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Development from Above or Below? The Dialectics of Regional Planning in Developing Countries

Paper

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Interdisziplinäres Institut für Raumordnung
Stadt- und Regionalentwicklung
Wirtschaftsuniversität Wien
Vorstand: o.Univ.Prof.Dr.Walter B.Stöhr
A-1190 Wien, Hasenauerstraße 42/8, Tel. (0222) 34-43-19

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W.STÖHR and D.R.F.TAYLOR

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THE DIALECTICS OF REGIONAL PLANNING
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DEVELOPMENT
REGIONAL DEVELOPMENT SERIES

Edited by M. Honjo and R. P. Misra

Volume 2: Regional Development Alternatives:
International Perspectives

Edited by A.L. Mabogunje and R.P. Misra

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REGIONAL DEVELOPMENT
ALTERNATIVES:
International Perspectives

Edited by
A.L. Mabogunje and R.P. Misra

MARUZEN ASIA

For and on behalf of the United Nations Centre for Regional Development
Nagoya, Japan

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DEVELOPMENT FROM ABOVE OR BELOW ? THE DIALECTICS OF REGIONAL PLANNING IN DEVELOPING COUNTRIES

WALTER STÖHR & D.R. FRASER TAYLOR

THIS PAPER summarizes the results of an extensive study with the same title published as a book*. Spatial inequalities in the quality of life of people in developing nations are large and in many instances, rapidly increasing. The key issue discussed in the book is whether these inequalities can be reduced by increased or more effective functional integration, both on a national and international scale, or whether internal territorial integration, and a greater degree of internal self-reliance with "selective spatial closure" would be more effective.

Consideration of development "from above" or "from below" is in essence a consideration of the nature of development itself and everyone, it seems, knows what development is except the experts! This is perhaps not surprising because in the ultimate sense development is a reflection of personal values, conditioned by the societal framework in which one lives. The values a society holds, which themselves change over time, are the major standard by which development or the lack of it will be judged. It is perhaps obvious but worth re-stating that an outside view of a society's "development" may be very different from an assessment made by that society itself.

Development "from above" has its roots in neoclassical economic theory and its spatial manifestation is the growth centre concept. Until recently, strategies of development "from above" have dominated spatial planning theory and practice. The basic hypothesis is that development is driven by external demand and innovation impulses, and that from a few dynamic sectoral or geographical clusters, development would, either in a spontaneous or induced way, "trickle down" to the

* This chapter is a summary of Walter Stöhr and D.R.F. Taylor, *Development from Above or Below? The Dialectics of Regional Planning in Development Countries* (New York: Wiley, 1981) unless foot-noted otherwise, references to various countries in the text pertain to respective chapters of this book. See Figure 2-1 for countries studied and the authors.

rest of the system. Such strategies, as well as being outward-looking or externally-oriented, have tended to be urban and industrial in nature, capital-intensive, and dominated by high technology and the "large project" approach.

Development "from below" is a more recent strategy and is a reflection of changing ideas on the nature and purpose of development itself, as described by Seers¹ and Goulet². Development "from below" considers development to be based primarily on maximum mobilization of each area's natural, human and institutional resources with the primary objective being the satisfaction of the basic needs of the inhabitants of that area. In order to serve the bulk of the population broadly categorized as "poor" or those regions described as disadvantaged, development policies must be oriented directly towards the problems of poverty, and must be motivated and initially controlled from the bottom. There is an inherent distrust of the "trickle down" or "spread effect" expectations of past development policies. Development "from below" strategies are basic-needs oriented, labour-intensive, small-scale, regional-resource-based, often rural-centred, and argue for the use of "appropriate" rather than "highest" technology. Both development "from above" and "from below" are closely related to the two principles of societal integration described by Friedmann and Weaver³ in their recent book on territory and function.

The countries analyzed (See Figure 2-1) give, in our view, a representative coverage, not only in terms of ideology and strategy but also in size. Although the nation state is the dominant political unit, there is an enormous difference between an India or China on the one hand and a Nepal or Papua New Guinea on the other, in terms of both physical area and population size and density. They also give a wide representation in terms of the time-frame under which they have been at least nominally responsible for their own political destiny. Papua New Guinea became independent only in 1977 whereas countries such as Brazil, Chile and Peru gained political independence much earlier.

In *Asia*, China is the exceptional case. The Chinese peasant has indubitably improved both the qualitative and quantitative aspects of his life style since 1950. Between 1950 and 1976, China clearly experienced long term growth and a marked decrease in inequalities. The other Asian countries, however, are marked with increasing regional and interpersonal disparities and in Thailand, Nepal and India, there has been both relative and absolute impoverishment, especially of rural peoples, over time. In India, in at least seventy-five districts, there have been negative growth rates over a number of years. The overall picture in Asia is one of persistent rural poverty despite some comparatively high rates of economic growth. There has been an increase in landlessness and a growth in urban-rural, rural-rural and interpersonal disparity. Although there has been a rapid increase in industrialization, this has not created sufficient jobs to absorb the increasing labour force. Exceptions to this, in addition to China, are South Korea, Taiwan, Hong Kong and Singapore. Japan is also an exceptional case but it is not usually classified as a developing nation. Because of the vast numbers of people involved it is in Asia where the problems of development and underdevelopment loom largest.

1 D. Seers, "The Meaning of Development," *International Development Review* 3 (2-7, 1977).

2 D. Goulet, "The Challenge of Development Economics," *Communications and Development Review* 2 (No. 1, 1978): 18-23.

3 J. Friedmann and C. Weaver, *Territory and Function: The Evolution of Regional Planning* (London: Edward Arnold, 1979).

Figure 2-1. Matrix of Case Studies

	Capitalist/Market-oriented systems		Mixed Systems		Socialist Systems	
	Outward-looking (1)	Inward-looking (2)	Outward-looking (1-3)	Inward-looking (2-4)	Outward-looking (3)	Inward-looking (4)
Africa	Ivory Coast (M. Penouil)		Nigeria (M.O. Filani)		Algeria (K. Sutton)	Tanzania (J. Lundqvist)
Asia	Thailand (M. Douglass)			India (R.P. Misra & V.K. Natraj)		China (C.T. Wu & D. Ip)
				Nepal (P. Blaikie)		
				Papua New Guinea (D. Conyers)		
Latin America	Brazil (P. Haddad)		Peru (J.G.M. Hilhorst)		Chile (Period II) (S. Boisier)	Cuba*
	Chile (Periods I & II) (S. Boisier)					

*A case study on Cuba was planned but had to be dropped because of circumstances beyond the editors' control.

Note: Names in parentheses refer to authors who contributed papers included in the volume *Development from Above or Below?*

The *African* countries also reveal persistent rural poverty and increasing disparity. Disparities are widening most rapidly in Nigeria, whereas in Tanzania, although regional disparities persist, there seems to have been a decrease in interpersonal disparity. No Tanzanian is said to be starving but there has been very limited measurable growth. In Algeria, there has been growth but only a limited developmental impact whereas Ivory Coast is exceptional in Africa as there has been a positive change in the welfare of all people in that country despite the persistence of both regional and interpersonal disparities.

The *Latin American* nations are, both in relative and absolute aggregate terms, much more fortunate than those of Asia and Africa. In the three Latin American countries, however, there have been persistent and widening regional and interpersonal disparities and persistent poverty, which is again most acute in rural areas. In Peru, the Sierra population is marginal in all senses. There has been no lessening of disparity in Chile over time and in Brazil there are extensive and persistent regional development inequalities in all sectors.

On a global scale too the situation in the developing nations is not very assuring. Between 1950 and 1975, despite growth rates averaging 3.4 per cent, poverty and underdevelopment still remain. Whereas 33 per cent of the people may have increased their welfare, this is more than balanced by 40 per cent for whom life has indubitably become worse. The empirical record of almost three development decades reveals more underdevelopment than development regardless of what indicators are used for measurement. Existing strategies to bring about a broader participation in development have failed.

When viewed in historical sequence, a number of general conclusions seem to emerge.

The Imprint of the Past

None of the countries analyzed is still in a stage of formal colonial dependence and therefore only occasional explicit reference is made to these historical conditions.

The fact that in most pre-colonial societies of today's Third World relatively egalitarian social and landholding structures existed seems to be confirmed for several countries such as Papua New Guinea, Thailand, and Ceylon.⁴ In some of these countries, access to land and basic needs was not only a communal right but also a communal responsibility. This certainly was not true, however, for certain countries such as India.

In many, particularly the smaller countries, it was only during the colonial period that decision making levels were raised drastically, that there started to emerge an urban elite and that social and income disparities started to increase rapidly. Due to a subsequent continuous economic erosion via rural-urban linkages, the peasantry lost "its organizational, territorial basis for production" "Land became an exchange commodity Tenancy and landlessness began to appear, and access to money and credit became essential for even subsistence-level production".⁵ This became particularly accentuated once land reserves, the major source for rural population became exhausted, for example in Thailand, Brazil and Nepal. Power

4 K.L. Gunaratne, *Spatial Planning in Sri Lanka*, unpublished draft (1979).

5 M. Douglass, "Thailand: Territorial Dissolution and Alternate Regional Development from the Central Plains" in *Development from Above or Below?*

also became withdrawn from the local to the national level. At the same time access to resources and to large-scale markets became differentiated which also affected the accumulation of capital.

Apart from the economic inequality created through external dependence, inequality in access to political power also increased in the colonial periods. In part this was caused by the fact that most colonial countries, in order to maintain their dominance over the local population and/or against competing colonial powers, in most cases introduced highly centralized administrative systems. The major interest of the colonial powers, particularly in earlier periods, was the extraction of valuable natural resources for which the necessary transport, urban, and administrative infrastructure was provided with a distinct external orientation. The domination and control of the colonies seemed best facilitated by a hierarchical, centralized administrative system.

The centralized decision making structures which were introduced during the colonial period have persisted even after decolonization, for a number of different reasons:

(a) Need for Integration

The colonial powers in many cases left as their overseas heritage political/administrative units which aggregated formerly very differentiated cultures. Cases in point are India, Peru, Ivory Coast, Papua New Guinea, but also Brazil and other countries. National development initially was considered by most Third World countries after independence not so much as an economic process but as a

process by which a state characterized by sectional, or otherwise competing economies, politics, and cultures, within a given territory, is transformed into a society composed of a single, all-pervasive, and in this sense "national" economy, polity, and culture.⁶

A strong central power in many cases was considered a prerequisite for achieving this. There apparently were few countries which like Papua New Guinea initiated a policy of decentralization of political power as an instrument to secure national unity.

The borders of many of these new political-administrative units were unstable and not yet internationally acknowledged. For purposes of external defense in possible border disputes a strong central power was considered important.

Many of these new political/administrative units were physically fractioned territories which made communication and effective government difficult. The great interregional diversity of natural conditions however, in many cases could also have been considered an important prerequisite for internal complementarity enhancing the internal development potential of many of these national units. Theoretically such internal diversity and potential complementarity in fact in many cases could have been a promising basis for an internally oriented self-sustained development at least at the national scale. This chance however was rarely taken.

⁶ M. Hechter, *Internal Colonialism, The Celtic Fringe in British National Development, 1536-1966* (London: Routledge and Kegan Paul, 1975).

(b) Need for Rapid Development

Development in most Third World countries was considered as a process of transforming (if necessary forcefully) existing economic and social structures so that they could respond as rapidly as possible to the rules of economic interchange, initiated by the highly industrialized countries. Such rapid transformation was considered possible only in a centrally initiated way. At the same time the vast magnitude of economic problems faced by most countries after achieving independence nurtured the belief that these could only be solved by a centrally concerted effort based on "planning." These concerted efforts usually concentrated on those population strata, sectors and regions able to undergo such transformations most quickly. Under such conditions internal disparities in many countries increased rather than decreased.

It was assumed that the necessary economic as well as social and cultural transformation could not take place in the totality of a social system at the same time without damage. It was therefore considered advisable to concentrate this transformation upon a few centres and let it penetrate to the rest of the territorial system in successive stages. For this purpose also a centralized innovation and decision-making structure seemed useful. These pragmatic ideas in fact already were predecessors of the growth-centre and trickling-down concepts which were formulated in theoretical terms later⁷.

The new "national" scale was implicitly considered the optimum level at which such conflicting objectives as a minimum scale for defense against the outside and a maximum scale for internal integration and full resource use could be made compatible. In various countries it was realized only considerably later that such a centralization led to a considerable under-utilization of resources in the respective national peripheries and consequently to economic and social decline in the latter areas. Marked examples are the Interior of Brazil and the Hill Areas of Nepal to mention only two explicit instances.

The magnitude of interregional disparities faced by many countries after achieving independence often induced them not to make this issue explicit but rather to play it down as much as possible. In several countries this seems to have been among the reasons why the issue of regional development was raised much later than that of national development. Stressing this issue earlier without the hope of being able to solve it given scarce central resources, frequently was considered to imply the danger of territorial disruption. Where the regional issue was addressed explicitly, it was often given mere lip service. Regional issues in general tended to be given attention essentially as a function of national objectives. On the other hand, in cases where — often for lack of central government funds — subnational territorial units were encouraged to cope with their own problems (e.g. in India regional units along language lines) regional growth rates diverged considerably due to different natural conditions, different cultural characteristics and differing qualities of administration.

The externally oriented and centralized transport networks and urban systems introduced during the colonial period in many cases prejudiced the internal operation

⁷ F. Perroux, "Note sur la notion de pôle de croissance," *L'économie du XXème Siècle*, 2nd ed. (Presses Universitaires de France, 1955), pp. 142-54; and A. Hirschman, *The Strategy of Economic Development* (New Haven: Yale University Press, 1958).

of these systems after independence. "Space . . . is determined by, and is given its rationality by the political economy"⁸ and undoubtedly such spatial structures again have a feedback effect on a country's political economy. Some of the countries deliberately attempted to cut this causal chain by explicitly transforming the spatial configuration of the urban system. Cases in point are Brazil, Tanzania, and Nigeria, which transferred their national capitals into the interior. If these attempts in fact were effective spatial policies they could indeed be considered "radical policies," contrary to the negation made by Blaikie.

Influence of External Aid Agencies

From the 1950s onward external national and international aid agencies assumed great influence upon the way in which development strategies were drawn up and implemented in most Third World countries. This was done via the *criteria defined for external aid projects* but also by the *postulate that recipient countries establish central planning offices and elaborate national plans*. The regional dimension was lacking in these plans for a long time and has usually been introduced only during the last few years, and often only in a perfunctory way. The guiding objectives of development were to increase GNP, to improve the capital/output ratio, and to improve the balance of payments. Most variables used in the planning process were aggregate national ones, in many countries also the only ones statistically available. Due to the *lack of planning specialists* — most of whom were economists or engineers — central planning offices could hardly be staffed adequately, let alone regional or local planning offices.

External factors were largely responsible for the introduction of central planning and facilitated the application of imported technocratic planning methods and of neoclassical economic doctrine. These external planning influences also led to

import-substitution and urban-based industrialization, assembled from both 'traditional' policies of transferring rural surplus for metropolitan development, and new policies promoting and protecting import substituting infant industries . . . giving full duty exemption on capital goods and raw material imports for protected industry which almost without exception chose to locate in the metropolitan area.⁹

Like the earlier raw material export policies of colonial periods, these new strategies usually also contributed heavily to the *urban bias* which has been found in most of the countries analyzed here.

Changes in spatial disparities of living levels and the influence which development policies have had upon them were reviewed briefly at the beginning of this paper. For various reasons it is difficult to make conclusive statements on the concrete effects regional development policies had on these disparities. First, because it is methodologically very difficult to calculate the quantitative effects of such policies even for

⁸ P. Blaikie, "Nepal: The Crisis of Regional Planning in a Double Dependency Periphery" in *Development from Above or Below?*

⁹ Douglass, "Thailand."

countries with good data bases¹⁰, secondly, because most of the countries analyzed have insufficient data available to measure spatial disparities in living levels, particularly regarding their development over time. The mere absence of data on spatial disparities in some countries may be considered a symptom of the lack of real emphasis given to this problem in actual policies, beyond verbal statements in planning documents. This point has already been referred to above.

Apart from these two facts, the time period within which effects of regional development policies materialize may in fact need to be considerably longer than these rather recent policies have existed so far. When Hansen argues that this is true for many policies incorporating elements of development "from above," it is probably even more true for those incorporating elements of development "from below" which — with the exception of China — are much more recent still. There seems to be a fair amount of agreement that in strategies of development "from above," a relatively small group of people benefit considerably from large-scale economic interactions of an industrial or commercial type. It is less clear whether the majority of the poor population of these countries is not touched by these benefits only in the short run, or whether their absolute living levels actually decline in the long run. Statements for some of the countries such as Thailand, which have applied a "centre-down" strategy, seem to indicate that such an absolute deterioration has actually taken place:

. . . basic needs and poverty line estimates . . . indicate that for those in the lower circuit, levels of welfare have fallen for many and the proportion of people below these lines has increased¹¹.

In the case of the Ivory Coast, a broadening of developmental impulses from the modern to the traditional sector via "transition" is reported in connection with a centre-down strategy.

Centre-Down Strategies: Background and Some Consequences

The historical background just sketched laid a perfect basis for centre-down strategies trusting in the trickling-down of development through worldwide technocratic planning expertise, through worldwide aid organizations and stimulated by worldwide innovation centres and worldwide demand. This trend towards national centre-down development strategies was reinforced by the fact that individual countries now not only needed to defend their borders against neighbouring states, but also their economic competitiveness as the liberalization of trade initiated after World War II under schemes such as GATT put countries under increasing economic pressure, without protection, in a world-wide context. Even China recently seems to have reacted to such economic motives in order to be able to better defend its political borders against its neighbours.

This pressure on developing countries for transformations in order to compete in increasingly liberalized world-wide markets for commodities and production factors stressed the need for *rapid and effective centralized decision-making at the national level*. National territories were for all practical purposes considered as aggregate units

¹⁰ Organization for Economic Cooperation and Development, *Report on Methods of Measuring the Effects of Regional Policies* (Paris, 1977).

¹¹ Douglass, "Thailand."

(comparable to the point locations assumed by neoclassical economics), within which full mobility was assumed or should be brought about as rapidly as possible. The objective of increased national economic and political integration was therefore directly linked, and often identified with, other objectives such as maximum resource mobilization and the improvement of income distribution.

The major assumption behind linking these two types of objectives was that national integration would permit the easy transfer of surplus generated in one sector or region to other sectors or regions. This was expected to maximize aggregate national efficiency via an optimal allocation of resources and of the benefits from development. As particularly in the less developed countries this could not be achieved by a functioning market mechanism, the latter was substituted by a central resource allocating mechanism, called national planning. This central planning mechanism in most developing countries operated mainly on the sectoral allocation of resources (mainly capital), rarely on explicit regional allocation of resources, and almost never on the allocation of the benefits from development (neither by social strata nor by regions). The latter failure was in part caused by the lack of solidarity between social strata and between regions in most developing countries, and the consequent lack of political support for such redistribution. Without an effective central redistributive mechanism of the benefits of national development, increasing social and regional disparities were bound to arise.

Under such conditions there occurred in fact a *separation between efficiency oriented economic mechanisms and distribution oriented political mechanisms*. This neat separation was underpinned by the manifestation of the "new" economics as a purely positivistic science while normative issues were delegated to politics. The pervasive belief became that once economic growth had taken place, distribution would automatically take place afterwards. In reality however, such an aggregate allocation of resources at the national scale led to a *disintegration of complementary resources at the regional scale*. Natural resources, population, and savings/profits were selectively withdrawn from specific (usually less developed) regions to other usually core regions where their use seemed more efficient from an aggregate national point of view.

A tendency towards the *disintegration between the modern and the traditional sectors* also exists. It was hoped that via "transitional activities," the traditional sectors would become smoothly transformed into modern sectors. This process in aggregate terms was actually successful in Ivory Coast, but in disaggregate terms only an extremely small share of traditional activities actually was able to realize this transformation, while for the great majority of them it meant the death of individual traditional activities and, separately from them, the birth of modern activities often in other sectors and in other regions.

This was accompanied by an *urban-rural disintegration* in the sense of a "selective (national) integration of a few urban sectors and restricted social groups in isolated regional centres into the production system dominated" by the respective national or international metropolises.¹² In spatial terms this nationwide transfer of surplus meant that since agricultural productivity in microeconomic terms was lagging behind that of other sectors in most countries, the surplus created by agriculture was sucked off to other sectors and to nonagricultural areas, leading to a deterioration

12 D.E. Goodman, "O modelo economico brasileiro e os mercados de trabalho: uma perspectiva regional," *Pesquisa e Planejamento Economico* 5(1975): 89-116.

of rural living levels. At the same time most of these countries became net importers of food for which many of them had to expend a considerable share of their export earnings. Various countries attempted to rectify this erosion of less developed peripheral regions by attracting to them what was considered the scarcest factor of these regions, capital, e.g. via tax incentive schemes such as in Brazil. Such policies however, while they may have been able to quantitatively increase production in these regions, led to further regional disintegration as the activities attracted were in their major branch plants of core region or foreign enterprises producing for extraregional markets and utilizing extraregional inputs. These newly attracted activities in fact represented another set of "islands" disintegrated from the surrounding regions and sectors, and integrated mainly with the national or international metropolises.

How an externally influenced national planning and large-scale functional integration can *mobilize rural surplus to promote metropolitan development* (in this case through a "rice premium") is exemplified in the case of Thailand. The urban biased extraction of rural surplus there was complemented by the urban bias of the loan and credit system and led to a strong economic erosion even in the richest agricultural areas of Thailand, the Bangkok plains.

A similar phenomenon occurred in countries where *growth centre policies* were applied. The definition of these growth centres was usually based on a projection of urban population growth and/or on national sectoral projections, but not on the development potential or demand of the surrounding rural areas. Such growth centre policies in most cases therefore often further aggravated the territorial disintegration of the respective regions.

In resource frontiers such as the Brazilian Amazon, regional disintegration manifested itself in *environmental disruption* as the "screening for new investment alternatives has intensified destruction of local fauna and flora."¹³

Concentration of resources on the most efficient modern sectors functionally related to the world economy at the same time in many countries led to a *decline of the traditional sector and particularly of rural industry and crafts*, to rural social fragmentation and to the underemployment of those natural resources less mobile or in less demand on the world market. On the other hand it led to an externally oriented expansion of communications and transport facilities, to a "cumulatively expanding power of the national capital as regions became more tightly integrated into the national and international economy and to a two-circuit dualism . . . in the course of incorporation of once self-reliant communities into the metropolitan dominated economy."¹⁴ This was accompanied by the takeover of (usually peripheral) natural resources by large-scale entrepreneurs for external markets.

The "*diversion*" of resources however took place not only from agriculture and small artisanry but also from a broad number of *locally or regionally operating (often informal) basic needs services*, from which innovative personalities, remuneration (often in kind) and capital were withdrawn. Activities substituting imports (and therefore exogenous in kind and technology) ranked high as recipients for national resources, while there was usually no support forthcoming for traditionally endogenous production or basic services.

13 P. R. Haddad, "Brazil: Economic Efficiency and the Disintegration of Peripheral Regions."

14 Douglass, "Thailand."

As an excuse for the inadequacies of these centre-down policies it has often been argued that resources were insufficient to solve the problems of all regions of the respective countries, or of all localities of individual regions simultaneously. This was considered to justify the concentration of resources in specific clusters of sectors (Perroux's *industries môttrices* or *poles de croissance*) and in selected localities (growth centres). The question therefore was at which territorial scale functional integration should be emphasized and thereby possibly increase disparities within these territorial units. At the regional level growth centres were expected to fulfill such an integrating function between externally oriented (export base) activities and local/region serving activities, thereby transferring external impulses to these regions and localities. These growth centres, however, in most cases turned out to withdraw resources from their hinterland without actually being able to accommodate the magnitude of rural excess population.

The question therefore is whether by raising the level of territorial integration (e.g. to the national level) or by lowering it to subregional levels (e.g. that of Friedmann's "Agropolitan Districts")¹⁵ the manageability of the problem can be improved. Different arguments suggest that emphasis be placed on one specific scale of these, anything below the national level is a scale insufficient for internally oriented self-reliant development.

This is a valid argument at least for coastal countries of such internal diversity as Peru (and probably also Chile) of which each region formerly had a direct overseas orientation on the basis of its specific natural resources (copper, nitrate, etc.). A regional decentralization of decision-making powers in a country like Peru would arouse again the basis for peasant unrest (such as in 1965) and for rural guerrillas. A strong central government is the only means to maintain national cohesion. There is therefore evidently a conflicting relation between national integration (often accompanied by regional disintegration) and regional integration (potentially accompanied by national disintegration) as Boisier points out.

A theoretically ideal sequence might therefore be that once national integration has been achieved, priority should then be given to regional (re)-integration. The problem is that this requires also a shift of real decision making powers from the national to regional levels. National power groups normally however, strongly resist giving up power once they have acquired it, nor are they usually prepared to facilitate the changes in economic structure which a higher degree of regional self-reliance would necessarily involve. Nigeria, Tanzania, Papua New Guinea and possibly China are examples where the national governments have decentralized decision making, possibly in a major effort to maintain national unity.

National centre-down policies due to the usual uniformity of their criteria and to the economic, social and environmental disintegration which they usually cause at subnational levels, often tend to force subnational levels of government to sacrifice necessary basic needs investment to compensate disintegrating effects of central government policies. In this way, scarce regional (or state) funds are actually diverted from genuine regional objectives by the need to compensate for negative effects of central policies in the respective regions, such as decongesting nationally stimulated metropolitan concentrations, reducing consequent intra-state disparities, etc.

15 J. Friedmann and M. Douglass, "Agropolitan Development: Towards a New Strategy for Regional Planning in Asia" in Fu-chen Lo and K. Sahni, eds., *Growth Pole Strategy and Regional Development Policy* (Oxford: Pergamon, 1978).

On the whole it can be said that while national centre-down policies are mainly concerned with the allocation of national resources to the most dynamic sectors and to most efficient use in a national and international context, the remaining sectors and problem areas are often left as the task of lower level governments, and to spontaneous "bottom-up" initiatives. While the tax income from the most dynamic and efficient activities also accrue mainly to the national government, lower level governments and spontaneous initiatives have to try and solve their immediate and often most basic needs with hardly any resources remaining. Such basic needs are often very costly, including, in the case of Thailand for example, cooperative rural development, land reform, tambon (village) development, and political reform. This lack of funds at lower levels of government in fact seems to have been one of the major reasons for the faltering of the earlier generation of Community Development Projects in many countries. It is typical that for instance in Peru the "dynamic" projects for intersectoral growth poles were steered by the central government "from above" whereas mechanisms for a redistribution of income within (poor) rural regions were left to operate "from below" with practically no resources available to them. This means that while the relatively profitable projects were decided upon centrally, the least profitable ones were left to local self-determination and to "broad public motivation."

It is in part these deficiencies which basic needs strategies and development from below want to overcome. Basic needs services in particular cannot be supplied in a way satisfactory for the consumer and at reasonable cost by a central agency. Most of these services need to be territorially provided (local, regional, etc.) and tailored to the specific needs of territorially organized population groups at different scales. Their efficient and satisfactory provision therefore requires smaller scales of territorial organization than the production of private goods¹⁶ and a certain amount of spatial closure.¹⁷

Bottom-Up Strategies: Some Experiences and Prospects

Development from below would essentially be based on integrated regional resource utilization at different spatial scales. Priorities for such resource integration would be sought at the lowest possible scale in a fashion of a subsidiary. The development of territorially organized social groups would cater to external demand and utilize external resources only to the extent that this does not reduce the satisfaction of their own needs and the mobilization of their territorially available resources. It represents self-reliant development on a territorially subsidiary basis in order to reduce the negative effects of external dependence.

Such a strategy has many parallels not only with development paths which occurred in Europe at various earlier stages, but also with development patterns that existed in various other countries before colonization as described earlier.

More recent examples in Third World countries include increasing interest of Indian planners and policy makers in Gandhi's concept of "a new society consisting

16 F. Machlup, *A History of Thought on Economic Integration* (London: Macmillan, 1977).

17 W. Stöhr and F. Tödtling, "Spatial Equity — Some Alternatives to Current Regional Development Doctrine," *Papers of the Regional Science Association* 38(1978) reprinted in modified form in H. Folmer and J. Oosterhaven, *Spatial Inequalities in Regional Development* (London, 1979).

of small communities organically linked with each other but undivorced from nature and work."¹⁸ They seem to be in part revived again in today's India's Block Level Planning scheme. Attempts along similar lines existed in the initial stages of the Ujamaa scheme in Tanzania or of Guinea Bissau as well as several other subnational efforts. A frequently cited example under very special conditions of course is China. The political, social, economic, and environmental conditions ruling in each of these countries differ widely. Yet, among the pervasive characteristics are, that development is based on little developed small-scale cellular societies which, in order to avoid major external dependence, pursue endogenously motivated development strategies. They are societies which can receive few aggregate growth impulses from an export based strategy following the "small open economy" model.¹⁹

In centre-down strategies a less developed country (or region) will attempt to reduce its balance of trade deficit by increasing its exports and attracting foreign investment and thereby increase external debt and dependence but at the same time neglect requirements of regional (or local) development. A strategy of development from below, in contrast would attempt to solve such a problem by giving highest priority to the satisfaction of national, regional or subregional requirements by mobilizing a maximum of resources within these entities, thus reducing to a minimum possible external debt and dependence.

Empirical observation of the functioning and of the actual results of bottom-up strategies are even more restricted than the possibilities for empirical observation of centre-down strategies. Some of the reasons are:

- In developing countries in which bottom-up strategies were initiated this was possible only after decolonization and therefore the observation period in many of them is necessarily very short.
- Bottom-up strategies require major transformations of institutional, economic, and political structures and therefore may require a considerable time until their bases are laid.
- Very few countries have actually decided and also been able to attempt such major structural transformations. The number of examples to be observed therefore is small.
- In countries where policies along similar lines were attempted, they have often been subjected to periodic backlogs so that a continuous experimental period cannot be evaluated. Alternating sequences between strategies from below and from above have been described explicitly for Chile, for Tanzania and historically for European countries in this study. They will be dealt with briefly in the next section.
- The statement which Hansen makes for the centre-down strategy, namely that it is not necessarily wrong, but simply has never been tried for a sufficiently long period could with even more justification be applied to bottom-up strategies. In post-colonial Third World settings they actually have never been applied for sustained periods of time.

18 R.P. Misra and V.K. Natraj, "India: Blending Central and Grass Roots Planning" in *Development from Above or Below?*

19 J. Fei and D. Ranis, *The Transition in Open Dualistic Economies* (New Haven and London: Yale University Press, 1973).

Another set of problems for the evaluation of "alternative" development strategies from below is that their approaches differ considerably, even between the few countries where they have been attempted, and are therefore difficult to compare amongst each other and to delimit against more conventional centre-down strategies.

In fact in practice coherent and internally consistent development strategies rarely exist and success can only be achieved by (and therefore also evaluated for) pragmatic policies via a "grand empiricism". Another restriction for defining "alternative" development strategies "from below" is that there exists as yet no consistent theory on the basis of which they could be evaluated and that most of the professional planners who were involved in implementing them were actually trained along the lines of traditional centre-down strategies and in analytical and planning methods useful to these latter strategies. They were therefore actually unqualified for designing such alternative strategies. Due to the lack of trained planners in most developing countries, even in the case of drastic changes in political orientation (such as for example before and after the Allende government in Chile), essentially the same planning technicians were used, possibly with changed roles amongst them.

In spite of the diversity of empirical manifestations, there seems to be some consensus however, that spatial equality of living conditions via development strategies "from below" require not only specific territorially organized socio-political and administrative structures, but also specific territorially organized systems of economic interaction and the use of territorially available resources and technology. This means that a pure lowering of decision making scales and popular mobilization at the local or regional levels alone is not sufficient if the national economic emphasis remains on a priority for large-scale national and international projects. In Peru for example where the National System of Support for Social Mobilization, SINAMOS, was relatively successful in the political and social mobilization of local population groups for "the construction of small irrigation dams and feeder roads", such projects were lacking support from national economic resources which remained mainly geared to large-scale national projects. As in many other countries, increasing scarcity of national resources in fact led to even further reductions of resource allocations to regional authorities and programmes. Locally elaborated projects usually were not spectacular enough to receive sufficient attention from central government or from the banking system.

On the other hand, in case where funds were set aside for projects in peripherally less developed areas, projects corresponding to productivity or efficiency criteria defined by central government or financing agencies could not be locally formulated. In part this was due to the lack of technicians able to elaborate projects along such criteria. Foreign consulting firms which had earlier prepared local projects, were often excluded by regulation from such activities and the government had not found substitutes for these firms among local professionals. Another explanation for this lack of local project formulating capacity may be that the standard national criteria for project evaluation (effects on foreign exchange balance; GNP, capital productivity, etc.) had little visible relation to the concretely felt requirements at the local level. As a result for less developed, high population pressure areas, very often no development projects were formulated and the central government, in what Hilhorst calls "pipeline effects" continued to concentrate on the project lines already in progress.

In order to achieve the broad mobilization of individual and social organizations, the governments of many countries have given emphasis to large-scale

demonstration projects such as, in Latin America, Brasilia or the Guyana project in Venezuela. In many of these cases it will be difficult to say whether the benefit of such large demonstration projects was greater for regional modernization and development or for the direct benefit of the ruling national strata. Some governments went as far as justifying close to dictatorial central measures in order to induce local mobilization and participation such as for the Ujamaa movement in Tanzania or for the National System of Support for Mobilization in Peru.

Development "from below," however, may also require certain external inputs. In order to facilitate reasonably "equal access of all population strata to the production and consumption of society's goods, services and welfare" at the local or regional level, development policies "must involve some assistance from central decision making units." That means that an equity oriented transformation of local and regional social structures is considered by various authors to require extraregional (national or even international) political or legal support.

Whereas centre-down development usually operates on the basis of either a centralized (national or international) or on the basis of an atomistic individual decision making system (e.g. via the market mechanism), bottom-up development requires territorially organized communal decision-making at various scales. Such a system therefore involves certain elements of "selective spatial closure."²⁰ Some types of spatial closure however, can also contribute to a petrification of existing internal inequalities.

It is equally dangerous however, if a contradiction exists between the strategies of sociopolitical and of economic development. This seems to have been the case in Ujamaa development in Tanzania where sociopolitical development from below was complemented by economic measures of large-scale integration backed by the advice of external consulting firms which normally operate in a centre-down development context. In such cases local and regional decision-making is superseded by large-scale economic projects which may then jeopardize not only the country's external trade balance but also substantially weaken the feasibility of an idea such as that of Ujamaa and consequently of Nyere's entire development philosophy. From this experience the conclusion might be derived that self-reliant local and regional decision making must be combined also with an egalitarian regional political system and to a certain degree with self-reliant economic development.

It appears that an incompatibility in the opposite direction, namely central decisions on concrete features of self-reliant social units, can be equally dangerous. In Tanzania for example the site selection for Ujamaa villages was essentially made at the central government level. Accessibility to towns was used as a main criterion while vital local questions such as soil quality and water availability were not sufficiently taken into account.

Boisier quotes three conditions for a successful bottom-up development strategy:

1. The creation of new institutions; this would also require the use of new personnel which in most developing countries however, is not available due to the lack of trained technicians; using the same technicians as with centre-down strategies will essentially perpetuate formerly used methodologies and theoretical approaches;

²⁰ Stöhr and Tödtling, "Spatial Equity."

2. A broad understanding by the population of the objectives of regional development "to mobilize the country's creative energy"; this usually requires spectacular demonstration projects which are directly contradictory to development "from below";

3. The generation of visible results in a relatively short period of time; this is normally impossible as bottom-up strategies would require major structural transformations; in fact such structural transformations, e.g. land reform, usually bring a set-back in production during the initial period and therefore also in the short term results of such policies.²¹

These basic dilemmas must be kept in mind also when evaluating the relatively short active periods of development strategies of a country like Algeria which Sutton regards as approaching development "from below": The "Plans Communaux" containing important elements of local basic needs plans, the Agricultural Reform Cooperatives, the Rural Renovation Projects, the employment effects of which per unit of investment are considered comparable to those of industry. These strategies are considered by Sutton as a diffusion of sociopolitical innovation from the periphery to the centre.

The same applies to the Tanzanian experience and to some aspects of regional development policy in Chile where for example during Allende's government the concept of growth poles was substituted by that of "integrated areas" as objects of regional development.

It is interesting that development from below was often allowed to take place by national governments in what Waterston²² has called "woolship relations" towards far outlying geographic areas over which the centre had little control except by wooing. Examples are the North Solomons in Papua New Guinea or the department of Arica in the extreme North of Chile bordering Peru. It seems that little power or difficult physical access by the central power is of help for facilitating development "from below."

Alternating Sequences between Centre-Down and Bottom-Up Strategies

It might be assumed that certain countries or regions, depending on their characteristics such as size, internal diversification, availability of resources in high world-wide demand, might be predestined for either externally oriented development from above as an "open economy" able to derive developmental impulses mainly from world demand, while others would be typically destined for internally oriented development "from below." Such assumptions might also be taken as an indication that it could be very difficult for a country to break out of such a predetermined development path. Arguments of such predetermination might particularly be levied to fend off popular demands to change development strategies which in the past have created strong internal social or spatial disparities in living levels. They may often also be used as a defense against claims for the introduction of development strategies "from below" emphasizing local and regional economic circuits and broader popular participation.

21 S. Boisier, "Chile: Continuity and Change — Variations of Centre-Down Strategies Under Different Political Regimes" in *Development from Above or Below?*

22 A. Waterston, *Development Planning, Lessons of Experience* (London: Johns Hopkins Press, 1965).

Such a deterministic linear projection of past development strategies can by no means be empirically verified. In a historical perspective on the past 2,500 years, there have in fact been periodic alternations between development from above and from below related to changes in philosophical outlooks and value systems, technological development, social organization, etc. Although there are no clear-cut cause and effect relations between such societal conditions and specific development paths, there seems to exist mutual feedback mechanisms between these two groups of variables. Development from above seems to be associated with predominantly rationalistic eras, with periods of rapid economic growth, large-scale societal interaction, and often rapid technological innovation. Development from below on the other hand seems to be associated with irrationally dominated eras, periods of reduced economic growth, with often small-scale societal interaction dominating. It is hoped that this study will help to stimulate more systematic historical research on related questions.

In more recent times, one notes alternations between the process of development from above and from below. In Chile these sequences have been clearly related to changes in political systems between the three ideological periods. But similar changes between alternate development strategies have also taken place within continuing political systems.

In Algeria, for instance, a clear centre-down strategy for the period 1961-71 which in the following period, however, changed to include many bottom-up elements. The initial period was symbolized by "taking steps to the rear in order to ensure future progress."²³ Sutton reports that in the early phases the introduction of self-management, mainly in agriculture, proved a failure. During an intermediate period therefore major emphasis was given to "national" policies, whereas in the later period after 1971 strong emphasis was given to bottom-up strategies.

In Tanzania one sees a recurring sequence of urban/rural/urban policy emphasis. Similar alternations between development sequence in Ivory Coast are also reported by Penouil. In his view the initial polarization was related to the creation of some essential pieces of infrastructure as soon as a minimum of national revenue was available. The subsequent equilibrium oriented phase was based on the expansion of the plantation economy (coffee and cocoa) with a relatively wide spatial distribution. The income of these staple products permitted the establishment of an exchange economy which — while without doubt exploiting the population — at the same time facilitated their access to the consumption of new products. This maturation phase based on a broad demand for new products successively prepared the following phase of polarized development which is symbolized not by an *industrie môtrice* but rather by a spatial agglomeration of diverse and mutually little interacting industries based on the growth of agricultural income. During the period to follow, this functionally diversified economic structure may have to be transformed again. Also geographically, diversification will usually depend on the large central companies established in the core region to implement modern production plants in peripheral areas thereby primarily extending the spatial scale of dominance of the core region economy rather than creating self-sustained development in the rest of the country.

23 K. Sutton, "Algeria: Centre-Down Development, State Capitalism and Emergent Decentralization" in *Development from Above or Below?*

Without the aid of such multiregional enterprises the spatial diffusion of development seems to be severely handicapped in countries where "urban systems are rudimentarily developed so that the trickling-down of development impulses is unlikely" to take place. The established tools of regional planners based on the assumption of transmission effects through the urban system, the transport network, industrial linkages and innovation diffusion are therefore of limited value under such conditions prevalent in many Third World countries, unless the State were able to create the necessary broad infrastructure basis.

One of the key questions in this context is whether regional development is considered as a merely quantitative economic phenomenon (volume of production and number of jobs created in peripheral areas) or whether it is considered as a process of integral resource mobilization in peripheral areas. Whereas the first can evidently be achieved by a spatial expansion of the scale of action of metropolitan enterprises, the second goal can hardly be achieved unless autochthonous development potentials of peripheral areas can at the same time be stimulated. If such development should happen via Penouil's "transition activities," this would require that such "transition" is not just the net balance between the death of autochthonous peripheral (traditional) activities and the birth of core regional initiated (modern) activities there, but that actually a continuous transformation of autochthonous traditional activities takes place by integrating within this transformation process also local/regional entrepreneurial, human, institutional and environmental components and their economic, social, and political interaction within the respective peripheral regions. Evidently certain transformations of these relations with particular emphasis towards more equity would have to be brought about. More detailed microcase studies of such transition processes at the local or regional level would be necessary to show under which conditions this is feasible or not.

In this sense the "grand empiricism" advocated by Penouil requires that the empirical results of past strategies should heavily influence the design of future strategies. Changes in strategic orientations between development from above and from below should be strongly guided by the inadequacies of the foregoing period, as seems to have happened in the alternating strategy sequences of some of the quoted case study countries.

The final objective may in fact be that after an alternating sequence of bottom-up and centre-down development phases, a juxtaposition of the major elements of both these strategies may become necessary because "successful local . . . and participatory development depends very much on a high frequency of both top-down and from below development impulses; local autonomy in isolation provides little leverage for development."²⁴ On the other hand, outright large-scale integration tends to erode local and regional development potentials. The intense mutual interaction of both these paradigms seems to be required and may in fact only be feasible after extensive periods in which both of these strategies have been practised subsequently or jointly.

24 Uphoff and Esmán, 1974 cited in Douglass, "Thailand."