plan Implementation.	C. T. Leys
S.S.8.	4th May - 13th June 1969.	Development Planning Employment, Education and Manpower.	A. R. Jolly
S.S.9.	15th June - 18th July. 1969	Population Policy.	D.E.C. Eversley

## Conferences to be held by the Institute

Since the Institute's Founding Conference was held in the Autumn of 1966, several conferences have been held under Institute auspices and a number have been planned for the future. The topics of conferences held so far have been as follows: "The Role of Science and Technology in Development", "The Fourth Indian Five Year Plan", "The Role of Private Overseas Investment in Development" and "UNCTAD II". Several have also been held specifically to enable officials from the Ministry of Overseas Development to explore particular aspects of development policy in discussion with the staff of the Institute, universities and other organisations. The first dealt with Britain's contribution to training, the second with British aid to higher education in the developing countries, and the third with development administration.

From the 28th June to 2nd July, a conference will be held on the Politics of Development directed by Professor C. T. Leys. Also planned are conferences on "The Crisis in Planning", "Social Prerequisites for Agricultural Co-operation" and a conference on "Technical Assistance by Volunteers".

Further information on major conferences will be given in later editions of the Bulletin.



PUBLICATIONS AVAILABLE

I.D.S. Mimeo Series

1. "The Problem of Agricultural Administration and Extension Services", by Leonard Joy (Paper given at the 13 International Conference of Agricultural Economists, Sydney, August 1967).
2. "Science, Technology and Development. Their Implication for the I.D.S.". by Dr. C.H.G. Oldham.
3. "A Model of Economic Stagnation - A case study of the Argentine Economy", by Oscar Braun and Leonard Joy. This Article has been accepted for publication by the Economic Journal.
4. "A Game against Nature: Theories of peasant decision making". by M. Lipton. (Paper prepared for B.B.C. Third Programme.)
5. "A Game against Nature: Strategies of Security", by M. Lipton. (Paper prepared for B.B.C. Third Programme).
6. "Some Practical Issues of International Economics", by Dr. H. W. Singe.
7. "Urban Bias and Agricultural Planning in India", by M. Lipton. (To be published by OUP in July 1968, in a book, The Crisis of Indian Planning, edited by Paul Streeten and Michael Lipton.
8. "A Primer for Aid Recipients", by Paul Streeten.
9. "The Problems of Universities in Developing Countries", by Colin Leys and John Shaw.
10. "Economic Development and Education", by Paul Streeten.
11. "National Coffee Policy: Industrialisation and Development", by Paul Streeten.
12. "International Capital Movements", by Paul Streeten.

Joint Reprint Series of the School of African and Asian Studies,  
University of Sussex and the I.D.S.: Selected Titles.

1. "Population, Land and Decreasing Returns to Agricultural Labour", by Michael Lipton
2. "The Concept of Preparation. Some questions about the Transfer of Systems of Government", by Bernard Schaffer.
3. "Advising about Development", by Bernard Schaffer.
4. "The Peasant View of the Bad Life", by F. G. Bailey.
5. "The Economics of Food Production", by J. L. Joy.
6. "The Use and Abuses of Models in Development Planning", by Paul Streeten.
7. "The Frontiers of Development Studies: Some Issues of Development Policy", by Paul Streeten.



8. "On Approaches to the Study of International Relations", by David Vital.
9. "A Report on Some Trends in Indian Elections: The Case of Uttar Pradesh", by B. D. Graham.
10. "Resettlement from the Nile in Sudan", by D. J. Shaw.

L - Inst. of Dev. St.

September 6, 1968

Dear Viggo:

The enclosed correspondence between David Fulton and Mr. Joy at the University of Sussex will be at least partially self-explanatory. David would like to be able to fill the request if at all possible, but to do so from here seems infeasible. I suppose that Arthur Karasz will be on this side at that time. Could someone else from Paris undertake the assignment, for example George Wishart?

Your prompt attention to this will be appreciated. If the response is affirmative, you might get in touch directly with Mr. Joy. In any case, I'll be anxious to know the outcome.

Warm regards,

Sincerely,

Donald J. Pryor

Mr. Viggo Christensen  
European Office  
12, Rue de Presbourg  
Paris 16<sup>e</sup>, France

DJP:ij



L - Inst. of Dev. St.

August 29, 1968

Dear Mr. Joy:

My sincere apologies for the delay in responding to your letter of August 2, but I have only just returned from vacation.

I frankly do not know whether we will be able to provide a participant for your third Aid Administration course; the first week of that course coincides with the Bank's Annual Meeting and therefore poses some problems. But I will undertake an exploration and will be in touch with you again in the near future.

Sincerely,

David C. Fulton  
Chief, Public Affairs

Mr. Leonard Joy  
The Institute of Development Studies  
The University of Sussex  
Stammer  
Brighton, England

DCF:jas  
c.c. Mr. Pryor w/incoming

L - Inst. of Dev. St.  
Mr. Votaw

August 23, 1968

Mr. Michael Lipton  
The University of Sussex  
Arts Building  
Falmer  
Brighton, Sussex  
England

Dear Mr. Lipton,

In Mr. Votaw's absence, I am writing to acknowledge receipt of your material concerning a project proposal for synthesis and analysis of village studies in the field of accelerating economic progress in small rural ~~countries~~ *communities*.

As you seem to have sent this material to Mr. Votaw in a personal capacity, I will see that it is brought to his attention as soon as he returns to our office. Greg is presently on annual leave and we expect him to return in September.

Yours sincerely,

David A. Dunn  
Asia Department

DAD/oj





THE UNIVERSITY OF SUSSEX  
ARTS BUILDING FALMER BRIGHTON SUSSEX

THE SCHOOL OF AFRICAN AND ASIAN STUDIES

Telephone  
Brighton 66755

Dear Gregory,

I'm enclosing details of the project we discussed. It's been considerably worked at here, and Chatham House and our Institute of Development Studies are ready to house it, if the money can be found. I very much hope I can interest you, and hence the Bank, in it. Please let me know if you want further details, or a curriculum vitae (I have myself in mind as Project Director)!

Yours sincerely,

*Michael*  
Michael Lipton

*Answered  
4/10/12*

*ans. Aug. 23/68*

*L. inst of dev. Op. Files?*

*Rec'd 8/8/68*





1st August 1968

PROJECT PROPOSAL

Accelerating economic progress in small rural countries:  
synthesis and analysis of village studies

---

MICHAEL LIPTON, Institute of Development Studies,  
Stanmer, nr. Brighton, Sussex.

The project outlined below seeks to collate, select and analyse the better village studies from less developed countries. The project arises from general dissatisfaction with the state of development studies. This dissatisfaction, which has for many years been widespread among social scientists, takes several forms. It is felt that:-

- (i) There is not enough rigorous testing of hypotheses.
- (ii) There is too much concentration on big, statistically unreliable aggregates.
- (iii) There is too much armchair analysis - the construction of attractive, logically possible propositions relating either chance observations or hypothetical data.
- (iv) There is too much transference of models, originally developed to explain Western experience, to possibly unsuitable environments.
- (v) Economic aspects of behaviour are considered in isolation from other social sciences.
- (vi) The findings of social sciences other than economics are often presented in non-quantitative form, or in the form of a set of observations of unknown representatives.
- (vii) There is no way in which a planner, faced with the need to spot promising possibilities in order to narrow down his choice among investment opportunities, can discover what practical guidance is offered to him by the empirical findings of the social sciences.

In my view, there is ample empirical, micro-analytic work available to correct these related defects. This work consists mainly of village studies. Some of these are very good, but they are so widely dispersed (often unpublished), and at present so little related whether to one another or to the testing of hypotheses, that they are almost wholly unused, whether for the construction and testing of theories of development or for planning and policy-formation.



(1) The aims of this project are to contribute to quantitative, multi-disciplinary and applicable work on rural development, and in particular -

- (i) to retrieve, classify and index by subject the village studies in less developed countries, and to publish an annotated bibliography;
- (ii) to select the 5-10 per cent of such studies that use acceptable scientific procedures, and to prepare a guide to the methodology of village studies;
- (iii) to undertake 6 to 8 evaluation projects using (ii) and a small number of other sources, and seeking to rank alternative projects in the chosen fields (such as education) by their contribution to development in various environments and where possible to estimate cost/benefit ratios; and to publish a series of pre-investment manuals;
- (iv) to summarise the result of each project, harmonise them, and use them as draft chapters for a book, indicating their relevance to development theory and planning, and drawing tentative conclusions for policy.

These aims are presented in (3) below as a series of independent phases of the project, which can be altered at each stage.

(2) The proposed staffing and organisation are -

- (i) a Director
- (ii) a Research Director, both full-time
- (iii) a Project Committee, comprising supervisors of junior staff, a 'pool' of potential short-period consultants, and recognised experts in rural development, meeting roughly quarterly;
- (iv) a small number of short-period consultants;
- (v) a group of doctoral candidates of proved ability to undertake the evaluation projects;\*
- (vi) secretarial staff.

The project will take five years, and will cost rather under £12,000. per year (see (8) below). It will be based in Chatham House, London, and the Institute of Development Studies, Brighton. Doctoral students would work at a number of universities in easy reach of London.

\* Some of these will first work on (i) (ii) at Master's level.  
(See (4) below.)



- (3) Retrieval will take about 9 months, and will require four visits of about 3 - 4 weeks each: one each to the U.S., Latin America, Africa and S. Asia. A very large number of village studies exist, but owing to the lack of collation they are both scattered and useless for policy. A great deal of library-scouring and micro-filming is required. Concentration would be on the 13 poor countries with more than 30 m. population, plus one or two specialised rural research centres such as Makerere. Contacts will have to be made by Director and Research Director.
- (4) Selection of village studies can begin after the first 3 months of retrieval. All studies retrieved will be indexed and brief rates provided. For the 5-10 per cent of studies selected for more intensive work, a check-list would be provided, showing the village, tenure type, main crop, water regime, monetisation, and a few other items, and indicating the possible evaluation projects to which the studies would be relevant. Selection will be carried out by M.A. students with secretarial help; these students should at least be interested in future doctoral work on the project. Doctoral staffing would continue during selection (see (7) below).
- (5) An interregnum of 5-6 weeks will follow selection. In this period, the director and the research director, with some help from the project committee, will reconsider staffing and the rest of project design.
- (6) Each of the evaluation projects will proceed as described in (i)(iii) above. Where essential, field checks on the sources selected under (4) above, and very exceptionally original fieldwork, will be undertaken. In all cases, attention will be paid to measuring physical inputs and outputs as well as costs and prices, so that the effects of change can be analysed (or at least ranked) in a uniform computable and where possible comparable way. My present thoughts on projects are: education; health and nutrition; settlement schemes; traditional agricultural inputs; new inputs; improved practices; altered administrative arrangements; incentives. Precise details must depend on doctoral staffing, since we are looking for imaginative people who



can formulate hypotheses and test them, and who can exercise considerable autonomy.

(7) Doctoral staffing would require considerable 'topping-up' above SSRC levels, to attract candidates with the rather unusual qualifications required. Even so, the formation of hypotheses, in a field as little worked as the analysis of grouped village studies, will require more maturity than most of our junior staff are likely to possess. Hence the proposal for consultants - to be attached to the project closely, through membership of the Project Committee and possibly doctoral supervision, partly to reduce the ill-feeling otherwise generated between footsloggers and visiting staff officers. Since the framework of the project is cost-benefit analysis (if only ordinally or implicitly in some cases), some willingness to acquire (or background in) elementary economics and statistics will be needed for evaluation project staff; but for some of the projects a major pre-doctoral emphasis on another subject (anthropology, politics, psychology) is preferable.

(8) Why do this project, when the difficulties of comparison (especially internationally) are so vast? Because there is a vast store of material, some excellent, waiting to provide a numerical, micro-analytic, inter-disciplinary basis for development theory and pre-investment planning. For at least ten years, everybody has agreed that this basis is needed; this project would be the first serious attempt to provide it. Like all such projects it is ambitious, perhaps too ambitious; that is why -

- (a) the project has been phased so that, if things go badly wrong, a cut-off is possible after selection (see (4) above), still leaving the project with a good pay-off: a data bank, an indexed bibliography, and work in progress on the methodology of village studies,
- (b) some geographic limitations is proposed (the 13 'big poor' countries),
- (c) the pay-off analysis is confined to the rural sector where our present comparative information is scantiest, extrapolation from Western experience least desirable, and planning interest (and number of competent aggregative studies) growing most quickly.



(9) The staffing, costs and timing now look like this to me.

March 1969: Appointment of Project Director, Research Director and Project Committee

March - July 1969: Over the period of University finals and their results, selection of 3 or 4 potential research workers, initially for 18 months of association with selection and classification as part of M.Sc./M.A. work, with probability of renewal to end of project as Ph.D. candidates. Selection of two secretaries, one high grade (and preferably graduate). Simultaneously, commencement of retrieval; letters to relevant institutions; travel arrangements within U.S., S. America, Asia, Africa; field visits.

Aug - Jan 1969/1970: Completion of retrieval; later field visits (making 4 in all); completion of selection. Search for further research workers to complete team of 6 to 8 by May 1970 (which means employing 8-10 to allow for turnover)

Jan - Feb 1970: Indexing of data. Meetings of Project Committee to reconsider the classification of the primary material into research projects, on the basis of quality and comparability of retrieved data, and developing interests of actual and potential research staff.

March-July 1970: Classification of data, roughly according to scheme outlined under (3) of my earlier memorandum, modified according to recommendations of Project Committee, Project Director and staff.

Late July 1970: Meeting of Project Committee.

Aug 1970 - May 1972: Preparation of Ph.D. analyses, with limited consultancy guidance and field checks. Project director to pull together implications for the under-developed economy as a whole, as well as maintaining some consistency of

approach and style among the projects on education, new agricultural inputs, administration etc.

May 1972 - Thesis summarisation.

July 1972:

July 1972 - Preparation of book as under 3 (c) of  
October 1973: original memorandum.

Staff summary: Project director: March 1969 - Oct. 1973.

Research director: March 1969 - Oct. 1973.

3 or 4 Masters' candidates: July 1969 - July 1970.

6 to 8 Ph.D. candidates: July 1970 - July 1972.

Graduate secretary: March 1969 - October 1973.

Secretarial assistant: Aug. 1969 - October 1973.

Consultants, say 24 man-weeks in 1970-72.



L-Inst. of Dev-St.  
yellow filed: speeches - McN.

IDA		IBRD		IFC	
FORM NO. 92 (4-68) CORRESPONDENCE RECORD FORM					
FROM				DATED	
Dudley Seers The Institute of Development Studies Brighton, England				July 25, 1968	
SUBJECT					
Acknowledging letter of June 28th. Will wait until Oct. for answer whether addressee will be able to speak at conference on planning in 1969.					
ADDRESSED TO		ROUTED TO		DATE RECEIVED	
Mr. McNamara		Information Dept.		7/29/68 jgv	

2 - Inst. of Dev. St.

July 18 1968

June 3/68

Dear Dudley,

Thanks for your invitation to the 5th Study Seminar to be held at the Institute from September 1 - 27.

I very much doubt that we will have anyone available at that time, but if we do, then I shall be in touch with you.

Kind regards,

Yours sincerely,

(signed) Irving S. Friedman

Irving S. Friedman

Mr. Dudley Seers  
Director  
The Institute of Development Studies  
The University of Sussex  
Stanmer  
Brighton  
England

1968 JUL 18 10 50 AM '68



COMMUNICATIONS

1968 JUL 19 PM 4:14

Mr. [Name] [Address]  
[City] [State] [Zip]

Mr. [Name]

(Typed Name)

Dear Mr. [Name]:

Thank you for [Subject]

[Main body of the letter text]

July 21/68

Very truly yours,

[Handwritten notes]

2 - Inst 17 Dec. 54.

INCOMING CABLE

DATE AND TIME OF CABLE: **JULY 17, 1968** **1812**

LOG NO.: **WU 10 / 18**

TO: **THOMPSON INTBAFRAD**

FROM: **PORT OF SPAIN**

ROUTING	
ACTION COPY:	<b>MR. THOMPSON</b>
INFORMATION COPY:	<b>MR. LEJEUNE</b>
DECODED BY:	

TEXT:

WOULD BE GLAD MEET WATERSTON NEW YORK FRIDAY MORNING

SEERS

IR

COMMUNICATIONS UNIT  
 JUL 18 1968



FOR INFORMATION REGARDING CASES PLEASE CALL THE COMMUNICATIONS UNIT AT 202

TYPED

JUL 18 9 04 AM 1968

GENERAL FILES  
COMMUNICATIONS

2022

UNIT IS OPEN FROM 8:00 AM TO 5:00 PM

1001

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UNIT OF STATE

DEPARTMENT OF JUSTICE

1007

1008

1009

DELETED BY:	1010
DATE:	1011
REASON:	1012
ACTION:	1013
1014	

1015

*Liaison - Inst of Dev  
Studies  
x Donations*

July 17, 1968

Professor P.P. Streeten  
The Institute of Development Studies  
The University of Sussex  
Stanmer, Brighton BN1 9QA  
England

I wrote to you at the end of June to say that I wanted to take a few soundings on your June 11 question about the possibility of a World Bank contribution to Queen Elizabeth House.

I find general agreement with my own view that we could not easily justify to the Board of the Bank what would in effect be a contribution to Q.E.H.'s operating costs. On the other hand, I would not exclude the possibility of working out some arrangement for our supporting research by the Institute in areas where you had developed a particular capability and we had a particular need for help.

J.H. Williams

cc: Prof. Streeten,  
c/o The Institute of Commonwealth Studies at Oxford



*2 - Inst. of Dev. St.*

**OUTGOING WIRE**

*Not Trinidad*

TO: UKREP  
PORT OF SPAIN  
TRINIDAD

DATE: JULY 16, 1968

CLASS OF SERVICE: NIGHT **LETTER**

COUNTRY:

*xxxi*

TEXT:

Cable No.: FOR DUDLEY SEERS STOP VERY SORRY YOU CANNOT VISIT WASHINGTON STOP  
WATERSTON WILL MEET YOU STATLER HILTON ELEVEN THIRTY FRIDAY MORNING  
STOP PLEASE CONFIRM TIME CONVENIENT

THOMPSON

**NOT TO BE TRANSMITTED**

*ack July 17*

MESSAGE AUTHORIZED BY:

NAME C. H. Thompson

DEPT. Middle East and North Africa

SIGNATURE *[Signature]*  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

CHThompson:mb  
Cleared with and cc: Mr. Waterston  
cc: Mr. Lejeune  
cc: Mr. Upper

For Use by Archives Division

**ORIGINAL (File Copy)**

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: *[Signature]*





*2 - Inst of Dev. Studies*

INCOMING CABLE

DATE AND TIME OF CABLE: **JULY 15, 1968** **1255**

LOG NO.: **ITT 5 / 16**

TO: **THOMPSON INTBAFRAD**

FROM: **PORT OF SPAIN**

ROUTING	
ACTION COPY:	<b>MR. THOMPSON</b>
INFORMATION COPY:	<b>MR. LEJEUNE</b>
DECODED BY:	

TEXT:

REGRET UNABLE CALL WASHINGTON ON RETURN JOURNEY COULD  
 MARTIN MEET ME NEW YORK FRIDAY? PLEASE REPLY UKREP  
 PORT OF SPAIN BOOKED STATLER HILTON NEW YORK

SEERS

IR

*acc. July 16/68*





ROUTING SLIP		Date 10/23
NAME		ROOM NO.
Miss Stroum (to A. A. Aite)		
Files		
To Handle	Note and File	
Appropriate Disposition	Note and Return	
Approval	Prepare Reply	
Comment	Per Our Conversation	
Full Report	Recommendation	
Information	Signature	
Initial	Send On	
REMARKS		
From David Fulton		

INSTITUTE OF  
DEVELOPMENT  
STUDIES AT  
THE UNIVERSITY OF  
SUSSEX  
BRIGHTON.

BY AIR MAIL  
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AIR LETTER  
AEROGamme

BRIGHTON & HOVE  
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SUSSEX

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PB 733H

Mr. Robert S. McNamara,

I.B.R.D.,

1818 H. Street N.W.,

Washington, D.C. 20433

U.S.A.

↑ First fold here ↓

← Second fold here →

Sender's name and address:

Secretary to Dudley Peers,  
Institute of Development Studies  
at The University of Sussex,  
Stanmer, Brighton, BN1 9QA,  
England.

AN AIR LETTER SHOULD NOT CONTAIN ANY ENCLOSURE:  
IF IT DOES IT WILL BE SURCHARGED  
OR SENT BY ORDINARY MAIL.

Form approved by the Postmaster General, No. 71995/2E

IMPERIAL AIR MAIL  
AEROGAMES

968 JUL -9 PH1234  
COMMUNICATIONS



*2 - Inst. of Dev. St.*

# THE INSTITUTE OF DEVELOPMENT STUDIES

at THE UNIVERSITY OF SUSSEX STANMER BRIGHTON BN1 9QA

Telephone BRIGHTON (OBR3) 66261

Telegrams DEVELOPMENT BRIGHTON

DUDLEY SEERS (Director)

MEB

5 July, 1968

Dear Mr. McNamara,

I am writing in Mr. Seers' absence to thank you for your letter of 28 June about the "Crisis in Planning" conference next July, which I will pass on to Mr. Seers when he returns to the Institute towards the end of this month.

Yours sincerely,

*Margaret Bamford*

Secretary to Dudley Seers

Mr. Robert S. McNamara,  
I.B.R.D.,  
1818 H. Street N.W.,  
Washington D.C. 20433,  
U.S.A.

Mr. John H. Williams

July 3, 1968

Andrew M. Kamarck

Queen Elizabeth House

I think that our approach should be through some kind of research contract and utilize them where we need particular help. I find it difficult to conceive of a justification for the Bank contributing to an Institute in an industrialized country like the United Kingdom. I think there probably is a case from time to time for considering doing something of this sort but only in a developing country and only in very special circumstances when foundations are not available. I would be very much surprised if it proved impossible for Paul Streeten to raise money from the large foundations for such a worthwhile proposal.

AMK/vhw



2 - Inst. forward. St.

*[Handwritten signature]*

INCOMING CABLE

DATE AND TIME  
OF CABLE:

JUNE 28, 1968 1251

LOG NO.:

ITT 5/1

TO:

DEMUTH INTBAFRAD

FROM:

BRIGHTON

ROUTING

ACTION COPY: MR. DEMUTH

INFORMATION  
COPY:

DECODED BY:

TEXT:

WOULD APPRECIATE SEEING YOU IN WASHINGTON TUESDAY  
JULY 2ND OR WEDNESDAY 3RD. PLEASE LEAVE MESSAGE  
WITH SID OFFICE

SEERS

*Informed  
SID office  
that SID  
would return  
on 10th  
Also told them  
that HNG would be  
happy to see Seers if he  
so desired*

MT





*L-Institute  
of Dev Studies*

June 28, 1968

Professor P.P. Streeten  
The Institute of Development Studies  
The University of Sussex  
Stanmer, Brighton BN1 9QA  
England

I acknowledge your letter of the 11th June about Queen Elizabeth House and in the same breath send you my congratulations, for it sounds a fascinating job that should match your talents singularly well. The booklet has also arrived and I want to talk to a few people around the Bank before replying to the substance of your letter.

John H. Williams

*John*

2 - Inst of Dev. St.

June 19, 1968

Professor Paul P. Streeten  
The Institute of Development Studies  
The University of Sussex  
Stanmer  
Brighton BN1 9QA, England

Dear Paul:

I am sorry to hear that you will not be coming to the Bank this summer. We were looking forward to having you here and I think that you would have found it interesting and hopefully valuable to you too.

In any case, I am looking forward to some future opportunity to get you here.

With all best wishes,

Yours sincerely,

A. M. Kamarck (signed)

Andrew M. Kamarck  
Director  
Economics Department

AMK/vhw

1968 JUN 20 11:04

COMMUNICATIONS



RECEIVED  
GENERAL FILMS  
COMMUNICATIONS

1968 JUN 20 AM 11:04

WJK\LRW

Economics Department  
Director  
Arthur M. Kaminick

A. M. Kaminick (signed)

Don't forget to

With all best wishes

kindly to see you here.

In any case, I am looking forward to some future oppor-

tunities to see you.

Thank you for your kind letter and for your interest in

the subject. We were looking forward to seeing you here and I

I am sorry to hear that you will not be coming to the Bank

Dear Sir:

Director MIT 80A' Building

Director

The University of Massachusetts

The Institute of Development Studies

Professor Paul P. Streeten

June 18, 1968

*Handwritten notes at bottom right*

THE INSTITUTE OF DEVELOPMENT STUDIES

*L- Institute for Dev Stud*

at THE UNIVERSITY OF SUSSEX STANMER BRIGHTON BN1 9QA

Telephone BRIGHTON (OBR3) 66261

Telegrams DEVELOPMENT BRIGHTON

DUDLEY SEERS (Director)

*Op Files  
WOC  
8/26*

DS/MEB

19 June, 1968

*Dear William,*

I am writing to say that I shall be in Washington for 2 and 3 July, and hope to be able to see you then if you are around. One point that I would like to discuss is the Governing Body of the Institute, but there are quite a number of others, of course.

I am enclosing a copy of a letter which I am sending by the same post to your President. I hope you will put in a good word for us if the opportunity arises.

Yours sincerely,

*Dudley*

P.S. Could you please let Andy Rice know if a meeting will be possible.

*SF*

*Pls say des /  
we'll talk  
in Europe.  
RDM  
& WOC*

Mr. William Clark,  
I.B.R.D.,  
1818 H. Street, N.W.,  
Washington, D.C. 20433,  
U.S.A.

*Mr Clark*

*I have called  
Mr Rice will see you  
Mr Seers.*



RECEIVED  
GENERAL FILES  
COMMUNICATIONS

1968 JUN 24 AM 10:09

M. S. V.  
Washington, D.C. 20032  
1910 N. Gleason St. N.W.  
I.D.B.D.  
Mr. William Clark

*Handwritten notes:*  
10/10/68  
10/10/68  
10/10/68  
10/10/68  
10/10/68

Dear Mr. Clark:  
I am enclosing a copy of a letter which I am sending

*Handwritten signature:* William Clark

Yours sincerely,

In a good case for us in the oblongly areas.  
I am enclosing a copy of a letter which I am sending

number of copies of copies.  
concerning each of the instances, but there are other  
things. One thing that I would like to discuss is the  
I am writing to say that I will be in Washington for

*Handwritten signature:* Don McNeill

DA/WEB

10 June 1968

10/10/68

*Handwritten notes:*  
10/10/68  
10/10/68

7 June, 1968

"The Crisis in Planning" is the theme of a major conference to be held by the Institute next year. The past few years have witnessed a growing disillusion with the idea and practice of 'planning'. Many national plans, after being confidently launched, have been formally abandoned or quietly shelved. Some have never been more than monuments to academic ingenuity.

These experiences have been so common that they raise both old and new fundamental questions: What is the purpose of planning? How can planning in different areas of policy be effectively co-ordinated? What is the function of a planning office? How can plans be effectively implemented? How can wider commitment, participation and feedback be secured? How can fixed-period planning be combined with flexibility? How can planning itself be planned?

We shall be inviting political leaders, planning officials and other administrators from all parts of the world for this conference, as well as business men, trade unionists, sociologists, political scientists, etc., who are often in a good position to judge how their country's planning efforts can be improved.

The conference will be held at the University of Sussex and will run from 29 June to 10 July 1969.

I have been asked by the conference steering group (composed of officials from the Ministry of Overseas Development, the Overseas Development Institute and ourselves) to invite you to speak at the last evening session of the conference (8 July) on "Planning and Aid", dealing with ways in which the role of an agency like the Bank can help a government overcome weaknesses in planning, which will have been brought out earlier in the conference in papers. (These will of course be distributed some months in advance.)

Mr. Robert Strange McNamara,  
I.B.R.D.,  
1818 H. Street, N.W.,  
Washington, D.C. 20433,  
U.S.A.

(Contd....)

cc. Mr. A.E. Rice, SID, Washington



We very much hope you can take this on. I shall be in Washington for 2 and 3 July and could provide you with further information, if you so wish. Andrew Rice of S.I.D., telephone 296-3810, is keeping an appointment book for these two days.

Yours sincerely,

cc. Mr. A.E. Rice of S.I.D.

CROSS REFERENCE SHEET

COMMUNICATION: Letter  
DATED: June 6, 1968  
TO: Mr. Dudley Seers  
Director  
The Institute of Development Studies  
The University of Sussex  
Stanmer, Brighton  
Sussex, England  
FROM: Mr. McNamara

FILED UNDER: Speeches - McNamara

SUMMARY: Mr. McNamara regrets that he is unable at the present time to answer Mr. Dudley's invitation to speak at a conference next July. Mr. McNamara wishes to defer the decision till October.



ROUTING SLIP

Date  
June 7 1968

OFFICE OF THE PRESIDENT

Name

Room No.

~~Mr. Kamarck~~

800

~~Mr. Friedman~~

~~Mr. [unclear]~~

any interest?

No, please  
show  
6/18

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

Remarks

You may be interested in the attached.

What do you think?

not for us.

a rule

F. to: **Irving S. Friedman**

# THE INSTITUTE OF DEVELOPMENT STUDIES

at THE UNIVERSITY OF SUSSEX STANMER BRIGHTON

Telephone BRIGHTON 66261

Telegrams DEVELOPMENT BRIGHTON

I enclose details of the 5th Study Seminar to be held at the Institute from 1-27th September, 1968. The theme of the Seminar is Aid and Trade and it will be directed by Professor Paul Streeten who is the Deputy Director of the Institute.

This pamphlet has been distributed through the normal channels but I thought that, in view of your contribution to the Second UNCTAD, you might be particularly interested in this Seminar. I should be grateful if you could bring it to the attention of suitable candidates and encourage them to apply.

Dudley Seers  
Director

JUN 3 1968

1968 70

see July 18/68



# THE INSTITUTE OF DEVELOPMENT STUDIES

at THE UNIVERSITY OF SUSSEX STAMMER BRIGHTON

Telephone Brighton 6601      Telex Development Institute

I enclose details of the 5th Study Seminar to be held at the Institute from 1-27th September, 1968. The theme of the Seminar is 'The 1970s and the 1980s' and it will be directed by Professor Paul Streeten who is the Deputy Director of the Institute.

This pamphlet has been distributed through the normal channels but I thought that, in view of your contribution to the Second World War, you might be particularly interested in this Seminar. I should be grateful if you could bring it to the attention of suitable candidates and encourage them to apply.

Dudley Seers  
Director

JUN 2 1968

1968 JUN -3 AM 10:03  
RECEIVED  
GENERAL FILES  
COMMUNICATIONS

# **AID and TRADE**

**Institute of Development  
Studies  
at the  
University of Sussex.  
Brighton**

**5th STUDY SEMINAR**

**1 - 27**

**September 1968**

---



## Aid and Trade

**1 - 27 September 1968**

(Originally to have been held from 12th May—7th June 1968)

**Director of Studies: Professor Paul Streeten**

**Tutors: Clive Bell  
Angus Hone  
Robert Lacey  
Michael Lipton  
David Wall**

### Aims and Methods

In this Seminar the Institute aims at providing an opportunity for the participants to stand back from their daily work and to re-appraise it in a broader context. International trade, international private and official capital flows and international monetary problems will be examined. The intention is to stimulate fundamental probing and re-thinking by giving members a chance to refresh their minds and reassess their work, and to build theoretical analysis on experience, in order to improve the power to take decisions. The aim is practical, the method analytical. Although the emphasis is predominantly economic, historians, political scientists, business managers, civil servants and politicians will contribute to making intellectual contact across established frontiers.

The methods of study consist of syndicates, conferences, lectures and panels. The lectures and panels, which include visitors of distinction, are intended to raise issues which will be followed up in greater depth in the syndicates. For the syndicates

the Seminar will be divided into small working groups. On the basis of briefs issued beforehand and with the guidance of pamphlets and of tutors, participants will draw on their own experience, and produce projects and draft reports which will be presented to conferences in which all seminar members participate. These will provide a forum for advocacy, argument, and persuasion. Case studies will form another channel by which specific experience is related to general principles, in order to improve decision-making. They prove useful when the subject is difficult to present or comprehend in wholly general terms.

The Seminar aims at enabling administrators, managers and planners not only to do their work more efficiently, by ensuring that their policies are sound and far-sighted, and that they are properly implemented, but also to understand the wider issues in which their work is embedded and to explain them cogently and persuasively.

Improved decision-making in development policy will be achieved in three ways: specific information will be acquired about the facts and theory of international aid and trade; the ability to think in the sense of identifying the issues in a useful and logical manner will be increased; and the facility in setting out and arguing a case, whether orally or in writing will be improved.

The four weeks at Sussex will be for each member a vital and stimulating experience. The view that administrators and planners require not so much more information but a new attitude is now commonplace, but nevertheless true, insofar as it points to the need for mental alertness and willingness to try out new ideas and policies. If this is to be obtained at all, it will be by a sort of "shock effect", by means of a strenuous and exciting experience achieved by taking a group of men and women from their ordinary routine to spend a month in wholly different and attractive surroundings, in new company, and under the stress and pressure of new ideas.

### content

The work falls into the following sections:

**1. Experience and Functions:**

each participant explains his work and the problems of his country.

**2. International Trade Theory:**

the theory of comparative advantage, customs unions and free trade areas, the balance of payments, international factor movements.

**3. International Trade Policies:**

commodity markets, trade in manufactures, stabilisation schemes, trade preferences, tariffs and other trade controls.

**4. Aid:**

The main aid programmes, aid criteria, aid and the balance of payments of donors, aid management, technical assistance and financial aid, bilateral and multilateral aid, the relation of international aid policies to other policies, aid co-operation.

**5. Private investment overseas:**

Statistics, incentives, taxation, joint ventures, the impact on the balance of payments, on income distribution and on the rural sector.

**6. International Monetary Issues:**

Balance of payments of recipients, the need for liquid reserves, Special Drawing Rights and the link between monetary reform and development aid.



## **qualifications**

It follows from the above that only those who have some prospect of reaching senior posts or already occupy such posts, should apply. A good degree in economics is an advantage, but not essential. Experience of aid administration and trade policy are valuable.

## **fellowships**

The Institute has no financial resources to award fellowships. British Government Technical Assistance awards will be available for officials from less developed countries. Awards will cover the cost of travel, maintenance and seminar fees, together with certain incidental expenses. In some cases it may be possible to meet part of the cost of participation of Fellows selected from the private sector; the award would however cover only the cost of maintenance and seminar fees. Awards will be administered by the British Council.

**Proficiency in English—Members of the Seminar must be proficient in English.** To derive the maximum benefit from attendance, Study Fellows should be able to follow and take an active part in discussions during the Seminar. Arrangements will be made with the British Council representatives for a certificate of proficiency to be given.

## **accommodation**

Provision is made for Study Fellows in the Metropole Hotel, Kings Road, Brighton, during the period of the Seminar. The cost of the hotel will be approximately 95/- per day for bed, breakfast and dinner and a 12% service charge. For those with Technical Assistance Awards the British Council will make these arrangements and will also make provision for accommodation for up to three days at either end of the Seminar in Brighton or in London.

## **duration of seminar**

Study Fellows will assemble at 7 p.m. on the Sunday evening, 1st September, in the Metropole Hotel, Brighton. Participants will be free to disperse on the morning after the last date of the Seminar.

## **travel to and from Britain**

Travel arrangements to the Institute for Study Fellows awarded British Government Technical Assistance awards will be made by the British Embassy or High Commission as appropriate, and for the homeward journey, by the British Council. Other members should make their own arrangements although the British Council will arrange travel within this country if necessary.

## **fees**

£100. This relates only to tuition and does not cover the cost of board and lodging.

## **closing date**

Applications should be submitted preferably by 31st July, 1968. Those applications already received for the original seminar to be held in May and June will be considered for this seminar unless applicants notify the Institute that they wish to withdraw.

## **application forms**

can be obtained from:—

The Secretary,  
Institute of Development Studies  
at the University of Sussex,  
Brighton, BN1 9QA,  
England.



*2 - Inst of Dev. St. (unrec)*

INCOMING CABLE

DATE AND TIME  
OF CABLE:

MAY 30, 1968

1725

LOG NO.:

ITT 2 / 31

TO:

FULTON INTBAFRAD

FROM:

BRIGHTON

ROUTING

ACTION COPY: INFORMATION DEPARTMENT

INFORMATION  
COPY:

DECODED BY:

TEXT:

REGRET TO ADVISE YOU THAT COURSE ON AID ADMINISTRATION HAS BEEN  
POSTPONED UNTIL 30TH SEPTEMBER - 11TH OCTOBER AT REQUEST MINISTRY  
OF OVERSEAS DEVELOPMENT. PARTICIPATION WORLD BANK STAFF MEMBER  
MOST WELCOME FOR NEXT COURSE AND TRUST YOU MAY AGAIN BE ABLE TO  
HELP US. WILL ADVISE DATES AND SUBJECT AS SOON AS PRACTICABLE

CAUSTIN DEVELOPMENT BRIGHTON

IR





2-Inst. of Dev. St.  
24 May 1968

Mr. Dudley Seers  
Director  
The Institute of Development Studies  
Brighton, England

Dear Dudley,

Thank you for your letter of 21 May, 1968 about your visit to the Sudan. We had a reorganisation in the Bank last year as a result of which the Sudan is no longer in the Africa Department but in the Middle East and North Africa Department, and I no longer deal with it. I have, however, passed on to those who do (Dieter Hartwich and Jack Upper ) information about your visit. I am trying to get another copy of the last Bank report on the Sudan, but since it was done 18 months ago there seems to be a shortage of copies and it will take me a day to track down a spare one. Incidentally your reference to it "our 67-18 of February 6, 1967" is a bit of a mystery. Since the grey cover report (AF-49a of January 1967) we produced a couple of memoranda, one of which I will also send you with the report. There was also a mission recently there, but they have not yet finished writing their report. Messrs. Hartwich and Upper would be glad to have a word with you about your visit when you are in Washington in July if you have time to drop into the Bank.

At present it appears that I am likely to be in England at the end of June or beginning of July, on my way to Malawi and, possibly, Zambia and Botswana. I will try to see you then provided we do not cross in the air over the Atlantic. I will let you know when my plans are definite.

Yours sincerely,

Robert M. Dean

P.S. I have been asked to remind you that the reports are confidential !

cc: Mr. Hartwich

RMDean:jk

May 22, 1968

Mr. Michael Lipton  
Institute of Development Studies  
The University of Sussex  
Stanmer, Brighton  
England

Dear Michael:

Attached please find two copies of the paper by Professor K. N. Raj which we discussed briefly last month (Investment in Livestock in Agrarian Economies: A Theoretical and Empirical Analysis).

By the time these copies reach you I hope you will have had an answer regarding the Bank's participation in next month's seminar. The matter is still under consideration as of this moment, but I hope a suitable lecturer can be found in response to your request.

Sincerely yours,

Gregory B. Votaw  
Asia Department

Attachments

GVotaw:sao  
IBRD



2 Inst. for Dev. St.  
May 21, 1968

Dear Mr. Lipton:

I am sorry that it has taken so long to give you a reply to your letter of May 6, and even sorrier to report that it does not appear to be feasible for the Bank to send a lecturer to your seminar on Finance and the Resources for Economic Development. It so happens that summers here are usually busy periods, and this one will be no exception.

There is one possibility, however, that I should mention. Mr. Andrew Kamarck, Director of the Bank's Economics Department, expects to be in Europe in July and may very well find it possible to visit the Institute, in which case I know he would enjoy attending some of the seminar sessions. I'm sure Mr. Kamarck will be in touch with Dudley Seers on this as his plans develop.

Again, let me say how sorry I am that for this particular seminar we will not be able to provide a lecturer.

Sincerely,



David C. Fulton  
Chief, Public Affairs

Mr. Michael Lipton  
The Institute of Development Studies  
The University of Sussex  
Stammer, Brighton  
Sussex, England

DCF:jas

c.c. Mr. Votaw Mr. Kamarck  
Mr. Stevenson

L-Part of Sec. 57.

May 20, 1968

Dear Mr. Caustin:

Many thanks for your letter of May 15.

I think I can give you fairly firm assurance that the Bank will be represented at your course, and that our representative will be there for at least two days of the second week, and perhaps more.

In a very few days I will expect to be writing you about this again, with firmer information.

With best wishes,

Sincerely,

David C. Fulton  
Chief, Public Affairs

Mr. Harold Caustin  
The Institute of Development  
Studies  
The University of Sussex  
Stanmer, Brighton  
England

cc: Mr. Hoffman (with incoming)

DCF:ij *DCF*



**OUTGOING WIRE**

TO: LIPTON DEVELOPMENT  
BRIGHTON

DATE: MAY 16, 1968

CLASS OF SERVICE: LT

COUNTRY: ENGLAND

*277*

TEXT: REUR LETTER AND CABLE TO VOTAW BANK PARTICIPATION FINANCE SEMINAR  
Cable No.: NOW UNDER CONSIDERATION. HOPE TO GIVE YOU ANSWER BY MIDDLE OF  
NEXT WEEK. REGARDS

*5/6*  
*5/15*

FULTON  
WORLD BANK

**NOT TO BE TRANSMITTED**

MESSAGE AUTHORIZED BY:

NAME David C. Fulton

DEPT. Information

SIGNATURE *David C. Fulton*  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

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**ORIGINAL (File Copy)**  
(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: *[Signature]*

(INVERTING: 22:00:00 Date for Delivery 10:10)

ORIGINATOR (Name Code)

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Checked for Delivery

For Use by Receiver Only

(SIGNATURE OF INDIVIDUAL OR AUTHORIZED REPRESENTATIVE)

SIGNATURE

*[Handwritten Signature]*  
INFORMATION

GENERAL TIME COMMUNICATIONS

DEPT

NAME

DR. C. B. BROWN

MAY 16 6 03 PM 1968

MESSAGE AUTHORIZED BY

STANDARD AND COPY DISTRIBUTION

NOT TO BE REPRODUCED

ROBERT BROWN  
BOSTON

RECEIVED

FOR YOUR CONSIDERATION

PLEASE ADVISE US OF ANY REPLY

FORM NO. 1  
1968

COPY TO:

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SECRET

CLASSIFIED

SECRET

MAY 16 1968

OUTGOING MAIL

ASSOCIATION

REGISTRATION AND DELIVERY

CONVOLUTION

INTERNATIONAL TELEGRAPHIC

FOR NAME INFORMATION

INTERNATIONAL SERVICE

FORM NO. 1  
1968



*Conf. Disc. (un. of Sussex)*

INCOMING CABLE

DATE AND TIME  
OF CABLE:

**MAY 15, 1968**

**1230**

ROUTING	
ACTION COPY:	<b>MR. VOTAW</b>
INFORMATION COPY:	<b>MR. CARGILL</b>
DECODED BY:	

LOG NO.:

**ITT 13 / 15**

TO:

**VOTAW INTBAFRAD**

FROM:

**BRIGHTON**

TEXT:

GRATEFUL EARLY REPLY MY LETTER 6TH MAY ABOUT FINANCE SEMINAR  
 LIPTON DEVELOPMENT BRIGHTON

IR

COMMUNICATIONS  
 SERVICE UNIT  
 MAY 15 10 10 AM 1968

*acc. 5/16/68*

TYPED

MAY 15 10 14 AM 1968

GENERAL FILES  
COMMUNICATIONS

COMMUNICATIONS CENTER

COMMUNICATIONS CENTER

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DECODED BY:	MR. CROFT
CLASSIFIED BY:	MR. CROFT
EXEMPTED BY:	MR. CROFT
EXEMPTION CODE:	MR. CROFT
CONFIDENTIAL	

CONFIDENTIAL



*Conf. Miss.*

May 15, 1968

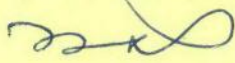
Miss Nora Nottage, Librarian  
The Institute of Development Studies  
at the University of Sussex  
Stanmer, Brighton, England

Dear Miss Nottage:

In response to your letter of May 7 regarding your search for a Manual on cost benefit studies which you understood might have been prepared by the World Bank, I am wondering if perhaps the document you refer to may not be a draft paper issued in connection with the OECD Bellagio Conference in March 1968. The title is "Manual of Industrial Project Analyses in Developing Countries," Vol. II, Social Cost Benefit Analysis, issued by OECD Development Centre. I have made inquiry here at the World Bank, but have been unable to determine that a document of that title has been prepared here.

I trust the information above will be of assistance to you in locating the paper.

Yours sincerely,



M. A. Sreedhar  
Acting Chief, Industrialization Division  
Economics Division

MASreedhar:jw

1200 WVA 1e W110: St

COMMUNICATIONS  
RECEIVED UNIT  
RECEIVED





*Conf. Lm.  
(Univ. of Sussex)*

Mr. David C. Fulton

May 14, 1968

Gregory Votaw

Institute of Development Studies

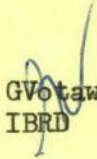
Attached please find two copies of Michael Lipton's letter of May 6. ✓

I believe we should cooperate with I.D.S. as much as possible, since contacts to date have been mutually beneficial and future activities are likely to be even more so.

Would you like to take Lipton's new requests up with EADI, Economics and other relevant departments of the Bank or should I? I have already mentioned to Stevenson (through car pool) that a request regarding "The Productivity of Consumption" might arrive and could also discuss my experience with Krishnaswamy/Baldwin and/or others if you so desire.

Many thanks.

Attachments

  
GVotaw:sao  
IBRD

BY AIR MAIL  
PAR AVION  
AIR LETTER  
AEROGRAMME



Mr. M. A. Sreedhar,

Economics Department,

International Bank for Reconstruction  
and Development,

1818 H Street, N.W.,

WASHINGTON, D.C. 20433.

U. S. A.

← Second fold here →

Sender's name and address:

The Library  
The Institute of Development Studies  
Library Building  
University of Sussex  
Falmer  
Brighton  
Sussex  
England

AN AIR LETTER SHOULD NOT CONTAIN ANY ENCLOSURE:  
IF IT DOES IT WILL BE SURCHARGED  
OR SENT BY ORDINARY MAIL.

Form approved by the Postmaster General, No. 71995/2E

IMPERIAL AIR MAIL  
AEROGRAMMES

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1966 MAY 13 AM 11:16

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THE INSTITUTE OF DEVELOPMENT STUDIES

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ENGLAND



THE LIBRARY  
THE INSTITUTE OF DEVELOPMENT STUDIES

Library Building, The University of Sussex,

Falmer, Brighton, Sussex.

TELEPHONE BRIGHTON 66755 EXT 120

TELEGRAMS DEVELOPMENT, BRIGHTON

PLEASE NOTE NEW ADDRESS:-

THE INSTITUTE OF DEVELOPMENT STUDIES  
AT THE UNIVERSITY OF SUSSEX  
STANMER, BRIGHTON.

TEL: BRIGHTON 66261

UMN/BMD

7th May 1968

Dear Mr. Sreedhar,

In the course of preparing reading lists for the Seminar on Aid Administration which is being held here at the moment, I received a request for a Manual on cost benefit studies, said to have been prepared by the International Bank for Reconstruction and Development in 1966 or 1967. The Manual is completely unknown to me, but would obviously be extremely useful here and I write to ask if, first of all, you could let me know if, in fact, such a thing does exist, and secondly, if so, whether you could let us have one, or possibly two copies, for use in future Study Seminars.

If the Manual was not prepared by the World Bank, can you possibly throw any light on its authorship?

Yours sincerely,

*Una Rottage*

Librarian.

Mr. M. A. Sreedhar,  
Economics Department,  
International Bank for Reconstruction and Development,  
1818 H Street, N.W.,  
Washington, D.C. 20433,  
U.S.A.

Dr. B. Schaffer,  
Sender's name and address: ~~Institute of Development Studies,~~  
~~University of Sussex,~~  
~~Stanmer, Brighton, Sussex.~~

AN AIR LETTER SHOULD NOT CONTAIN ANY  
ENCLOSURE; IF IT DOES IT WILL BE SURCHARGED  
OR SENT BY ORDINARY MAIL.

The 'APSLEY' Air Letter

A John Dickinson Product

Form approved by Postmaster General No.—71995

← Second fold here →

First fold here ↑



Mr. Gregory Votaw,  
International Bank for Reconstruction and  
Development,  
1818 H Street, N.W.,  
Washington, D.C.



THE INSTITUTE OF DEVELOPMENT STUDIES

~~The University of Sussex, Falmer, Brighton, Sussex~~  
~~66755~~

~~David C. Fulton~~  
Conf. Just.  
Op. Files

at The University of Sussex, Stanmer, Brighton, Sussex.

TELEPHONE BRIGHTON 66261 TELEGRAMS DEVELOPMENT, BRIGHTON

BBS/AJ

7th May, 1968.

Mr. Gregory Votaw,  
International Bank for Reconstruction and  
Development,  
1818 H Street, N.W.,  
Washington, D.C.

Dear Gregory,

It was a great pleasure to have you over on the Course so that we could meet you and listen to you. I should be very grateful if you could give our thanks to everyone at the Bank who made it possible for you to come. I am also very grateful, on behalf of us all here, for the material which you are making it possible for us to get.

I do hope we can see you again.

Yours sincerely,

*B.B. Schaffer*

B.B. Schaffer.

*No reply required.* CW

*OR files*

# THE INSTITUTE OF DEVELOPMENT STUDIES

at THE UNIVERSITY OF SUSSEX STANMER BRIGHTON

Telephone BRIGHTON 66261

Telegrams DEVELOPMENT BRIGHTON

ML/SP

6th May, 1968

Mr. Gregory Votaw  
International Bank for Reconstruction  
and Development  
1818 H. Street, N.W.  
Washington, D.C.  
U.S.A.

Dear Gregory,

You will recall that, when you were here during the Aid Administration course, ~~that~~ we talked about my Seminar which is to be held here from the 30th June to 26th July on Finance and the Resources for Economic Development. I am enclosing the provisional programme for the Seminar with the names of the lecturers who are attending so far. I wonder if it would be possible to arrange for someone from the World Bank to come over for a period during this Seminar. We have a lecture on the Productivity of Private Consumption on Thursday, 4th July which we should like somebody from the Bank to tackle. During the second week of the Seminar, it would be very useful to have somebody from the Bank with us for the whole period, to circulate among such syndicates and conferences as might interest him. We also have two lectures on Thursday, 11th July on the Role of Commercial Banks and secondly about the Prospects of Central Bank Control. If necessary the lecture on the Productivity of Private Consumption could be rescheduled to Friday, 5th July, but it would not fit very satisfactorily into the second week.

I do hope that it will be possible for somebody to come from the World Bank and I shall look forward to hearing from you soon about this.

With best wishes.

Yours sincerely,

*Michael*

Michael Lipton

*Questions referred  
to Lipton for  
consultation w/  
EDI + Economics  
this will follow,*

*aw*  
UNIVERSITY OF SUSSEX  
BRIGHTON

*ack. 5/21/68*



RECEIVED  
GENERAL FILES  
COMMUNICATIONS  
1968 MAY 11 AM 10:02

*[Faint handwritten notes and scribbles in the top left corner]*

*[Faint, illegible text, possibly a stamp or header]*

*[Main body of faint, illegible text, possibly a letter or report]*

*[Faint text line]*

*[Faint text block, possibly a signature or address]*

*[Faint text line]*

*[Faint text line]*

*[Handwritten signature or initials]*

# THE INSTITUTE OF DEVELOPMENT STUDIES

at THE UNIVERSITY OF SUSSEX STANMER BRIGHTON

Telephone BRIGHTON 66261

Telegrams DEVELOPMENT BRIGHTON

PROVISIONAL TIMETABLE

STUDY SEMINAR 6

as at December 1967

## FINANCIAL RESOURCES FOR ECONOMIC DEVELOPMENT

30th June to 26th July 1968

Sessions, unless otherwise stated, are as follows:-

1. 9.15 - 10.45
2. 11.15 - 12.45
3. 2.15 - 3.45
4. 4.15 - 5.45
5. 7.30 - 9.00

Lectures will last for 45 minutes, the remaining time being devoted to discussion. Classes are periods of group instruction in contrast to syndicates which are small discussion groups of 5 to 10 people where Study Fellows will be asked to consider questions and prepare papers for presentation to a conference of the Seminar. Syndicates will be chaired by a member of the seminar and will have a tutor to provide expert guidance where necessary; during these discussions members will be asked to draw on their own experience and relate this to the general principles raised in the lectures. Panels will consist of two panelists who will have no previous warning of the questions put to them by the chairman. The panels are intended to bring out different points of view.



Sunday  
30th June

7 for 7.30

Reception at University

WEEK I

FINANCING WHAT ?

Monday  
1st July

9.15 Lecture INTRODUCTION TO BRIGHTON

Discussion and information session

10.15 Lecture INTRODUCTION TO SEMINAR  
AND PARTICIPANTS

3. Lecture SOURCES AND USES OF  
RESOURCES: ELEMENTS OF  
NATIONAL ACCOUNTING

*Mr. Michael  
Lipton*

4. Class INTRODUCTION TO PROGRAMMING  
AND SHADOW PRICES

*Professor  
Leonard Joy*

Tuesday  
2nd July

1. Syndicates USE OF PROGRAMMING &  
NATIONAL ACCOUNTS IN  
DEVELOPMENT PLANS

2. READING OF PLAN MATERIAL  
(1 country per syndicate)

3. Preparation of material for  
conference on Programming  
data ~~and~~ accounting data:  
which statistical priority  
for planning ?

4. Lecture MACRO-ECONOMIC PROBLEMS  
OF DEVELOPMENT FINANCE

*Mr. Michael  
Lipton*

Wednesday  
3rd July

1. Class THE CURRENT GOVERNMENT  
BUDGET

2. Lecture PRODUCTIVITY AND SELF-  
FINANCING IN HEALTH AND  
EDUCATION

*Mr. Richard  
Joyard*

3. Syndicates TECHNIQUES OF COST-  
BENEFIT ANALYSIS

5. Conference PLANNING, PROGRAMMING &  
NATIONAL ACCOUNTS: MICRO  
OR MACRO EMPHASIS IN  
PLANNING ?

Thursday  
4th July

1. Lecture THE PRODUCTIVITY OF  
PRIVATE CONSUMPTION

2. Syndicates SECTORAL BALANCE BETWEEN  
PRIVATE AND PUBLIC INDUSTRY  
FROM A FINANCING VIEWPOINT

4. Lecture PRODUCTIVITY AND FINANCING  
OF CONSTRUCTION INVESTMENT

*Mr. Callum  
Christie*

Friday  
5th July

1. Syndicates THE SOURCES OF GROWTH:  
FACTORS OF PRODUCTION VERSUS  
TECHNICAL PROGRESS AND  
POLICY IMPLICATIONS

2. Panel NATURE AND DEFINITION OF  
DEVELOPMENT

*Dr. Thomas Balogh  
Professor Leonard Joy*

WEEK II

HOME SOURCES OF DEVELOPMENT FINANCE

Monday  
8th July

1. Lecture DIRECT AND INDIRECT TAXES *Professor Alan Priest*
2. Syndicates CRITERIA FOR A TAX POLICY
3. Syndicates PRICE & INVESTMENT POLICY IN NATIONALISED INDUSTRIES
4. Lecture MARKETING BOARDS: *Prof. Peter Bauer*  
STABILISERS OR WILCH COWS *Prof. Frank Paish*
5. Lecture INFLATION AS A SOURCE OF DEVELOPMENT FINANCE

Tuesday  
9th July

1. Syndicates (country groups) PROJECT: HOW TO RAISE TAXES
2. Reading Period and preparation of briefs for conference
3. Lecture RAISING TAXES ON FOREIGN TRADE *Prof. Alasdair MacBean*
4. Lecture NATIONAL SAVINGS MOVEMENTS IN LDCs *Mr. D.P. Davidson*
5. Conference HOW TO RAISE TAXES ?

Wednesday  
10th July

1. Lecture AUDITING AND COST CONTROL - PUBLIC AND PRIVATE
2. Class PUBLIC-PRIVATE FINANCIAL BRIDGES: RURAL CREDIT
4. Lecture O AND U AND OPERATIONAL RESEARCH

Thursday  
11th July

1. Lecture PUBLIC-PRIVATE FINANCIAL BRIDGES: COMMERCIAL BANK POLICY
2. Lecture CENTRAL BANK CONTROL, AND FINANCING OF DEVELOPMENT
3. Syndicates COMPANY TAXATION AND DEVELOPMENT FINANCE
4. Reading for PROJECT ON PUBLIC-PRIVATE LINKS

Friday  
12th July

1. Preparation of syndicate reports for conference on public-private links
2. Lecture CORRUPTION, POLITICS AND DEVELOPMENT FINANCE *Mr. R.E. Wraith*
3. Syndicates DEFICIT BUDGETING, MONETISATION, COUNTERPART FUNDS
4. Conference PRIVATE-PUBLIC LINKS IN DEVELOPMENT FINANCE



WEEK III

FOREIGN RESOURCES FOR DEVELOPMENT

Tuesday  
16th July

1. Class THEORIES OF TRADE
2. Syndicates BALANCE OF PAYMENTS
3. Class METHODS TO FINANCE DEFICITS
4. Lecture COMPOSITION, VOLUME AND DIRECTION OF AID

Wednesday  
17th July

1. Lecture THE POLITICS OF AID
2. Syndicates PROJECT PREPARATION: SIZE AND COMPOSITION OF AID IN ONE COUNTRY
4. Panel AID: FOR AND AGAINST *Mr. Andrew Shonfield*  
*Mr. Bob Sutcliffe*
5. Conference ROLE OF AID - A THREE COUNTRY CONTRAST

Thursday  
18th July

1. Class COMMAND OVER IMPORTS: THE TERMS OF TRADE
2. Class POSSIBILITIES OF EFFECTIVE DEVALUATION
3. Lecture PRIVATE OVERSEAS INVESTMENT: VOLUME, COMPOSITION, FLOWS *Prof. Paul Streeten*
4. Syndicates PRIVATE OVERSEAS INVESTMENT: INCENTIVES, TOTAL AND DIRECTIONAL

Friday  
19th July

1. Lecture MANAGING ONE'S CURRENCY IN A WORLD ECONOMY: FROM CURRENCY BOARDS TO MANAGED MONEY *Prof. Walter Newlyn*
2. Panel MARKETING: MAKING EXPORTS EARN MORE IMPORTS *Colonel Bell Gordon*
3. Syndicates FOREIGN RESERVES: COMPOSITION
4. Lecture LIQUIDITY STRUCTURE OF RESERVES: POSSIBILITY OF RUN-DOWN TO FINANCE DEFICITS *Mr. Peter Oppenheimer*

WEEK IV

## ALLOCATION OF DEVELOPMENT FINANCE

Monday  
22nd July

- |    |            |  |
|----|------------|--|
| 1. | Lecture    | INVESTMENT CRITERIA <i>Mr. Clive Bell</i>      |
| 2. | Class      | TYPES OF CONTROL SYSTEM:<br>COSTS AND BENEFITS |
| 3. | Lecture    | THE POLITICAL SOCIOLOGY<br>OF WHO GETS WHAT    |
| 4. | Syndicates | SYSTEMS OF ALLOCATION                          |

Tuesday  
23rd July

- |    |                |   |
|----|----------------|---|
| 1. | Lecture        | DIRECTIONAL EFFECTS AND <i>Dr. Pramit Chaudhuri</i><br>DIRECTIONAL USES OF<br>MONETARY POLICY |
| 2. | Class          | FISCAL DIRECTIONAL INCENTIVES<br>TO HOME SAVING   |
| 3. | Class          | MEASURING FOREIGN EXCHANGE<br>CONTENT OF PROJECTS:<br>INPUT-OUTPUT                            |
| 4. | Reading Period | PREPARATION FOR PROJECT   |

Wednesday  
24th July

- |    |            |   |
|----|------------|---|
| 1. | Lecture    | THEORY OF ECONOMIC LOCATION <i>Dr. Tony Fielding</i>    |
| 2. | Class      | MULTIPLIERS: REAL AND<br>MONEY NATIONAL AND<br>REGIONAL |
| 3. | Syndicates | REGIONAL INCENTIVES AND<br>CONTROLS                     |
| 4. | Lecture    | FEDERAL FINANCE <i>Lady Ursula Hicks</i>                |
| 5. | Project    | FISCAL AND MONETARY POLICY<br>IN THREE COUNTRIES        |

Thursday  
25th July

- |    |            |  |
|----|------------|--|
| 1. | Lecture    | ALLOCATIVE POWERS OF SEMI-<br>PUBLIC ORGANS (IRC, IBI,<br>NACIONAL FINANCIERA OF<br>MEXICO, ETC.)  |
| 2. | Syndicates | ALLOCATIVE MANAGEMENT OF<br>FOREIGN EXCHANGE: MULTIPLE<br>EXCHANGE RATES, QUOTAS,<br>CONTROL OF IMPORT LICENCES<br>BY AUCTIONING OR TYING TO<br>EXPORT PERFORMANCE |

Thursday  
25th July

- |               |                |   |
|---------------|----------------|---|
| 2.15          |                | Reading and preparation for<br>conference on allocation of<br>financial resources |
| 7.00 for 7.30 | SEMINAR DINNER |   |

Friday  
26th July

- |       |                      |                                      |
|-------|----------------------|--------------------------------------|
| 11.15 | CONFERENCE           | ALLOCATION OF FINANCIAL<br>RESOURCES |
| 2.30  | EVALUATION OF COURSE |                                      |



Institute of Development Studies  
at the University of Sussex

SEMINAR 6

FINANCIAL RESOURCES FOR ECONOMIC DEVELOPMENT

30 June to 26 July, 1968

Director of Studies: M. Lipton,  
Fellow of the Institute of  
Development Studies and  
Lecturer in Economics at the  
University of Sussex

CONTENT

Discussions during the Seminar fall into the following sections:-

1. What has to be financed ?

The nature of a development plan: maximisation under constraints. Locating and releasing the constraints. National accounting; claims on resources in a period from exports, consumption, public current expenditure and investment. Exports as an engine of development. Productivity of private consumption: role of income distribution. Current government spending; investment in human capital in health and education; cost-benefit analysis. Private and public investment; relative contributions of capital and technical change to growth.

With each form of resource use, the Seminar will concentrate on the financial consequences of generating growth in this particular way; now and later, and for private as well as public sectors.

2. The components of development finance.

Their proper size, relation to the pattern of expenditures and how to increase them.

(i) Domestic resources. Current public surpluses; taxes on income and wealth; taxes on goods and services, and expenditure taxes; taxes on imports and exports, and marketing boards; auditing, O and M, and other procedures to reduce current spending; cost control; federal finance. Profits of public enterprises; price policy and rates of return; choice of area for public ownership, with respect to effects on development finance. Personal savings; financial intermediaries; private capital markets; rural credit agencies. Company savings; extent of self-financing; impact of taxation; retained and distributed profits. Deficit budgeting; monetization; commodity aid and counterpart funds; real and money multipliers; 'permissible' inflation.

(ii) Foreign resources. Financing the import surplus; profitability vs. liquidity of foreign exchange reserves; timing and types of aid; international aid organisation. Currency boards and "managed" monetary systems. When does devaluation increase availability of development finance ?



3. Allocation of development finance.

Incentives, permissives and directives; special and general, positive and negative controls; administrative costs implied. Directional use of monetary and banking policy; scope and limits of monetary policy in LDCs. Fiscal incentives to home and foreign savings and investment; regional inducements, desirable and effective. Allocative powers of semi-public organisations (IRI, IRC, Nacional Financiero of Mexico). Allocative management of foreign exchange; multiple exchange rates; auctioning import licences; linkage of import quotas to export performance.

METHOD

Each theme will be introduced by lectures which will form the hard core of instruction, but it is not intended that lectures will dominate the Seminar but rather that they should introduce new ideas, broaden the range of experience considered and pose questions which will be followed up in greater depth in syndicate discussions.

The syndicates are small discussion groups in which it will be possible for seminar members to relate their own experience and the problems of their own country to those of others and to general principles. It is intended that these discussions will ensure maximum participation and will consolidate the work done in lectures. The emphasis of the Seminar will be a consideration of the problems with which the participants are concerned in their work. The aim is an exchange of ideas and experience between the Study Fellows attending and between them and the Institute's Fellows and Visiting Speakers invited to the Seminar.

STAFF

Permanent Staff of the Institute of Development Studies will lecture, participate in panels and lead discussion groups throughout the Seminar. In addition a number of persons from other institutes and universities, government departments, private firms and international agencies will be invited to give lectures and join discussions. The visiting speakers will particularly help to broaden the range of issues and practical experience covered.

QUALIFICATIONS

The Seminar is intended for:

- (a) senior level civil servants whose work is concerned with the financing of development expenditure, planning and control of taxes and borrowing, cost control and financial aspects of project evaluation with regard to both home and foreign financial resources.
- (b) businessmen whose main experience lies in the area of increasing the financial resources available to their firms whether from internal financing, share issues, bank loans or other means.
- (c) bankers both from central and commercial banks.



(d) Managers of rural credit agencies.

A university degree in economics is highly desirable but relevant experience and responsibility are more important pre-requisites. The prime criteria for selection will be the work performed by the applicant; the fullest information regarding the functions undertaken should therefore be given on the application form.

#### SEMINAR FEE

The fee for the Seminar is £100. This relates only to tuition and does not cover the cost of board and lodging.

#### FELLOWSHIPS

The Institute does not have financial resources to award fellowships. British Government Technical Assistance awards will be available for officials from less developed countries. Awards will cover the cost of travel, maintenance and seminar fees, together with certain incidental expenses. In some cases it may be possible to meet part of the cost of participation of Fellows selected from the private sector; the award would, however, only cover the cost of maintenance and Seminar fees.

Awards will be administered by the British Council who will be responsible for notifying particulars to Study Fellows when an award has been made.

#### NUMBERS

There are places for 30 Study Fellows to attend this Seminar.

#### PROFICIENCY IN ENGLISH

Members of the Seminar must be proficient in English. To derive the maximum benefit from attendance Study Fellows should be able to follow and take an active part in discussions during the Seminar. Arrangements will be made with British Council representatives for a certificate of proficiency to be given.

#### ACCOMMODATION

Provision is made for Study Fellows to stay on the campus of the University of Sussex. The cost per week for accommodation is approximately £18 for full board.

The British Council will also make provision for those with Technical Assistance Awards for accommodation in Brighton or London for up to three days at either end of the Seminar.

#### DURATION OF THE SEMINAR

Study Fellows will assemble on the Sunday evening before the commencement of the Seminar. They will be free to disperse on the afternoon of the last date of the Seminar, unless anything to the contrary is arranged.

TRAVEL TO AND FROM BRITAIN

Travel arrangements to Britain for Study Fellows in receipt of British Government Technical Assistance awards will be made by the British Embassy or High Commission as appropriate, and, for the homeward journey, by the British Council. Other members should make their own arrangements, although the British Council will arrange travel within Britain.

APPLICATIONS

Forms can be obtained from:

Administrative Secretary,  
Institute of Development Studies,  
at the University of Sussex,  
Brighton,  
England.

Applications must be submitted preferably by 1st April, 1968.



April 15, 1968

Mr. Bernard Schaffer  
The Institute of Development Studies  
The University of Sussex  
Stanmer, Brighton  
Sussex, England

Dear Mr. Schaffer:

I should have written you before this with the details of my travel program. There have been so many false starts in the past year that I preferred to wait until I could be quite certain about the trip this time.

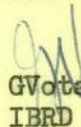
I expect to reach London on April 23 and will continue to Brighton that day (although I may be delayed until the morning of the 24th). I note that you have scheduled my presentation for Friday morning, which is entirely satisfactory as far as I am concerned. I would expect to leave Sussex on the morning of the 27th, but this can be worked out to suit your convenience after I have joined the seminar. Since I expect to reach Brighton on April 23, I would appreciate bookings at the Old Ship Hotel from Tuesday through Friday. On arrival in Brighton I expect to go directly to the hotel probably to catch a little sleep before joining your activities late that afternoon or for the evening lecture.

I am looking forward to this opportunity of joining the seminar.

Sincerely yours,

Gregory B. Votaw  
Asia Department

cc: Mr. David Fulton

  
GVotaw:sao  
IBRD

*Conf. - Use.  
(Univ. of Sussex)*

# THE INSTITUTE OF DEVELOPMENT STUDIES

~~at The University of Sussex, Falmer, Brighton, Sussex.~~  
~~TELEPHONE BRIGHTON 66755 TELEGRAMS DEVELOPMENT, BRIGHTON~~

at The University of Sussex, Stanmer, Brighton, Sussex.  
TELEPHONE BRIGHTON 66261 TELEGRAMS DEVELOPMENT, BRIGHTON

BBS/AJ

8th April, 1968.

Mr. David Fulton,  
International Bank for Reconstruction and Development,  
1818 H. Street, N.W.  
Washington, D.C. 20433,  
U.S.A.

Dear Mr. Fulton,

We were very pleased to receive your letter of the 19th March nominating Gregory Votaw to attend our second course on Aid Administration, which is to be held here from the 21st April to the 3rd May.

When Mr. Votaw's plans become clear perhaps he would let us know which days he would be able to join the Seminar, and we will make the necessary bookings in the Old Ship Hotel for him. The participants are themselves staying at the Hotel for the first week of the course. I hope to be able to send you copies of the programme and details of the course members soon.

Both Dudley Seers and Richard Symonds send their regards.

Best wishes,  
Yours sincerely,

*B. Schaffer*  
Bernard Schaffer.

RECORDED 15 LN 1:38

CONFIDENTIAL



← To open cut here

Sender's name and address: Dr. B. Schaffer,  
Institute of Development Studies,  
University of Sussex,  
Stammer, Brighton, Sussex.

AN AIR LETTER SHOULD NOT CONTAIN ANY  
ENCLOSURE; IF IT DOES IT WILL BE SURCHARGED  
OR SENT BY ORDINARY MAIL.

The 'APSLEY' Air Letter

A John Dickinson Product

Form approved by Postmaster General No.—71995/4

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Dr. David Fulton,  
International Bank for Reconstruction and  
Development,  
1818, H. Street, N.W.  
Washington, D.C. 20433,  
U.S.A.

Conf. Misc.  
March 19, 1968

Dear Dr. Schaffer:

Many thanks for your letter of March 11.

For your next course on Aid Administration, we would again like to nominate Gregory Votaw -- who had to cancel out of the first course, and who was scheduled for the second one which the Institute cancelled.

If all goes as hoped, it should be possible for Mr. Votaw to join the course at least two or three days before he is scheduled to speak. I suspect that over the past ten months, the Institute has collected several copies of his biographical sketch, but in case you cannot lay your hands on one, I enclose a copy,

Before mid-April Mr. Votaw will be in touch with you about his plans.

Please give my best to Dudley Seers and Richard Symonds.

Sincerely,



David C. Fulton  
Chief, Public Affairs

Dr. Bernard Schaffer  
The Institute of Development Studies  
University of Sussex  
Stanmer  
Brighton, Sussex

DCF: jas  
c.c. Mr. Votaw  
Mr. Clark  
Mr. Christensen

ack April 8/68



THE INSTITUTE OF DEVELOPMENT STUDIES

~~University of Sussex, Brighton, Sussex~~  
~~University of Sussex, Brighton, Sussex~~

at The University of Sussex, Stanmer, Brighton, Sussex.

TELEPHONE BRIGHTON 66261

TELEGRAMS DEVELOPMENT, BRIGHTON

*Comp. list.*

*copy  
D/S  
2/20*

ARJ/SP

14th February, 1968

Mr. D.S. Ballantine  
Assistant Director  
Projects Department in charge of Education  
International Bank for Reconstruction and  
Development  
1818 H. Street, N.W.  
Washington, D.C. 20433  
U.S.A.

Dear Mr. Ballantine,

*Feb. 2/68*

Thank you for your letter, though naturally we are sorry that no one of your staff can attend to assist our course. But perhaps there will be a future occasion.

I am of course most grateful for the documents you have sent me.

With best wishes.

Yours sincerely,

*Richard Jolly*  
Richard Jolly

← To open cut here

Sender's name and address: Institute of Development Studies  
at the University of Sussex

Stanmer, Brighton, Sussex

ENGLAND

AN AIR LETTER SHOULD NOT CONTAIN ANY  
ENCLOSURE; IF IT DOES IT WILL BE SURCHARGED  
OR SENT BY ORDINARY MAIL.

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BRIGHTON.

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Mr. D.S. Ballantine, Assistant Director

Projects Department - Education

I.B.R.D.

1818 H. Street, N.W.

Washington, D.C. 20433

U.S.A.



*copy. list.*

February 7, 1968

Mr. Richard Symonds  
The Institute of Development Studies  
at The University of Sussex  
Stanmer, Brighton  
England

Dear Mr. Symonds:

I appreciate very much the invitation to contribute to your volume on "International Targets for Development." It appears to be a useful enterprise and ordinarily I would stretch a point to take part. However, it is just not possible for me at this time to take on a substantial writing assignment.

I had occasion to mention your letter to Dr. John H. Adler of the Bank and took the liberty of asking him if he would be prepared to take it on if you should so desire. He would; and I have no doubt would give you a better paper than I could. If you are interested, I suggest that you get in touch with him directly. If you decide not to, there will be no hard feelings at all.

Sincerely,

Michael L. Hoffman  
Associate Director  
Development Services Department

MLHoffman/pnn

cc: Mr. J.H. Adler

*MLH*

RECEIVED - 8 11:13





# THE INSTITUTE OF DEVELOPMENT STUDIES

at THE UNIVERSITY OF SUSSEX STANMER BRIGHTON

Telephone BRIGHTON 66261

Telegrams DEVELOPMENT BRIGHTON

JRS/AB

26th January, 1968

Mr. M. Hoffman,  
International Bank for Reconstruction and Development,  
1818 H. Street, N.W.,  
Washington, D.C. 20433,  
U. S. A.

Dear Mr. Hoffman,

The London publisher Faber and Faber has agreed to publish a book by officials of international organisations, edited by me, provisionally entitled "International Targets for Development". It will deal not with the role of international organisations, but with immediate and long-term development targets as seen by individual international officials in their particular fields, as well as with the obstacles which exist, and the possibilities of reaching those targets. The main purpose will be to encourage readers who are not professionally involved to look at international perspectives, and I believe that it will be particularly valuable for international officials, who are constantly living with these problems, to write about them for a wider public than they usually reach. It will be clearly stated in the preface that the contributors are writing in their personal capacities.

I attach a list of provisional chapters and contributors, and should be most grateful if you would agree to write a chapter on "Aid and Investment" of between 6,000 and 9,000 words. Each contributor will receive 1% of the royalties, and will receive £20 advance payment on publication. The book will appear initially as a hard-back, though I hope a paper-back may appear subsequently. I also hope that an American edition may be negotiated separately.

All those whom I have consulted, including our mutual friends William Clark and David Fulton, agree that you would be much the best person to write this chapter. I know how busy you are, but hope that you will feel this to be a worthwhile exercise, particularly as the book should appear just before the Second Development Decade.

Could you kindly let me have an answer here? I would hope to receive contributions by about the end of June, but if this presented a problem the date could be slightly extended. I shall myself be away in Pakistan from January 27th until March 8th, but have arranged that, if you reply favourably, a copy of my draft introduction can be sent to you.

Yours sincerely,

RICHARD SYMONDS.

*rec. Feb. 7/68*





## INTERNATIONAL TARGETS FOR DEVELOPMENT

I	Introduction	Richard Symonds
II	Health	W. H. O.
III	Population	H. Gille (United Nations, Bureau of Social Affairs)
IV	Food	K. C. Abercrombie (F. A. O.)
V	Weather	A. Davies (W. M. O.)
VI	Trade	T. Mende (U. N. C. T. A. D.)
VII	Minimum Living Standards	I. L. O.
VIII	Aid and Investment	I. B. R. D.
IX	Education	P. Coombes (International Institute of Educational Planning)
X	Conclusion	

---

February 2, 1968

Dear Mr. Jelly:

Responding to your letter of 19 January, which I have discussed with Mr. Germanacos, I regret to say that it does not appear as if anyone of our staff members would be available to assist in seminars at the Institute of Development Studies during the period you mention. We do this sort of thing occasionally but as you will understand, we are not able to send people abroad or bear the expenses for this purpose alone. So, I am afraid our answer must be negative this time.

Under separate cover I have sent 30 copies of the Mark Blaug paper and I enclose 2 copies of what I hope is the other paper you refer to. Since the latter paper is in short supply we shall have to leave the duplication to you. There is no charge for these papers.

I know that Mr. Germanacos was very interested in his discussion with you at the conference and I hope that we will be able to keep in touch.

With cordial regards,

Sincerely yours,

*DSB*

Duncan S. Ballantine  
Assistant Director - Projects Department  
in charge of Education

Professor Richard Jelly  
The Institute of Development Studies  
The University of Sussex  
Stammer  
Brighton, England

Enclosure - Report TO-477 "Substitution of Labor  
for Equipment in Road Construction"  
dated May 6, 1965 (Projects Dept.)

*acc. Feb. 14/68*





*copy. misc.*  
*Ogo file*

# THE INSTITUTE OF DEVELOPMENT STUDIES

at THE UNIVERSITY OF SUSSEX STANMER BRIGHTON

Telephone BRIGHTON 66261

Telegrams DEVELOPMENT BRIGHTON

ARJ/SP

19th January, 1968

*Replied by*  
*Mr Ballantine on*  
*2/2/68*

Mr. Ballantine  
Head of the Educational Division  
World Bank  
1818 H. Street  
Washington, D.C.  
U.S.A.

Dear Mr. Ballantine,

I met Mr. Germanacos last week at the conference in London on Educational Planning arranged by the U.K. National Commission for UNESCO. During this, I had the chance to talk with him about a seminar on Manpower, Employment and Education, which the Institute of Development Studies will be holding from February 25th to ~~March~~ *April* 5th, 1968. This Seminar will be attended by some 25 participants from developing countries in Africa, Latin America and Asia. The attached sheet gives more details.

The point of this letter is to raise officially a possibility which I discussed informally with Mr. Germanacos, namely that he or Mr. Blakey of the Bank might be able to speak to the Seminar and possibly lead two or three sessions devoted to a case-study in aid to education. The precise form could be worked out later but I have two things in mind: one is a talk followed by discussion on "Aid to Education projects: lessons from World Bank experience"; the other a case study of either an aid application or a particular education project, in which the participants could work through some actual documentation in some detail, then discuss the material and draw some provisional conclusions. These would then be presented in a plenary session at which someone from the Bank would comment and draw lessons.

If something like this was possible, we would need to discuss dates. The case-study would require 2 days (probably 2 afternoons) and to fit within the rest of the programme. This should ideally be between March 11th and 18th, though it could be a week earlier if necessary.

I would be very glad to hear your reactions to this request. You will see that I have been fairly casual about expenses and payment. We would be pleased to provide accomodation and pay a modest honorarium - but this, I'm afraid, will do nothing to cover the major expense of travel. I can only hope that someone of the Bank will be passing through England during the period of the course.

Please let me know if you have any questions in connection with this. I look forward to hearing from you.

RECEIVED 11:13

*acc. Feb. 2/68*





With best wishes. I hope eventually, that you will print a copy of the Zambian manpower report.

Yours sincerely,

*E. Thompson*

p.p. Richard Jolly

P.S. I wonder whether I might ask if you could arrange to have sent to me, 30 copies of each of the following Documents, for use during our course. We will of course be willing to pay for both documents and postage.

*Report  
# EC-157*

1. Mark Blaug's recent paper on "A Cost-Benefit Approach to Educational Planning in Developing Countries"

*Report  
TO-477  
(unclassified)*

2. A short 20 page Bank paper on the costs and benefits of "Labour Intensive Techniques in Road Building". This was produced about 4 years ago but I'm afraid I forgot the title and author.



December 12, 1967

Dear Richard:

✓  
Thank you for your letter of December 7. I am sorry to hear about the cancellation of your January conference, and have passed the word along to Gregg Votaw who is even sorrier. But these things happen.

We'll certainly keep the possibilities for April and June in mind. As these courses draw closer, perhaps you would let me know how they are developing.

With best wishes for the holiday season.

Sincerely,

DF

David C. Fulton  
Chief, Public Affairs

Mr. Richard Symonds  
The Institute of Development Studies  
University of Sussex  
Stamner, Brighton  
Sussex. England

DCF:jas  
c.c. Mr. Votaw

DEC 13 1967

COMMUNICATIONS

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c.c. Mr. Logan  
DCE:lee

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December 13, 1967



# THE INSTITUTE OF DEVELOPMENT STUDIES

at THE UNIVERSITY OF SUSSEX STANMER BRIGHTON

Telephone BRIGHTON 66261

Telegrams DEVELOPMENT BRIGHTON

JRS/MEB

7 December, 1967

*Dear David,*

With reference to your letter of 28 November to Dudley Seers, who is away in Ceylon, I am rather embarrassed to have to inform you that yesterday the Ministry of Overseas Development asked us to cancel the Aid Administration course for their officials in January. Apparently a number of officials are changing their posts in that month so that it would not be possible for an adequate number to be spared.

Could you kindly inform Mr. Votaw of this. At the same time we would very much hope that either he or another Bank representative could be with us in the April and June courses, whose dates remain as indicated in Dudley's letter of 13 November.

I know that Dudley would wish to join me in expressing warm appreciation of everything which you have done, and are doing, to help us with our courses.

*With kind regards*

Yours sincerely,

*Richard Symonds*

Richard Symonds

Mr. David C. Fulton,  
Chief, Public Affairs,  
International Bank for Reconstruction  
and Development,  
1818 H Street, N.W.,  
Washington, D.C. 20433,  
U.S.A.

*File. Dec. 12, 1967*

RECEIVED  
GENERAL FILES  
COMMUNICATIONS  
1967 DEC 11 AM 11:52

MEMORANDUM  
TO : THE VICE-CHANCELLOR  
FROM : THE DEAN OF STUDIES  
SUBJECT: [Illegible]

RECOMMENDATION

*[Handwritten signature]*

DATE: [Illegible]

It is recommended that the proposed changes to the regulations governing the award of honours be approved.

The proposed changes are set out in the attached draft regulations. It is noted that the proposed changes are in line with the recommendations of the committee.

The committee has considered the proposed changes and has concluded that they are necessary to ensure that the honours system remains fair and equitable. It is recommended that the proposed changes be approved.

Yours faithfully,  
[Illegible signature]

1967

1 December 1967



2 - Conf. Misc  
- Inst. of Dev. St. - Sussex

December 1, 1967

Richard Symonds, Esq.  
The Institute of Development Studies  
University of Sussex  
Stanmer, Brighton  
BN1 9QA

Dear Richard:

When I was with you a month ago, I promised to send you what I could dig up in the Bank in the way of questionnaires and other papers relating to the analysis and appraisal of projects. I am now enclosing a few samples to see whether these are the sort of things which you could use at the Institute of Development Studies. We could supply some additional copies of the questionnaires on request, but they become fairly bulky and would probably have to be air freighted, so perhaps you would first look them over and let me know what you would like.

The first batch of documents is a set of standard questionnaires sent by our Projects Department to prospective borrowers as a guide to the kind of information that the Bank or IDA will need before they can appraise a project. The sectors covered are education, power, water-works, telecommunications, railways, roads, ports, agriculture and irrigation. The other documents are samples of teaching materials used in our Economic Development Institute. The two papers prepared by Ben King on project evaluation date back to 1960/61 when the concept of the "internal" rate of return was fairly new in the Bank. There is, of course, a great deal of other literature on the subject, but these two lectures have always struck me as a good introduction for the relatively unsophisticated. The Ecuador livestock project is one of the case studies that has been used on the EDI's Agricultural Projects Course. These studies usually focus on actual projects appraised by the Bank or IDA, and the basic document is the relevant Appraisal Report. However, we are a little reticent about letting these reports go outside the Bank, although they are always accessible to member Governments, and it would be possible for the ODM to get copies of any particular reports in which they might be interested. I am not quite sure in any case into what depth your Institute will be going in the field of project evaluation, so perhaps you could look at the Ecuador sample and see whether this is the sort of thing which you would like more of. (One of the EDI case studies, for example, is a Kenya sugar roads project, but there is not very much documentation on this apart from the Appraisal Report).

I very much enjoyed my visit to Sussex and hope one day to come again. If you see Oscar Braun, perhaps you would remind him that he promised to send me a paper he had written on Argentina, together with the names of some people I might see in Buenos Aires. I expect to be there in January.

Sincerely yours,

E. P. Wright  
Economic Adviser  
Western Hemisphere Department



Mr. Street

November 30, 1967

David Fulton

Mr. Votaw's Participation in Course by Institute of Development  
Studies, University of Sussex

Thank you for approving Mr. Votaw's participation as a lecturer and resource person in the Aid Administration Course being held January 14-27 for officials of the British Ministry of Overseas Development by the Institute of Development Studies at the University of Sussex.

This will be the second such course held by the Institute. Peter Wright participated in a similar capacity in the earlier one, and reported that he found it a useful experience. From the Institute's point of view, I am informed that they found it highly valuable to have a representative of the Bank present. I therefore think that it is worthwhile to continue this relationship.

Mr. Votaw's presence at the Course is requested during the week of January 22-27. I understand that on present expectations this does not present schedule complications for him.

DCF:jas

c.c. Mr. Votaw  
Mrs. Eliason

November 28, 1967

Dear Mr. Seers:

My delay in responding to your letter of November 13 is not due to lack of enthusiasm for your proposal. I was, in fact, only a few miles from you when it arrived -- at a Wilton Park Conference; and since returning to Washington, things have been rather hectic, as you might imagine.

At Wilton Park I had the pleasure of meeting Professor Streeten, who gave an excellent talk -- and thus expanded further my range of acquaintance with members of the Institute.

As to the January conference, we would like again to nominate Gregory Votaw, who, as you will recall, had to cancel out the first time. It now appears that he would have no difficulties in being with you for several days during the week of January 22-27, and I am certain that you would find him an extremely effective participant. I enclose a copy of his curriculum vitae.

As to your later courses, I would hope and expect that we could participate, but let us, as you suggest, defer consideration of this until later. I will wait to hear from you.

Meanwhile, if the Institute has developed a schedule of its courses and conferences for the coming year, I should be most grateful if you could send it to me.

Please extend my regards to Richard Symonds, Mr. Gee and Professor Streeten.

Cordially,

David C. Fulton  
Chief, Public Affairs

Mr. Dudley Seers  
The Institute of Development Studies  
University of Sussex  
Stanmer, Brighton

Enc:  
DCF:jas

Acc. Dec. 7, 1967



DCS: jse  
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COMMUNICATIONS

1967 DEC -1 PM 4:01

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Conf. Musc  
Inst. 17 Sw St.  
x Indus SS. Report.  
Dist.

Dr. Paul B. Streeten  
Director  
Institute for Development Studies  
University of Sussex  
Brighton  
England

November 27, 1967

Dear Paul,

I have been meaning to write to you a long time in connection with Ghulam Rasul -- the Pakistani about whom I talked on the phone with you around a year ago. I asked you to send to him the details about the Institute. He may never have replied. The problem was that he became indispensable in Pakistan for work on preparation of the Fourth Plan. But I still hope that in a few years' time he might have the chance of coming to the Institute.

I don't know whether you have ever seen one of the papers which was written here and given wide circulation, taking as its theme a quotation from you. In case you have not I am enclosing a copy. The point built up from your text was made again in a different form in Dudley Seers' excellent paper on our Country Economic Reports (which by the way seems to be generating a very great deal of discussion). So maybe the concerted effort from Sussex will soon bear fruit in regard to this much needed broadening of our view about development.

I am also sending to you under separate cover, by sea-mail, the main section of our report on the long-term development of the Indus Basin in West Pakistan. I hope it may be of some interest to you or to some of your students. We attempted to broaden and deepen the economic view, but even that is difficult.

I hope that all goes well with you and the Institute and we may see you before long.

Yours sincerely,

Christopher R. Willoughby



Conf. Misc.

Mr. Fulton

November 17, 1967

Tom Neone

Institute of Development Studies - Sussex, England

Mr. Caustin, of the Institute of Development Studies in Sussex, called me today from New York (U.N.) to "reinforce" the letter of appreciation he said they had sent you following Peter Wright's participation in one of their recent conferences. He also noted that he hoped we would be able to be represented again in late January at another of their meetings. I told him that, to the extent it was practicable for the Bank to do so, we would be pleased to participate.

TN:ij

# THE INSTITUTE OF DEVELOPMENT STUDIES

at THE UNIVERSITY OF SUSSEX STANMER BRIGHTON BN1 9QA

Telephone BRIGHTON (0BR3) 66261

Telegrams DEVELOPMENT BRIGHTON

DUDLEY SEERS (Director)

DS/LC

13th November, 1967

Mr. David Fulton,  
International Bank for Reconstruction and Development,  
1818 H. Street, N.W., Washington D.C. 20433, U.S.A.

*Dear Mr. Fulton,*

I should like to thank you most warmly for arranging for Peter Wright to attend our first Aid Administration Course for officials of the Ministry of Overseas Development. The Directors, Richard Symonds and Richard Jolly, were enthusiastic not only about his lecture, but about his informal contributions in the syndicates.

We are now planning further courses in this series. Course II will be held from January 14th to 27th, again primarily for ODM officials, but also probably with a sprinkling of diplomatic service officers who specialize in aid questions. Is it too much to ask whether you can again send us someone, preferably for two or three days in the week January 22nd to 27th? Our hope is that the Bank may feel that there may be an ultimate compensation in a better understanding by British aid officials, not only of the Bank's procedures, but of the wider issues which will be discussed.

The programme will be similar to that of the first course, though new projects will have to be devised for the syndicates. The Directors will be Harold Caustin and Richard Symonds, both of whom, as you probably know, were formerly Resident Representatives of U.N.D.P.

*De Vries* → I think I should say even now that we envisage in this series a Course III (21st April to 3rd May) a Course IV (16th to 28th June) and Course V in September - October, on which we expect also to approach you for help when the dates are confirmed. But for the moment I will limit myself to asking whether you can help us over Course II.

Richard Symonds asks to be associated with this letter in thanking you and Peter for all you did to help to make our first course a success - as it certainly seems to have been.

Yours sincerely,

*Dudley Seers*

*Ack. Nov. 18*



RECEIVED  
GENERAL FILES  
COMMUNICATIONS

1967 NOV 16 PM 3:29

07 Nov 18

*Handwritten signature*

Анна Гисселева

конкурс в успехе - не из себя, а в себе. Не надо бояться  
использовать свои силы и способности, а надо бояться не использовать  
их. Успех зависит не от таланта, а от умения им пользоваться.

не надо бояться конкуренции. Конкуренция - это естественное  
явление. Не надо бояться конкурентов, а надо бояться не конкурировать.  
Успех зависит не от таланта, а от умения им пользоваться.

представителей от П.И.Д.Б.  
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Успех зависит не от таланта, а от умения им пользоваться.

*Handwritten signature*

1848 Н. Стрелок, К.И.И. Вашингтон, Д.С. 20533, П.В.А.  
International Bank for Reconstruction and Development  
1848 Н. Стрелок

DE/TC

13th November, 1967

INTERNATIONAL BANK (London)

THE UNIVERSITY OF SUSSEX  
THE INSTITUTE OF DELEGATION STUDIES

*Conf. Ltr. C.*  
*Gen. files*

# THE INSTITUTE OF DEVELOPMENT STUDIES

at THE UNIVERSITY OF SUSSEX STANMER BRIGHTON

Telephone BRIGHTON 66261

Telegrams DEVELOPMENT BRIGHTON

Please add this Postal Code  
as the last line of my address  
when replying

BN1 9QA



JRS/MB

18th October, 1967.

Mr. D.C. Fulton,  
Chief, Public Affairs,  
International Bank for Reconstruction  
and Development,  
1818 H Street, N.W.,  
Washington D.C. 20433,  
U.S.A.

*Dear Mr Fulton,*

Thank you for your letter of 13th October, which crossed with my letter enclosing the programme. We have, as you will see, scheduled Mr. Wright to speak on the experiences of the World Bank generally but we can make alterations if necessary. I hope that Mr. Wright will be able to stay for the dinner on the evening of the 2nd November. I shall look forward to meeting him on 31st October.

The participants are primarily from the Ministry of Overseas Development and are at principal level. There will be one person from the Board of Trade and one from the Diplomatic Service. Some of the Ministry of Overseas participants will have overseas experience; the average age of the group will be about forty. As soon as I have an up-to-date list of participants I will forward this to you.

I shall look forward to seeing you in November.

With best wishes.

*Yours sincerely,*  
*Richard Symonds*

Richard Symonds.



INSTITUTE OF DEVELOPMENT STUDIES AT  
UNIVERSITY OF SUSSEX  
BRIGHTON.  
BY AIR MAIL  
AIR LETTER  
AÉROGRAMME



Mr. D.C. Fulton,

Chief, Public Affairs,

International Bank for Reconstruction  
and Development,  
1818 H Street, N.W.,

WASHINGTON, D.C. 20433,

U.S.A.

← Second fold here →

Sender's name and address:

Institute of Development Studies  
at the University of Sussex,  
Stanmer, Brighton, Sussex

AN AIR LETTER SHOULD NOT CONTAIN ANY ENCLOSURE:  
IF IT DOES IT WILL BE SURCHARGED  
OR SENT BY ORDINARY MAIL.

Form approved by the Postmaster General, No. 71995/2E

IMPERIAL AIR MAIL  
AÉROGRAMMES

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1967 OCT 20 AM 10:17

RECEIVED  
GENERAL  
COMMUNICATIONS

THE INSTITUTE OF DEVELOPMENT STUDIES

1967 October 1967

Conf. Note -  
Un. of Sussex

October 18, 1967

Richard Symonds Esq.  
The Institute of Development Studies  
University of Sussex  
Stanmer, Brighton  
BN1 9QA

Dear Mr. Symonds,

David Fulton passed on to me your letter of October 13 about the course on adā administration at the Institute of Development Studies. I see that you are providing accommodation, which is fine. My present idea is that I would arrive on Tuesday morning, hopefully in time for the 10:45 coffee break, and probably stay through Thursday evening, if that is convenient to you. There is no need for you to meet me as I can easily get a taxi from Haywards Heath.

As for what I talk about on the Wednesday, I would be happy to get away from the specific question of industry and capital flows and to deal in more general terms with the Bank's approach to lending and some of the problems we encounter in arriving at decisions on the distribution of Bank and IDA resources, particularly in current conditions of scarcity. The sort of themes I might touch upon are country versus project considerations, the sector approach to project lending, conditions of lending, the changing concepts of "creditworthiness" and "performance", the criteria of "need" and "absorptive capacity", self-imposed restrictions on our lending, the financing of local currency expenditures, relations with other international lenders and so forth.

If this is not the sort of thing you want, please let me know in advance - otherwise I will assume that I am thinking along the right lines. The less time I have to give to a set speech and the more to discussion, the happier I shall be.

I look forward to the course.

Yours sincerely,

E. P. Wright

EPW  
EPWright:mh



October 13, 1967

Dear Mr. Symonds:

Many thanks for your cable. *Oct. 13, 1967*

Mr. Wright is presently planning to join the course on the morning of Tuesday, October 31, and to stay through the afternoon of Thursday, November 2. However, if there were to be any reason for him to come down to Brighton the evening of the 30th or to stay through the evening of the 2nd, he could adjust his schedule accordingly. Perhaps you could let me know about this.

It would be very helpful to Mr. Wright if we could have a syllabus of the course, or whatever other documentation you might have, and a list of the participants. He would be particularly grateful for any guidance you might offer on the remarks you would like him to make in his part of the panel discussion.

As I may have written you, I expect to be at a Wilton Park Conference in Steyning in mid-November, and will hope to see you then.

With best wishes,

Sincerely,



David C. Fulton  
Chief, Public Affairs

Mr. Richard Symonds  
Institute of Development Studies  
University of Sussex  
Stammer, Brighton  
Sussex, England

DCF:jas c.c. Mr. Wright

*rec. Oct. 18, 1967*

*Conf. Disc. -  
Eves*

INCOMING CABLE

DATE AND TIME  
OF CABLE:

OCTOBER 13, 1967

1155

LOG NO.:

ITT 15 / 13

TO:

FULTON INTBAFRAD

FROM:

BRIGHTON

ROUTING

ACTION COPY: INFORMATION DEPARTMENT

INFORMATION  
COPY:

DECODED BY:

TEXT:

DELIGHTED WRIGHT CAN COME WILL WAIT HERE FROM HIM ETA.

THANKS FOR HELP

SYMDS

AS RECEIVED

IR

*rec. Oct. 13, 1967*





October 10, 1967

Dear Mr. Symonds:

I regret that Mr. Votaw will not be able to participate in the course on Aid Administration, but Mr. Wright, whose biography is enclosed, will, I know, do a superb job.

With best wishes,

Sincerely,



David C. Fulton  
Chief, Public Affairs

Mr. Richard Symonds  
Institute of Development Studies  
University of Sussex  
Stanmer  
Brighton, Sussex  
England

Enc:

C.C. Mr. Wright



*Conf. Assoc. -*

**OUTGOING WIRE**

TO: SYMONDS  
DEVELOPMENT  
BRIGHTON

DATE: OCTOBER 10, 1967

CLASS OF SERVICE: ~~FULL RATE~~ NIGHT LETTER

COUNTRY: ENGLAND

*2-1-1*

TEXT:  
Cable No.:

DUE SCHEDULING PROBLEMS VOTAW UNABLE PARTICIPATE AID ADMINIS-  
TRATION COURSE. INSTEAD WE HAVE NOMINATED PETER WRIGHT  
ECONOMIC ADVISER IN BANK'S WESTERN HEMISPHERE DEPARTMENT  
WITH BROAD EXPERIENCE ALSO IN ASIA AND MIDDLE EAST. HE  
PROPOSES TO JOIN GROUP ON 31 OCTOBER AND PARTICIPATE IN  
PANEL 1 NOVEMBER. SENDING BIOGRAPHICAL SKETCH. REGARDS

~~FULTON~~  
FULTON  
WORLD BANK

**NOT TO BE TRANSMITTED**

MESSAGE AUTHORIZED BY:

NAME David C. Fulton

DEPT. Information

SIGNATURE *David C. Fulton*  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

For Use by Archives Division

**ORIGINAL (File Copy)**

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: *[Signature]*

DISPATCHED

RECEIVED

OCT 10 5 19 1967

OCT 10 4 34 PM 1967

GENERAL FILES COMMUNICATIONS

GENERAL FILES COMMUNICATIONS

NOT TO BE INVENTILLED

WORLD BANK  
LONDON  
ENGLAND

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS  
WASHINGTON, D. C. 20540  
OFFICE OF INTERNATIONAL AFFAIRS  
WASHINGTON, D. C. 20540  
RECEIVED  
OCT 10 1967  
GENERAL FILES COMMUNICATIONS

FORM NO. 1  
1-67

COMMUNICATIONS

ENGLAND

SERVICE OFFICE OF THE UNITED STATES DEPARTMENT OF COMMERCE

TO:

WASHINGTON  
DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS

DATE: OCTOBER 10, 1967

OUTGOING MESSAGE

ASSIGNMENT

RECONSTRUCTION AND DEVELOPMENT

COMMUNICATIONS

INTERNATIONAL DEVELOPMENT

INTERNATIONAL BANK FOR

INTERNATIONAL SERVICE

12-51

FORM NO. 1

*Handwritten signature*



*un. of London*

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INCOMING CABLE

DATE AND TIME  
OF CABLE:

OCTOBER 4, 1967

1715

LOG NO.:

RC 23 / 4

TO:

FULTON INTBAFRAD

FROM:

BRIGHTON

TEXT:

ROUTING

ACTION COPY: INFORMATION DEPARTMENT

INFORMATION  
COPY:

DECODED BY:

DELIGHTED HAVE VOTAWS PARTICIPATION NOVEMBER 1ST WRITING

SYMONDS

IR

Conf. Disc.  
September 27, 1967

Dear Mr. Symonds:

When I wrote you on September 6 about Mr. Votaw's participation in your course on aid administration, we thought it would be better to schedule him at the beginning of the course rather than later. It now appears that there will be a meeting of the India Consortium in Paris in November which Mr. Votaw will be attending, and it would seem desirable to avoid his having to cross the Atlantic twice. Would it therefore be possible to schedule his appearance, say, for November 1, 2 or 3?

I look forward to hearing from you.

Sincerely,



David C. Fulton  
Chief, Public Affairs

Mr. Richard Symonds  
Institute of Development Studies  
University of Sussex  
Stanmer  
Brighton, Sussex  
England

DCF:jas  
c.c. Mr. Votaw



Conf. List.

September 6, 1967

Dear Mr. Symonds:

I am now, happily, in a position to tell you that we expect Mr. Gregory B. Votaw of the Bank's Asia Department to be able to participate in your course on aid administration. As you can see from the attached biographical summary, he is highly qualified in the subject, and will, I am sure, make a valuable contribution to the course.

As to timing, I hope that for the present there can be some flexibility in scheduling him. At the moment it would seem better to plan on his participation earlier in the course -- say on October 23, 24 or 25 rather than later.

I suggest that as soon as you are in a position to do so you might wish to write Mr. Votaw directly.

With best wishes,

Sincerely,



David C. Fulton  
Chief, Public Affairs

Mr. Richard Symonds  
Institute of Development Studies  
University of Sussex  
Stamper  
Brighton, Sussex  
England

DCF:jas  
c.c. Mr. Votaw  
Mrs. Eliason

Conf. Misc.  
Inst. of Dev. St.

August 15, 1967

Dear Mr. Symonds:

I hope by the first of September to be able to tell you whether we will be able to provide somebody for your course on aid administration. I have hopes that it will be possible.

In mid-November, by the way, I expect to be attending a Wilton Park Conference on development, and hope that I will have a chance to see you again.

With best wishes,

Sincerely,



David C. Fulton  
Chief, Public Affairs

Mr. Richard Symonds  
Institute of Development Studies  
University of Sussex  
Stanmer  
Brighton, Sussex

DCF:jas



<b>ROUTING SLIP</b>	Date <i>August 15</i>
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<del>1. Mr. Edison</del>	
2. <i>Fulw</i>	

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<input type="checkbox"/> Appropriate Disposition	<input type="checkbox"/> Note and Return
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REMARKS

From

*David Fulton*

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TELEGRAMS DEVELOPMENT, BRIGHTON

PLEASE NOTE NEW ADDRESS:-

THE INSTITUTE OF DEVELOPMENT STUDIES

AT THE UNIVERSITY OF SUSSEX

STANMER, BRIGHTON.

TEL: BRIGHTON 66261

UMN/BMD

8th August 1967

Dear Mr. Fulton,

The back issues of the World Bank, International Finance Corporation and International Development Association Annual Reports have now reached us and I am most grateful to you for sending them.

Yours sincerely,

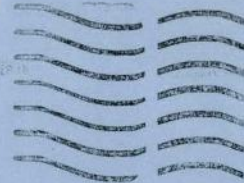
*Mrs Nottage*

Librarian.

Mr. D.C. Fulton,  
International Bank for Reconstruction and Development,  
1818 H Street, N.W.  
WASHINGTON, D.C. 20433,  
U.S.A.

*acc. Aug. 15, 1967*





Mr. D.C. Fulton,

International Bank for Reconstruction

and Development,

1818 H Street, N.W.

WASHINGTON, D.C. 20433.

U. S. A.

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Mr. Votaw

August 8, 1967

David Fulton

Participation in course at the Institute of  
Development Studies, University of Sussex

The Institute of Development Studies at the University of Sussex has asked if a Bank official might be available to participate in a course on Aid Administration for officials from the Ministry of Overseas Development. The dates of the course are October 23-November 3. The Bank official would be expected to join in a panel discussion on aid criteria, and perhaps give a one hour lecture as well. Although it would not be necessary for him to attend the entire course, it would be desirable if he could attend sessions on at least two days.

This invitation is the outgrowth of several recent contacts between the Bank and the Institute of Development Studies in which we have expressed the desire to collaborate in their programs wherever appropriate.

It is the view of the Information Department that the Bank should send a representative, and we think you would do an excellent job. Would you be available for this assignment?

If you were, and if you could spare another day or two, it might also be possible to arrange a lecture at one or two other British universities. This would be consistent with our desire to increase contacts with the academic community in the U.K.

Would you let me know if you could undertake this assignment?

DCD

DCF:jas

c.c. Mr. Graves/Mr. Lind

Date file: Aug. 15



# THE INSTITUTE OF DEVELOPMENT STUDIES

at THE UNIVERSITY OF SUSSEX STANMER BRIGHTON

Telephone BRIGHTON 66261

Telegrams DEVELOPMENT BRIGHTON

Please add this Postal Code  
as the last line of my address  
when replying

BN1 9QA



JRS/MB

3rd August, 1967

Mr. Fulton,  
I.B.R.D.  
1818 H. Street, N.W.  
Washington, 25.  
D.C.  
U.S.A.

Dear Mr. Fulton,

We are running a course on Aid Administration for officials from the Ministry of Overseas Development from October 23rd to November 3rd, 1967. I wonder if, by any chance, you know of an appropriate Bank official who might be in these parts within these dates? It would be invaluable for us to have him participate, perhaps in a panel discussion on aid criteria. I know this is a long shot but thought it worth a try. The course will be co-directed by Richard Jolly and myself.

Yours sincerely,

A handwritten signature in dark ink that reads "Richard Symonds".

Richard Symonds.

INSTITUTE OF DEVELOPMENT STUDIES AT UNIVERSITY OF SUSSEX BRIGHTON.  
BY AIR MAIL  
PAR. AVION  
AIR LETTER  
AÉROGRAMME



Mr. Fulton,

I.B.R.D.,

1818 H. Street, N.W.

Washington, 25.

D.C.

U.S.A.

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Sender's name and address:

Institute of Development Studies  
at the University of Sussex,  
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Conf. Misc.

Mr. Graves

July 26, 1967

David Fulton

Institute of Development Studies -- University of Sussex

On July 6, 1967 I spent most of the day at the Institute of Development Studies at the University of Sussex, near Brighton. The Institute has been in operation for a year and a half. As best I could discover, I was the first person from the Bank to visit, although I learned during the day that Mr. Hawkins (Economics Department) was expected the following week.

I talked with T.W. Gee, the administrative officer, Richard Symonds, a research fellow, and Miss U. Nottage, the librarian. Subsequently, upon returning to the Bank, Julian Grenfell and I had lunch with Dudley Seers who will take over as Director next month.

The Institute and its program are described in the attached publication.

We can look forward, I think, to occasional requests to provide lecturers for some of their seminars. These currently last several weeks. A typical lecturer would stay two or three days and give perhaps two lectures, and participate in discussions. We may also be invited to participate in short conferences on specialized development subjects, and in weekend "institutes" held for staff members in the Ministry of Overseas Development. Since the Institute draws heavily on faculty from British universities, it is a good place to meet a cross-section of British academics interested in development.

At our lunch, Dudley Seers asked whether there might be some possibility of support from the Bank, either in the form of an outright grant or in payment for research projects which would be of interest to us. He was aware of the Bank's subvention to ODI, although he emphasized that his Institute is quite different.

We suggested to Mr. Seers that if he wished to pursue the question of support, he should do so with Mr. Demuth and/or Mr. Kamarck.

July 17, 1967

Dear Mr. Gee:

In making inquiries at IFC about the possibility of participation in your Bellagio conference, I find that late October is expected to be a particularly busy time for their senior people. It does not seem appropriate, therefore, to suggest a candidate for invitation.

Despite this disappointment, however, I hope you will keep me advised of future meetings where people from the Bank Group might be able to contribute.

I'm having lunch with Dudley Seers tomorrow, by the way.

With best wishes,

Sincerely,

David C. Fulton  
Chief, Public Affairs

T. Gee Esq.  
Institute of Development Studies  
Stanmer House  
University of Sussex  
Brighton, Sussex  
England  
c.c. Mr. O'Brien



Dise: Conf

Mr. Raj

July 11, 1967

David Fulton

Conference on the Role of Private Investment in Development

While visiting the Institute of Development Studies at the University of Sussex last week I learned about the conference described on the attached sheet.

I was told that the Institute expects to attract a number of senior industrial people from Europe, and some leading Africans, as well as those named as already agreeing to participate.

Asked about the possibility of IFC participation, I said that I would gladly explore the matter informally. It was agreed that if IFC wished to nominate a participant, I would forward his name and curriculum vitae to the Institute, after which a formal invitation would very likely be forthcoming.

Your reaction would be appreciated, together with the nomination of a participant if you feel it worthwhile to proceed.

DCF:js  
c.c. Mr. Lind

DLT





# THE INSTITUTE OF DEVELOPMENT STUDIES

at THE UNIVERSITY OF SUSSEX STANMER BRIGHTON

Telephone BRIGHTON 66261

Telegrams DEVELOPMENT BRIGHTON

*Explore possible IFC part interest*

The Institute of Development Studies will hold a conference on the role of private overseas investment in development from October 25th to October 30th. The Rockefeller Foundation have generously invited us to the Villa Serbelloni in Bellagio, which provides excellent hospitality in a splendid setting for an exchange of ideas. We should like to invite you to join us. There will be transport from Milan to Bellagio, so that your only expense would be the fare to Milan (one month special excursion London £36 15s. 0d.).

We wish to explore in a small group of twenty people from the universities, industry, commerce and government (including Arthur Gaitskell, Lord Campbell, Sir Andrew Cohen and Dudley Seers), how to improve the contribution that private direct overseas investment can make to development, with special reference to Africa. We hope that the papers prepared for the conference and the discussion provoked by them will lead to an identification of some important areas of research, teaching and training in this field. But the intention is to discuss substantive problems in the first place and to allow ideas for research and training to grow out of them.

We start from the assumption that effective development must harness the energy, imagination and enterprise of a large and growing number of people in the developing countries and that enterprises from overseas can make an important contribution. But traditional concepts, doctrines and institutions may not be always adequate for the best form of mobilisation. We believe that useful work can be done by an exchange of ideas between academics, businessmen and officials. The papers for the Conference will attempt to discuss some of the present obstacles both in the investing and in the host country, and will include constructive proposals. Amongst the topics will be the transfer and adaptation of technology and management techniques, the use and training of innovators and managers, the use of joint ventures, model management contracts, and more generally of appropriate combinations of know-how, skills and capital, the value of investment guarantees, the role of fiscal policy to encourage the right amount and kind of investment, and the impact of overseas investment on balances of payments, income distribution and trade union activities. But discussion will not be confined to these topics.

We very much hope to hear from you as soon as possible that you will be able to come. An introductory paper is enclosed.

ACTING DIRECTOR





## NEW APPROACHES TO PRIVATE OVERSEAS INVESTMENT FOR DEVELOPMENT

by Paul Streeten

The time has come to re-examine the role of private investment in the process of development. This is a subject which needs rethinking in the light of fundamental changes in the world economy. Much of our present thinking and many of our institutions are still dominated by the experience and the doctrines of the 19th century, and are therefore ill-adapted to the altogether different circumstances of the second half of the 20th.

Foreign private enterprise clearly has an important part to play in assisting the progress of the developing countries. At the same time, a number of obstacles stand in the way of greater participation of overseas private investment in the development process. New thinking, new attitudes and new institutions are needed to overcome these obstacles.

The obstacles are partly economic, arising from the difficulties of operating in countries with shortages of skilled manpower, foreign exchange and basic utilities, and partly political. The latter include the sometimes ambivalent attitudes of the governments of developing countries and the resulting political risks faced by private enterprise.

There are a number of features which distinguish modern private foreign investment from that in the last century. First, whereas in the 19th century 70% of world foreign investment took the form of bonds and only 30% that of equity, today bond investment is very small and over 90% is in equity. Second, this implies that the rates of return and the services rendered have changed. Whereas equity investment carries a yield of 15-25% before tax, and 10-15% after tax, fixed interest investment yields only 6-7%. The higher returns on equity investment reflect partly remuneration for technical and managerial know-how, partly a risk premium on various kinds of risk and partly monopoly power. In so far as the rate of return includes a remuneration for acquiring know-how, this would have to be added to the costs of fixed interest investment if such know-how is not available at home. Returns due to political risks and monopoly power do not, of course, reflect payments for services received by the borrowing country. The third difference is that equity investment in the 19th century carried the risks of cyclical fluctuations. In bad years no dividends would be paid out. Such fluctuations are less important today and there is, therefore, less justification for a reward for this kind of risk-bearing. Fixed interest borrowing is therefore often a cheaper way of achieving the same purpose. Fourth, as a result of the more rapid spread of knowledge, certain, although by no means all, types of technological knowledge are nowadays much more widespread and standardised than they were in the 19th century. It is frequently cheaper to hire foreign engineers and to borrow capital at fixed interest rates than to encourage equity investment. In those areas where hired skills plus fixed interest borrowing can achieve the same results more cheaply than foreign equity investment, the latter puts an excess burden on the host country. There are other industries in which technical and managerial know-how is not so readily available and where high returns are justified. In particular, the most difficult problem frequently is to sniff out profitable opportunities rather than, having selected projects, to execute and run them. This sniffing-out can be done by foreign capital which acquires in return the right to exploit fully these opportunities. But there are many other arrangements which may serve the same purpose, some of which impose a smaller burden on the host country. It would, for instance, be possible to offer a management contract to a foreign investor who may also be permitted to hold a substantial minority of shares. The foreign investor would construct and manage the plant and would receive a management fee. This fee can take the form of a percentage both of profits and of foreign exchange savings realised. At the same time the managing firm is expected to offer a credit at a fixed rate of interest to the local firm. This credit should cover either the foreign exchange costs or a certain proportion of the total investment costs of the project. The duration of the loan is the same as the duration of the management contract.

Private foreign investment, with all its merits, has never achieved a large and sustained transfer of resources to developing countries. Yet this is the need today. Only if foreign capital grows faster than the rate of return on old capital

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is there a net addition to the resources available for development. But if the rate of return on foreign capital exceeds the rate of growth of national income, foreign capital must grow faster than national income. Remittances are then likely to grow faster than export earnings (since these are not likely to grow much faster than income) and to absorb a growing proportion of foreign exchange earnings. Private investment is therefore not likely to be able to make a sustained and substantial contribution to the flow of resources.

In addition, international trade has ceased to be an "engine of growth" for the developing countries. 20th century technical progress has been concentrated on producing substitutes for primary products and on economies in the use of raw materials. Moreover, demand has shifted away from products requiring large proportions of imported raw materials. Finally, protection in advanced countries has also greatly reduced the scope of underdeveloped countries to earn foreign exchange by increasing their traditional exports. Whereas growth in the more advanced countries stimulated expansion in underdeveloped countries in the 19th century, today such growth has either very much smaller effects or is actually detrimental to development. In addition, what is regarded as an acceptable rate of growth in underdeveloped countries was previously substantially less than it is today. As a result of this, there has been a growing disparity between development aspirations and trade opportunities. These changes have reduced the attraction of foreign investment to the host country.

Inability to earn profits and repay debt has, in the past, often led to bankruptcies, which relieve debtor countries of the need to repay capital. The effective rate of return has therefore always been much smaller than would appear on paper. Today bankruptcies are much rarer and default is considered a much more serious matter. This implies that softer terms have to be recognised in the terms of agreements.

These considerations, quite apart from political fears of domination or foreign influence, suggest that it may no longer be true, if it ever was true, that all forms of foreign investment contribute to development, and they point to the conclusion that developing countries should guard against excessive burdens of remittance. A high share of equity investment imposes two kinds of burden on the host country. First, a high share of the growth in real resources must go abroad. Secondly, these resources must be transferred through additional foreign exchange earnings. In view of the above-mentioned limitations of contemporary international trade, this secondary transfer burden, superimposed on the first, is bound to be heavy.

On the other hand, private overseas investment can bestow substantial and unique benefits on the host country, particularly in countries where domestic entrepreneurship is embryonic and there is no other way of developing large-scale manufacturing industry. In addition to providing capital and tax revenue on profits, overseas firms train workers in skills and managers in technology, administration, marketing and other techniques, establish contacts with overseas banks, markets and other institutions, introduce new processes and new attitudes and thus lay the foundations for further industrial growth in the economy.

Even in sectors and in industries in which equity investment is the best form of promoting development, political considerations suggest that partnerships and joint ventures in which local capital and know-how participate, are often preferable. A private firm could establish a joint enterprise with a local government or a government agency, such as a local development corporation. The foreign firm should put up not more than 49% of the capital, but enough to benefit if the enterprise succeeds, and of course suffer if it fails. It should have a substantial minority interest, while the local government or agency has the dominant interest.

Such a holding would often be sufficient to secure a decisive role in management. But it might be possible to arrange in special circumstances that, in the initial phase, the foreign investor should hold a higher percentage of the equity, as long as the arrangement for eventual transfer to local ownership is clearly stated. The foreign firm might also provide some of the money on a fixed interest basis or in the form of preference shares.

The equity interest of the foreign firm would be bought out by the local government at the end of a pre-arranged period. This period could be ten years, with provision each year after say seven years to extend for a further five years



up to say 15 years or longer in the case of e.g. plantation enterprises. Other forms of rolling extensions could be devised, such as periodic reviews with stated periods of extension. Alternatively, the period might be longer, but there could be options at fixed points when either the local government can buy out or the firm can sell out. An evaluation procedure to determine the price would have to be agreed.

Managerial and technical staff would initially be provided almost exclusively by the foreign firm, perhaps under a management contract, but with the obligation to train local replacements within the specified period before buy-out. The rate of replacement could not be specified contractually, but the local government would be able to use its representation on the board to ensure that it went forward at a satisfactory pace.

Housing and other community services should be provided by the local government or appropriate local statutory body set up for the purpose. In view of the relatively short period of ownership participation, the foreign firm's capital should be concentrated on directly productive activities.

Official aid may provide the finance for participation of the local government. It might be possible to provide a long-term loan on soft terms to enable a host government to participate in a venture. No subsidy to a particular private firm would be involved, for the government's terms of on-lending could be commercial. Only the secondary foreign exchange burden would be lightened. Governments can also support such joint ventures with buying-out options either by investment guarantees or by including a clause in the contract of the loan that in case of expropriation without proper compensation the whole outstanding loan would fall due for repayment immediately. The force of such a clause would lie in the fear of loss of credit standing if default occurred.

Arrangement of the kind sketched out above would attract foreign capital and know-how to the activities where they are most useful, but would release them, when the host government buys out the firm, for new ventures elsewhere. Thus good use would be made of the finance and experience of foreign companies by keeping them in a revolving fund. Teams could be kept working together and political friction and transfer burdens would be minimised.

The climate for international investment and for new forms of joint ventures would be greatly improved if a set of rules for the remittance of profits, capital and capital gains could be agreed upon and obeyed. It is important that profits earned by foreign capital should be allowed to be remitted home. Restrictions, except those imposed temporarily in emergencies, would only discourage the future flow of investment, and are as much against the interests of the investor as they are against those of the host country. But if the foreign firm borrows local capital, which it can often do very cheaply in view of its good credit standing, profits earned on this local capital need not enjoy the same freedom. The same rules should apply to these profits as those which apply to local firms.

While it may be sensible to aim at a certain proportion of equity to fixed interest investment for foreign capital in an underdeveloped economy as a whole, the proportions of specific sectors and firms may, of course, vary widely from the country-wide average. Some sectors, like transport and power, can be wholly financed on a fixed interest basis. Others, where entrepreneurial initiative is important, may be financed wholly by equity, while others again may show a variety of gearing ratios of equity to bond capital. Again, a variety of arrangements can be made for the transfer and adaptation of know-how. Individuals can be hired, management contracts can be concluded, and participation in profits can be arranged. It is the purpose of such arrangements to minimise both the cost to the host country of the transfer of capital and know-how, and political frictions, while safeguarding the interests of those who are willing to conduct this transfer.

If our main concern is the social and economic development of less-developed countries, the contribution of private foreign investment must be assessed in the light of a variety of methods of mobilising resources and know-how. Our task is to explore the most effective and the cheapest way of attracting foreign resources, skills and knowledge and the best way of combining them, and to examine new institutions, arrangements and forms of contracts.

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The objectives of the new arrangements are, first, to reduce the political tensions that arise from large foreign-owned enclaves in less developed countries and the fears of expropriation which deter foreign enterprise; second, to change the policies of foreign companies so that they do not necessarily subordinate the policies of the local companies to the interests of the parent companies; third, to induce spread effects, so that the beneficial activities of the foreign companies spill over into the less dynamic sectors of the rest of the economy; fourth, to set free, after a period, the scarce foreign capital and know-how so that these can be re-employed in pioneering new ventures rather than continuing to be employed in existing activities.

The Institute of Development Studies,  
at the University of Sussex,  
Stanmer,  
Brighton.

June, 1967.