

Intention, Immanence, and the Individual in Development Theory

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I

Colin Leys (1996: vi) once criticised neo-liberal development in the following terms. He said that it was a brand of development theory “*which assigns all initiative to the market (i.e. to capital).*” He continues: “*If development theory is to be useful and interesting again it must ... consider ways and means to re-create a world in which it is once again possible to pursue social goals through the collective effort of the societies and communities to which people belong.*” What we have here is an expression of a distinction in development theory between development as something that happens and development as something that is deliberately done. Cowen and Shenton (1996) termed the two 'immanent' and 'intentional' development, respectively. It is an important critique of both neoliberalism and post-developmentalism that they are so pessimistic with regards the possibilities of intentional development that they simply reject it (Nederveen Pieterse, 2000). Despite the vast differences in approach, both end up as, in Dani Rodrik's words, a programme of prostration before, rather than resistance to, the forces of global capitalism. Since the mid-90s, however, development studies has been trying to claw back some of the ground lost to the 'development agnosticism' of neoliberalism and post-developmentalism. We see it, for example, in the rise of the developmental state and the Beijing Consensus. In this 'regaining of paradigms' (Schuurman, 2000), Leys' words have been heeded. The new directions development studies has taken have been based on the distinction made between immanent and intentional development, between development done *to* people by forces beyond their control and development done *by* people, and the idea that follows from it; namely, that development can only truly be *about* people if it is intentional.

In this, the task that post-impasse development studies sees itself as undertaking bears striking resemblance to that of post-war development theory. What does this mean for the perceived need to move beyond the 'big traditions' of that era (Nederveen Pieterse, 2001)? This paper shall argue that the persistence of the immanence-intentionality dichotomy is cause for concern, assuming one believes, as many do, that the chief shortcoming of modernisation-era development was a lack of

concern for people of the developing nation. The argument will be made by looking at how the dichotomy was introduced to mainstream development theory through the work of J.M. Keynes, contrasting his philosophy of social development with that of his mentor, Alfred Marshall. In parts II and III we shall see the difference between Marshallian development, which is rationally driven by individuals, and Keynesian development, which is irrationally driven by capital. It is by removing individual action as a source of rational motivation for development that Keynes separates immanent and intentional development.

The resulting dichotomy, I argue in part IV, leads to a contradiction when one is called upon to put people first in development. Development must be about people, yet, being irrational, they remain remote from the process itself. This culminates in what I call, after Georg Simmel's (1908) essay on 'The concept and tragedy of culture', the tragedy of development. For Simmel, all progressive growth must involve forces that emerge both from within and without the individual. Self-development, or cultivation, is not just inner development (a seed growing into a wild tree) nor just external development (a tree trunk turned into ship's mast); rather, it is a combination of the two (a seed cultivated into orchard tree): Therefore, the two aspects – internal and external – must fit with one another. However, in development theory, the internal and external logics are separated by Keynes' removal of the rational individual from development. Henceforth there was a formless mass of 'people' confronted by an immanent process of development. This called forth the need for an intentional development, which would bring the one into line with the other. Yet development theory so constituted cannot do what it set out to do: it cannot make development about people. If development is to be about people at the practical level, it must also be about them at the theoretical level; it is necessary to transcend the dichotomy between immanence and intention.

II

We start, then, with Alfred Marshall (1842-1924). Marshall is, of course, best known for his influential contributions to pure economic theory. Yet he also had a well-developed theory of social development, and it is this aspect of work that will be of interest to us here. Marshall started his intellectual life in philosophy and ethics. It was, he said, a normative concern for the poor that pushed him toward economics: *"I saw in a shop window a small oil painting [of a man's face with a strikingly gaunt and wistful expression, as of one 'down and out'] and bought it ... I set it above the*

chimney-piece in my room in college and thenceforth called it my patron saint, and devoted myself to trying how to fit men like that for heaven.” (in Keynes, 1925a: 37-8). Poverty was the chief, if not the only, cause of the problems of the working classes (Marshall, 1890[1920]: I.I.3). Fitting the poor to heaven was therefore a question of solving the economic problem, of overcoming scarcity of basic needs; this was, as his student J.M. Keynes reveals, “*for Marshall, not an application of the hedonistic calculus, but a prior condition of the exercise of man's higher faculties.*” (1925a: 9)

The key to understanding Marshall's thoughts on how to actually achieve this appears in his highly influential *Principles of Economics* (1890[1920]), in which Marshall developed his theory of wants. Already implicit in his earlier writings, it forms the basis of his thinking on social development. Marshall (1890[1920: III) divides wants into three kinds: *natural wants* correspond, essentially, to basic biological needs: food, shelter, clothing, and so on. As civilisation progresses, man becomes concerned with the quality of goods, rather than just their quantity. These *artificial wants* arise more from the desire for social distinction than any actual need: “*even in those grades in which everyone has [for example] house room sufficient for the higher activities of himself and his family, a yet further and almost unlimited increase is desired as a requisite for the exercise of many of the higher social activities.*” (III.II.8) Finally, there are what Marshall calls '*wants in relation to activities*'. In this highest stage, instead of wants providing the impetus for new activity, activities are pursued for their own sake and in turn give rise to new wants. This final stage would be a “*condition in which every man's energies will be fully developed – a condition in which man will work not less than they do now but more; only, to use a good old phrase, most of their work will be a work of love.*” (1874[1925]:118; 1890[1920: App.A)

The final stage was inspired by his reading of the socialists, with whom he sympathised, according to Keynes, “*in every way but intellectually.*” (1925a:50). It was his frequently stated belief that the error of the socialists was their implicit assumption that human nature would improve at sufficient speed for their 'Utopian experiments' to succeed (1907[1925]:341;1890[1925]: 284). Marshall, though he shared the conviction that the new type of man and the society he would call forth would be an improvement, argued that such a change would only come about gradually: “*Projects for great and sudden changes are now, as ever, foredoomed to fail, and to cause reaction; we cannot move safely, if we move so fast that our new plans of life altogether outrun our instincts. It is true that human nature can be modified ... But still it is a growth, and therefore gradual; and changes of our social organization must wait on it, and therefore they must be gradual too.*” One could not

simply decree the new society, as the socialists sought to do, and expect people to fall into line; individuals would have to build it themselves. The social organization can, however, be kept slightly in advance of human nature, thus *“promoting the growth of our higher social nature by giving it some new and higher work to do, some practical ideal toward which to strive.”*

(1890[1920]: App.A.85-6) For Marshall, it was a man's work that moulded a his character

(1890[1920]: I.I.2) and hence that was where we must look for the necessary improvement. Early in his academic career, in 'The Future of the Working Classes', he made a distinction between working class and gentlemanly occupations. A working class occupation is one in which *“a man's daily task tends to keep his character rude and coarse”*; a gentlemanly occupation, by contrast, *“tends to give culture and refinement to his character.”* (1874[1925]: 103)

The working classes are *“those vast masses of men who, after long hours of hard and unintellectual toil, are wont to return to their homes with bodies exhausted and minds dull and sluggish.”*

(1874[1925]: 105) The labourer may, of course, be happy if he has a healthy home to return to; but given his lack of education, he is unlikely to have one. Instead, the exhausted worker seeks coarse pleasure in the public house: *“men such as these value high wages mainly as affording the opportunity of using their bodies as furnaces for the conversion of alcohol into fumes.”*

(1874[1925]: 107) Thus even if men such as these become objectively richer, they will not become better persons because the degrading and exhausting nature of their work prevents them from developing their higher faculties. They maintain their present squalid standard of living, but additional wealth gives little impetus to improve it further; that is, they fail to develop their character in such a way that the artificial wants that characterise modern, civilised man arise in any great number.

Fortunately, gains in material prosperity since the Industrial Revolution had, Marshall thought, solved the economic problem for a small part of society, allowing the fuller and further development of their character.. This was what the middle and – with some help – working classes were striving toward: the model of the Victorian gentleman. The gentleman's occupation tends to keep him away, almost entirely, from the *“lowering influences”* the lower classes, stilled mired in the 'art of getting on', are exposed to. Rather, it demands of him the use of his mind, the maintenance of social intercourse with many people, the habit of anticipating the feelings of others, and the avoidance of causing offence. (1874[1925]:103-4). This class of men is discussed in 'Some Aspects of Competition' (1890[1925]) and, most thoroughly, in 'Social Possibilities of Economic

Chivalry' (1907[1925]).

The gentleman's occupation opens his up to an appreciation of the finer things in life. Wealth is no longer a problem; the issue now is how to use it, and here Marshall finds fault with the present conditions: *"It is a common saying that we have more reasons to be proud of our ways of making wealth than of our ways of using it."* (1907[1925]: 324). Thus Marshall believed that once the problem of production of wealth had been solved, the focus of mankind must turn to the problem of its distribution. This was in Marshall's time of particular importance, as he did not believe that the current rate of progress would continue. Innovations – particularly in transport – and the expansion of peoples into hitherto unoccupied territories had temporarily suspended the law of diminishing returns from land. Consequently, real wages were able to rise regardless of population growth. However, this state of affairs could not last long in a finite world. *"Great, therefore, as has been the rate of social progress of Britain during the last generation, we may not be contented with it. There is an urgent duty on us to make even more rapid advance during this age of economic grace, for it may run out before the end of the [twentieth] century."* (1907[1925]: 326) This would be possible only if society changed its standards of success, so that great wealth could no longer in itself buy the social prestige craved by those in the stage of artificial wants. Then, a great deal of socially wasteful spending would cease, and the resources saved would be free to *"open out to the masses of the people new possibilities of a higher life and of larger and more varied intellectual and artistic activities."* (1907[1925]: 325)

"There is unfortunately no good ground for thinking that human nature is yet far enough improved away from its primitive barbarity, selfishness, and sloth, to be ready for any [rapid] movement in this direction" (1907[1925]: 366). A change in human nature would be needed for the level of development reached by the Victorian gentleman to be disseminated down to the lower stratas of society. What we need, says Marshall, is 'economic chivalry'. Economic chivalry would be to laissez-faire capitalism what the chivalric code had been to medieval warfare:

"Chivalry in business includes public spirit, as chivalry in war includes unselfish loyalty to the cause of prince ... But it includes also a delight in doing noble and difficult things because they are noble and difficult ... It includes a scorn for cheap victories, and a delight in succouring those who need a helping hand. It does not disdain the gains to be won on the way, but it ... esteems [them]

mainly for the sake of the achievements to which they testify, and only in the second degree for the value at which they are appraised in the money of the market.” (1907[1925]: 330-1)

In short, economic chivalry is how society will overcome the wastefulness of the stage of artificial wants, and move to the final stage of social development, of 'wants in relation to activities'.

Stages-of-growth models of development such as this are a common occurrence in the history of Western thought. According to Rist (1997[2008]), they have the following common features: first, *directionality*. This follows from Aristotle's theory of forms, in which the potential is contained, from the beginning, in the actual. Development thus becomes a process of perfecting or completing the organism. Second, *continuity*, as encapsulated in the phrase 'nature makes no leaps.' The appearance of a thing changes, but not its nature. Third, *cumulativeness*. Each new stage depends on the previous, and cannot come into being before its predecessor has finished. As with directionality, this implies that development is positive. Finally, *irreversibility*. It is not possible to regress into a previous stage. (1997[2008]: 27). To put it in terminology more convenient to this paper, models of development such as these are seen as 'immanent.': the course of development is presented as the 'natural' path. Yet while all four characteristics are arguably present in Marshallian development – he is not clear on the fourth – there is nothing 'natural' or 'inevitable' about it. At every stage, rational individual action is the driving force. It is the individual's pursuit of material prosperity by which society progresses through the first stage; the individual's pursuit of social standing by which society progresses through the second; and the individual's chivalrous activities that lift society to the final stage. Thus Marshallian development is both immanent and intentional, but not in the dichotomous sense implied in Leys. It is immanent in that it is what would happen if people were left to their own devices, yet it is intentional in that it is governed by deliberate action, rather than mysterious 'forces.' For Marshall, then, the dichotomy between intentional and immanent development simply did not exist: the two were united in rational individual action.

Marshall's great concern was that people would remain where they were: the working classes would spend any extra income on drink and gambling, the upper classes would spend waste their money on what Thorstein Veblen would have called 'conspicuous consumption', and the middle classes would be pulled now in one direction, now in the other.. His social policy, therefore, is concerned with getting everyone from one stage to the next. Yet he was quite confident that both the working

classes and the middle classes would gradually lift themselves up. In his view, they were already steadily striving upward. *“They are steadily becoming gentlemen”* (1874[1925]:105) Hence Marshall was hopeful that progress could be made by means of a basic moral principle to be adopted by all: *“a man is bound to give his children an education better and more thorough than he himself has received.”* (1874[1925]:117)

There was, however, one class about whom Marshall was less optimistic, and in his analysis and recommendations he provides a taste of things to come, an opening to a dichotomous interpretation of immanence and intention. Marshall was the spiritual successor to John Stuart Mill, who had written that his famous argument in *On Liberty* – that *[o]ver himself, over his body and mind, the individual is sovereign*” - was not applicable to all:

“It is, perhaps, hardly necessary to say that this doctrine is meant to apply only to human beings in the maturity of their faculties. We are not speaking of children, or of young persons below the age which the law may fix as that of manhood or womanhood. Those who are still in a state to require being taken care of by others, must be protected against their own actions as well as against external injury. For the same reason, we may leave out of consideration those backward states of society in which the race itself may be considered as in its nonage. The early difficulties in the way of spontaneous progress are so great, that there is seldom any choice of means for overcoming them; and a ruler full of the spirit of improvement is warranted in the use of any expedients that will attain an end, perhaps otherwise unattainable. Despotism is a legitimate mode of government in dealing with barbarians, provided the end be their improvement, and the means justified by actually effecting that end.” (1848[1909]:236)

Similarly for Marshall, there was below the working classes a group he called the 'Residuum': *“people who are physically, mentally, or morally incapable of doing a good day's work with which to earn a good day's wage.”* As with Mill's barbarians so too with Marshall's Residuum, who represented an 'exceptional case' to whom the broadly pro-market argument of the *Principles* did not apply:

“The system of economic freedom is probably the best from both a moral and material point of view

for those who are in fairly good health of mind and body. But the Residuum cannot turn it to good account: and if they are allowed to bring up children in their own pattern, then Anglo-Saxon freedom must work badly through them on the coming generation. It would be better for them and much better for the nation that they should come under a paternal discipline something like that which prevails in Germany.” (1890[1920]: VI.XIII.88)

For the Residuum, Marshall called for compulsory education, in 'decent clothing'. Should the parents fail they would first be 'warned and advised' and then, as a last resort, “*homes might be closed or regulated with some limitation of the freedom of the parents.*” (1890[1920]: VI.XIII, n169) He even goes so far as to advocate the use of eugenics (1890[1920]: IV.VIII.19). This social underclass was, in short, incapable of that rational action that linked immanent and intentional development in the wider society, and were consequently in need of rational input from the outside, to counter their own irrational tendencies. In terms of Marshall's broader social philosophy, the Residuum appears as little more than a footnote, a small island of pessimism in a sea of optimism. In the work of his greatest student, however, this type of analysis would feature far more prominently.

III

Marshall's influence in the English-speaking world was akin to that of Adam Smith a century prior, in that he seemed to make everything that had come before him obsolete. “It's all in Marshall,” as the saying went (Rothbard, 1992:12-3). The importance of Marshall's deviations from classical political economy were recognised and welcomed upon the release of his *Principles of Economics* in 1890. He was praised by reviewers and scholars for bringing ethical and social concerns back into economics. Despite Marshall's concessions to the socialists' vision, however, he and other mainstream economists still held on, albeit with declining fervour, to *laissez-faire*. According to John Maynard Keynes, Marshall's most famous student, this was because he was still too caught up in the nineteenth-century mindset to see the true significance of his innovations. Keynes took on the challenge of amending this deficiency.

For Marshall, we saw, social development was not an inevitable process: the basis of his policy recommendations was the concern that people would 'overshoot', rather than progressing to the next stage. Yet development remained a rational process, pursued by individuals because they perceived

it to be in their best interests. Though he certainly deviated from the more consistent economic liberalism of his predecessors, it was, ultimately, the increasingly chivalrous realm of private enterprise that would lead the way: *“A government could print a good edition of Shakespeare's works, but it could not get them written.”* (Mem.339; Viner, 1941) Keynes questioned all this. His most lasting contribution to the field of development studies was not his innovations in technical economics, but rather his removal of the rational individual actor from its neoclassical position as the driving force of development. In this, he reflected what Schivelbusch (2006:45) has identified as *“one of the main leitmotifs of the postliberal generation”*, namely, *“the idea of liberating the state from the businessmen, promoting it from the role of a mere night watchman working in the service of capital to one of a powerful director telling the moneymen what to do.”* Economists were now ready to take their place in government as, in Keynes' words, *“the trustees not of civilisation, but of the possibility of civilisation.”*

Like Marshall, what interested Keynes was the possibility of development leading to a stage in which mankind had solved *“its economic problem.”* Keynes believed that the capacity to attain such a state was available, but, and in this he also follows Marshall, that this further development would occur only if men were content to play the game of economic competition for lower rewards than at present (1936[1960]:374). Unlike Marshall, however, he did not believe this would happen within a capitalist system, due to the inevitable predominance of the 'money motive,' which kept individual interests short-sighted and socially irrational. The rational individual and his pursuit of self-interest – even that of Marshall's chivalrous economic man – could no longer be the driving force of development; he was, in fact, more likely to retard it. The calculating nature of the *homo economicus* could see only economic value, and he could therefore not be relied upon to care for matters of poverty relief or environmental protection:

“We have to remain poor because it does not “pay” to be rich. We have to live in hovels, not because we cannot build palaces but because we cannot “afford” them.

The same rule of self-destructive financial calculation governs every walk of life. We destroy the beauty of the countryside because the unappropriated splendors of nature have no economic value. We are capable of shutting off the sun and the stars because they do not pay a dividend. London is one of the richest cities in the history of civilization, but it cannot “afford” the highest standards of achievement of which its own living citizens are capable, because they do not “pay.”

(Keynes,1933)

But why have people for so long held on to a system that “*is not beautiful ... is not just ... is not virtuous*”? (1933) In Marshall's time, the British sociologist Benjamin Kidd (1858-1916) had confronted this very question, and though Keynes starts from Marshallian premises, his answer is far closer to Kidd's brand of social evolutionism. In his popular work, *Social Evolution* (1894), Kidd argued that the conditions allowing for development are, the minor improvements they bring notwithstanding, “*incompatible with the welfare of a large proportion of the individuals comprising any species.*” Not only is the production of progress difficult, involving constant rivalry and competition with one's fellows, it also inevitably results in the exclusion from the highest possibilities of life of most individuals in a society. Given that, for Kidd, individual rationality cannot look beyond its own immediate horizon, it would therefore be in the interests of almost everyone to put “*an immediate stop to those onerous conditions from which progress resulted, and which pressed so severely on them.*” (1894:68) The interests in the masses lies in abolishing competition within their community, protecting the community from external competition, and maintaining by communal ownership a comfortable means of existence for all. This would be rational; development is profoundly irrational from the point of view of the individual (1894:80-2). Yet development *is* in the interests of Society as a whole, an organism with longer life and broader interests than the individuals of an entire generation – and hence an organism whose interests, in the grand scheme of things, are to be given predominance. “[*T*he interests of the social organism and of the individual are, and must remain, antagonistic, and as the former must always be predominant, there can never be found any sanction in individual reason for conduct in societies where the conditions of progress prevail.” (1894:86-7) For Kidd, then, individual reason can never justify the progress that society needs. This is the importance of religion:

“[*T*he function of these [religious] beliefs in human evolution must be to provide a super-rational sanction for that large class of conduct in the individual, necessary to the maintenance of the development which is proceeding, but for which there can never be, in the nature of things, any rational, sanction.” (1894:108)

This could scarcely be any further from Marshall's view of progress as rational and in the interests (albeit perhaps only the 'rightly understood' interests) of everyone. Yet Keynesian development is far closer to Kidd's. In *The Economic Consequences of the Peace* (1920), Keynes argued that the progress made in the 19th century rested on a 'double bluff'. European society, he noted, was so

organised “*as to secure the maximum accumulation of capital*” and in that it was certainly successful. Yet the masses, some improvements in their condition notwithstanding, had not reaped the benefits: “*Society was so framed as to throw a great part part of the increased income into the control of the class least likely to consume it*” – the capitalists (1920: 11). Development could occur only because of an inequality of wealth in favour of the capitalists, who were most likely to reinvest their income but at the same time were not able to actually enjoy their extra income. Hence the need for a double bluff: the masses must accept the conditions of progress, despite the fact that they could enjoy very little of the cake they helped produce, and the capitalists, though they got plenty of cake, had to accept that they could consume only very little of it. From the point of view of the individuals involved, there could be no rational justification for such a state of affairs. And considering that, for Keynes, people are “*often ... too ignorant or too weak*” to effectively pursue even their own ends, one could hardly expect them to work rationally toward the benefit of future generations. Hence the importance of a super-rational justification for the survival of nineteenth century capitalism:

“The duty of 'saving' became nine-tenths of virtue and the growth of the cake the object of true religion. There grew up around the non-consumption of the cake all those instincts of puritanism which in other ages has withdrawn itself from the world and has neglected the arts of production as well as those of enjoyment. And so the cake increased; but to what end was not clearly contemplated. ... [T]he virtue of the cake was that it was never to be consumed, neither by you nor by your children after you.” (1920: 12)

As in Kidd, the 'bluff' was carried out by an unconscious 'Society', working mysteriously upon its members: “*In the unconscious recesses of its beings Society knew what it was about. ... Society was working not for the small pleasures of today but for the future security and improvement of the race, --- in fact for progress.*” (1920: 12) Had the capitalists increased their consumption the deception would have been unmasked, and capitalism, the system it had supported, revealed for what it was: intolerable and unjust.

With the rational individual effectively removed from development – being a process incapable of individual rational justification – capital formation as such becomes the true agent of development. The key, again, lies in the Marshallian conception of scarcity, or the economic problem, as relating

only to 'natural' wants – that is, “*those needs which are absolute in the sense that we feel them whatever the situation of our fellow human beings may be,*” as opposed to artificial wants: “*those which are relative in the sense that we feel them only if their satisfaction lifts us above, makes us feel superior to, our fellows.*” The latter type of wants may be insatiable, but the former are not. As Salerno (1992) notes, it is the Marshallian conception of wants as limited and identifiable that suggested to Keynes that what we would call basic needs could be finally satisfied with a hundred years or so additional capital accumulation (1930[1963]). The demand for capital is, on this assumption, limited and capable of reaching a point “*where its marginal efficiency had fallen to a very low figure*” - the 'low figure' being just enough to cover “*their exhaustion by wastage and obsolescence together with some margin to cover risk and the exercise of skill and judgement.*” (1936[1960]: 375) Thus Keynes harks back to John Stuart Mill's ideal vision of the stationary state, in which there would be no additional capital accumulation, and would therefore be free of the problems that follow it. If only our public policies were expressly aimed at it, predicts Keynes, we could achieve “*an increase in the volume of capital until it ceases to be scarce ... [which] would mean the euthanasia of the rentier, and, consequently, the euthanasia of the cumulative oppressive power of the capitalists to exploit the scarcity value of capital.*” (1936[1960: 376)

Hence, according to Keynes, “*the economic problem is not – if we look into the future – the permanent problem of the human race.*” (1930[1963]) As it was for Marshall, the permanent resolution of the economic problem was for Keynes a normative issue, for only when freed from the degrading and exhausting struggle for food, shelter, and clothing would man be free to pursue more ennobling activities:

“a point may soon be reached, much sooner perhaps than we are all of us aware of, when these needs are satisfied in the sense that we prefer to devote our further energies to non-economic purposes.... [I]t will be those peoples, who can keep alive, and cultivate into a fuller perfection, the art of life itself and do not sell themselves for the means of life, who will be able to enjoy the abundance when it comes” (1930[1963])

Like Marshall, he applies this view to a threefold division of human history. Keynes (1925c[1963]) adopts the stages-of-development terminology of the American economist Joseph R. Commons (Marshall never named his stages), whom he praises for recognising “*the nature of the economic*

transition amidst the early stages of which we are now living.” Commons distinguished between an Era of Scarcity, which prevailed universally up to 16th century Europe, when wealth started to accumulate. The industrial and democratic revolutions of the late-eighteenth and early-nineteenth centuries marked the end of the the Era of Scarcity in Europe, ushering in the Era of Abundance whose distinctive philosophy was that of laissez-faire liberalism. This era, however, was starting to give way to the culminating Era of Stabilisation – in Commons' words, *“the actual alternative to Marx's communism.”* This represented, for Keynes, a *“transition from economic anarchy to a regime which deliberately aims at controlling and directing economic forces in the interests of social justice and social stability.”* (1925c[1963]: 335) The transition was not to be left to the 'people'. Though sympathetic to the socialist cause, he could not bring himself to join them in their exaltation of the *“boorish proletariat”* (1925b[1963]) *“I can be influenced by what seems to me to be Justice and good sense; but the Class war will find me on the side of the educated bourgeoisie”* (1925c[1963]). The problem with Soviet Russia was not the end but the means: revolution. It is a mistake, he said, to consider revolution an inherent part of the New Order being created in Russia. A gradual transition was possible with new knowledge. It was the task of the New Liberals, in whose vanguard sat Keynes, to make this transition as smooth as possible.

As mentioned, for Keynes, the key to this transformation was not private economic enterprise, as in Marshall, but capital formation by any means. The laissez-faire economic system had, as had said in *The Economic Consequences of the Peace*, been geared toward this end; yet it was only able to effect it because of its elaborate double bluff. Now, however, the mask was slipping, revealing the monster behind:

“We used to believe that modern capitalism was capable, not merely of maintaining the existing standards of life, but of leading us gradually into an economic paradise where we should be comparatively free from economic cares. Now we doubt whether the business man us leading us to a destination far better than our present place.” (1925b[1963]: 307)

“There was nothing which it was not our duty to sacrifice to this Moloch and Mammon in one; for we faithfully believed that the worship of these monsters would overcome the evil of poverty and lead the next generation safely and comfortably, on the back of compound interest, into economic peace.... The decadent international but individualistic capitalism, in the hands of which we found

ourselves after the war, is not a success. It is not intelligent, it is not beautiful, it is not just, it is not virtuous--and it doesn't deliver the goods. In short, we dislike it, and we are beginning to despise it."
(1933)

Keynes had lost Marshall's faith in society's ability to carry itself unaided toward the ultimate goal that he had set for it. Hence for the task he had set himself – easing the development of society toward the next stage - the old political economy was far too restrictive. His initial rejection of Marshallian orthodoxy was not based on a rejection of its fundamental truths, but rather on a changed “*orientation of my mind ...; and I share this change with many others. ... I attribute my change of outlook to ... my hopes and fears and preoccupations, along with those of many or most, I believe, of this generation throughout the world, being different from what they were.*” (1933) The old truths may have been correct for its time, but new problems have arisen: “*they have ceased to be applicable under modern conditions.*” (1925c[1963]): 330). Keynes (1925a) praises Marshall for proving that laissez-faire political economy was theoretically as well as practically flawed, but, held back by 'a bundle of obsolete habiliments' inherited from the nineteenth century, he had failed to recognise the full implications of his teachings. Consequently, the watchwords of the British government remained “*Negation, Restriction, Inactivity*”:

“Under their leadership we have been forced to button up our waistcoats and compress our lungs. Fears and doubts and hypochondriac precautions re keeping us muffled up indoors. ... We need the breath of life. There is nothing to be afraid of. On the contrary. The future holds in store for us more wealth and economic freedom and possibilities of personal life than the past ever offered.

There is no reason why we should not feel ourselves free to be bold, to be open, to experiment, to take action, to try the possibilities of things. And over against us, standing in the path there is nothing but a few old gentlemen tightly buttoned-up in their frock coats, who only need to be treated with a little friendly disrespect and bowled over like ninepins.” (1929[1963])

Hence the need for “*new wisdom for a new age*” (1925c[1963]): 337). Keynes was sure that the economic problem was in the process of being solved and in the next stage of development it *would* be solved, but, like Marx, did not think much more could be said about the final stage. His own contribution to the 'new wisdom' – the technical economics and policy recommendations in *The General Theory* (1936[1960]) – sought to demonstrate how a world shorn of its belief in the virtues

of capitalism and the truths of orthodox economics could get to that final, post-scarcity stage.

Thus though Keynes accepted his master's basic vision of development, he changed it in important ways. With Marshall, we saw, immanent and intentional development were one, because they were the work of rational individual action. Except, that is, for the Residuum. The Residuum were a class apart because unlike the working, middle, and upper classes in Marshall's analysis, the unguided actions of this lowest section of society were deemed incapable of producing satisfactory development. Therefore, intention was removed from them; for this small group, development would have to be externally given. One may perhaps suspect, based on the postmodernist critique of the subject, that development studies has done the same with the developing nations – that they take the place of the Residuum, incapable of developing without the West's wise guidance. Yet our reading of Keynes suggests otherwise: it is not the developing nation that is considered irrational, but society itself. Without the rational individual at the heart of development, the Keynesian analysis effectively expands the Residuum to cover the whole of society, Western or non-Western. Development can now be conceived of either as immanent – where one accepts and submits to the irrational whims of social forces – or as intentional – where one gives authority to a more rational agent to guide and control the process. In Keynes, then, immanent and intentional development are separated and conceived as antagonistic – immanent development becomes an irrational force working against rational intention.

IV

For Mehmet (1995[1999]: 66) the theories of development that emerged in the post-war era were *“no more than a distorted projection of non-European 'irrationality', the reverse side of the rational behaviour assumption.”* Yet, on the other hand, he also has to admit that the economic modernisation approaches were solutions originally designed to solve European problems. If so, European rationality and non-European irrationality can hardly have been a formative dichotomy in this school of thought. As we have seen, in the Keynesian conception of development, rational motivation was indeed externally given to an irrational internal, but external and internal were not developed and developing societies. The post-war theorists did not believe that pro-development attitudes were synonymous with those existing in the West, nor that they needed to be adopted wholesale by the developing countries. For example, the first section in Meier and Baldwin's (1957[1962]) chapter on 'General Requirements for Development' deals with indigenous forces. They argue that a 'major requirement' of successful development

“is that the development process be established on an indigenous base within the society of the poor country. ... Forces outside the economy can stimulate and facilitate the indigenous forces, but they can only complement sustained development; they cannot serve as a substitute for it. ... If the process is to become cumulative and long-lasting, the development forces must be fundamentally based within the developing country.” (1957[1962]: 334-5)

Statements such as these from modernisation theorists, as well as those claiming concern for the poor of this world as an overriding motivation, are easy to dismiss as having a *“disingenuous quality”* (Gendzier, 1985:179), as being mere rationalisations for a pro-Western foreign policy – particularly if one is committed to the idea that modernist development saw the developing nations as nothing more than passive recipients of the West's rational agency. But accepting them at face value results in no paradox, no contradiction between theory and practice. The post-war theorists saw development through the lens of Keynes' dichotomy, in which society as a whole is the irrational element. Stripped of rational intention, society clearly could not be left to its own devices. Indeed, to do so would be profoundly immoral. The modernisation literature is full of strictures against letting development take its course in a natural evolution. Rosenstein-Rodan (1943) in the founding text of modernisation theory, noted that the *“social conscience”* could no longer accept the miseries that accompanied development in the *“darwinist nineteenth century.”* Most theorists set themselves explicitly against the free trade liberalism of that era. For example, Sir Hans Singer, one of Keynes' first PhD students, argued that in an international free market, nations producing primary goods would experience a steady decline in their terms of trade. On the international stage, he believed, *“the working of capitalism would maintain the same unequal world division of labour as has previously been enforced by imperial might”* (Toye, 2006).

It was the conviction that the 'natural evolution' of the international economy under free trade would perpetuate inequality internationally that led them to advocate technocratic planning (e.g. Singer, 1949; Myrdal, 1957). The nineteenth century prescription of allowing the market to take care of development seemed impossibly harsh, and the notion that the developing nations might be able to withstand international market forces without aid seemed fanciful. Displaying little insight into the future of development studies, Thomas Balogh (1966[1974]: 130) wrote that both of these ideas *“denies this possibility [of development aid] and decries the motives of deliberately helping the poor and weak on their way. ... Let the market take over, say Chicago and the LSE. Let the*

underdeveloped governments plan, say the radicals of the Left, and lift themselves up by their own bootstraps. Fortunately, such views have met with little success.” Although there were some, such as P.T. Bauer, who were conceded to genuinely believe that a return to the liberal economic policies of the nineteenth century would benefit Third World development, such an attitude was more often considered a mark of an uncaring stance regarding the fate of the poorer nations (Rostow, in Bauer, Meier, and Seers, 1984: 245-7). The economic modernisation theorists looked back on the nineteenth century through Keynes' eyes: it was spontaneous, unguided, Darwinian. Twentieth century development could be none of those things.

However, by conceiving of immanent and intentional development in dichotomous terms, the post-war theorists were led to precisely that disregard of the human element that they found so distasteful in *laissez-faire*. For with this dichotomy, Keynes created a paradox that was transmitted to post-war development theory: development, if it is to be worthy of the positive connotations of that term, must be about people; yet the people themselves are not considered capable of producing development worthy of the name. If development is to proceed correctly – that is, according to the needs of the developing people – the developing people must remain remote from the process of development.

As with Keynes, though development was in the long-run interests of the people of the developing societies, they could not see that far ahead. Indeed, this type of development was not deemed capable of rational justification by those involved in the process. For while development was in the long-run collective interest, it was rarely in the immediate interests of those involved. Consequently, people may reject pro-development reform. As Seers and Joy (1971:271) put it: “*The irrationality of society is sustained by the rationality of its individual members.*” Hence what was needed, according to Gerschenkron (1952[1962]: 24-5), “*is faith – faith, in the words of Saint-Simon, that the golden age lies not behind but ahead of mankind. ... In a backward country the great and sudden industrialisation effort calls for a New Deal in emotions.*” The interests of people and development would be reconciled only *after* development had completed its task. John Kenneth Galbraith, in the third edition of his *The Affluent Society* (1958[1976]: xxiv) recalled as follows the reaction from economists concerned with poverty to his assertion that production for economic growth was no longer necessary:

“How can Galbraith be so callous when a named percentage of our people have a disposable income of less than the necessary minimum? When everyone has that minimum, it will be time to worry about the problems of social balance.”

This is why development, the means justified by this end, ought to be as quick as possible.

An interesting expression of the problem inherent in conceiving development in these terms can be drawn from an essay by the German sociologist Georg Simmel, entitled 'The Concept and Tragedy of Culture' (1908). For Simmel, all progressive growth must involve both internal and external forces. *“We deny that the concept of culture applies to those cases where perfection is not felt to be the personal development of the psychological centre. Similarly, the concept does not hold where it appears only as such a personal development that requires no objective means and stages external to itself.”* (1908[1997]:57) Self-development, or cultivation, is not just inner development (a seed growing into a wild tree) nor just external development (a tree trunk turned into ship's mast); rather, it is a combination of the two (a seed cultivated into orchard tree): *“the fruit, despite the fact that it could not have come about without human effort, still ultimately springs from the tree's own motive force and only fulfils the possibilities which are sketched out in its tendencies, whereas the mast form is added to the trunk from an instrumental system quite alien to it and without any preformation in the tendencies of its own nature”* (57). External constructs and constraints must be included within the individual self, rather than as hangers on:

“[A]ll possible knowledge, virtuositities and refinements of a person cannot lead us to credit that person with genuine cultivation if they simply act like additions, as it were, that come from a sphere of values external to, and always remaining external to, their personality. In such a case, a person has aspects of cultivation, but they are not yet cultivated ... But [on the other hand] cultivation in its purest and deepest sense does not exist where the psyche travels that path from itself to itself ... exclusively under its own subjective powers ... The specific meaning of culture is thus fulfilled only where a person adds something external to that development ... Individuals must include these constructs and constraints [art, morality, science, law, religion, economic goods, technology, social norms] within themselves, but they must really include them within the individual self, and not simply allow them to continue to exist as objective values.” (57-8)

Works of culture – laws, morals, economic goods, art – can be considered according to the values that are valid for themselves, and how they fit in to wider culture. They have a subjective, cultural value, and an objective value – its wider significance. A work can be perfectly considered by its own standards, but not fit into one's development path. Conversely, a work below the level of what has been achieved artistically, intellectually, or technically, may fit in most efficaciously. A one-sided focus on the quality of the work considered in itself is therefore not enough: the objective side of culture may make us better or wiser or happier, but may not actually develop *us*, only an objective side that pertains to us. The external-directed nourishment is cut off from our inner-directed meaning. We become better at something, but not more cultured. We possess a higher quality, but not a higher state of ourselves.

According to Simmel, this unhappy state will be so unless the two aspects – internal and external – fit with one another. But the inner logics by which they develop do not necessarily coincide. This is the tragedy of culture, as Simmel calls it. For Simmel, once the primary motifs of law, art, morality have been created, their further growth is no longer in our hands. They are no more concerned with the demands of our individuality than are physical laws. The contents with which we organise the unity of the 'I' are given to us from outside, and they possess a form that do not necessarily coincide with the self. *“The external world seizes hold of the self with these contents, in order to draw it into themselves, and because they form the contents according to their own demands, they do not permit them to become centred around the self”* (1908[1997]: 67) Yet we still consider ourselves not only the centre around which the elements of life are ordered according to our personalities – we also feel a solidarity with those elements, which belong to another sphere and ordering principle. Our nature is caught between the self and an alien sphere of demands, and if the two spheres do not evolve in the same fashion, the bridge may be broken. Increasingly, cultural objects *“deviate from the direction in which they could incorporate themselves into the personal development of human minds.”* (72) But the object continues to develop, and draws individuals into its orbit without returning to them and elevating them to its height. Where we try to follow it anyway, *“the development runs into a cul-de-sac or a vacuity of our innermost and most genuine life.”* (72)

The modernisation theorists were quite aware of this problem; a problem that we might, adapting Simmel, call the tragedy of development. They were aware that the 'primary motifs' of development, its institutions, practices, and goals, are exogenous to the people to be developed, emerging and evolving according to demands and principles that do not necessarily coincide with that society.

Consequently, there is, Hirschman admitted, a “*tendency of growth to round itself out for a long time within some subgroup, region, or country while backwardness retains its hold elsewhere.*” (1958:184) What is more, the division that results from this is self-perpetuating and deteriorates over time: “*The progressive sectors and regions of an underdeveloped economy are easily over-impressed with their own rate of development.*” They tend to exaggerate their distinctiveness vis a vis the less developed areas. Having established that “*their success was due to hard work and virtuous living, they must willy-nilly live up to their own story, or at the least will make their children do so.*” Conversely, those left behind deride the progressive groups as crassly materialistic (Hirschman, 1958: 185). The Swedish economist Gunnar Myrdal (1957; 1968; 1970) had likewise noticed that the “*onslaught of modernisation from the outside ... leads to a situation where modernism becomes sprinkled throughout a society in which many conditions have remained almost the same for centuries. As Jawaharal Nehru said of India: 'We have atomic energy and we also have cow dung'.*” (Myrdal, 1970:57) The problem in such cases is that growth in one sector has not induced growth in other sectors. For both men, however, this did not constitute a case against development. It was, rather, a case against *laissez-faire*. These problems arose when growth occurred absent rational planning. Only a rational, intentional force could identify the 'correct' direction of development: “*development will not come about by a 'natural' evolution, and this constitutes the case for planning.*” (1970: 183)

In practice, however, the great paradigms of this era all had the same result: a modern sector superimposed by an external force onto a traditional sector, which it failed to lift to modernist heights. Rational planning was supposed to make development quicker and easier than it had been in the West. Yet in practice it was found that development had become limited to small sectors of the economy – just as Hirschman and Myrdal had feared would happen *absent* planning. The economies of the developing nations seemed to have split into two sectors – one touched by modernisation and one not – which did not interact with one another and developed according to their own pattern. This failure of development based on a dichotomous understanding on immanence and intention could have been predicted by Simmel. The division of immanent and intentional development suggests that rational progressive movement must be externally motivated. As such, the 'primary motifs' of development are attached to the developing society but do not fit into it: they “*simply act like additions, as it were, that come from a sphere of values external to, and always remaining external to [it]*” (Simmel, 1908[1997]).

What does this all mean for today's development studies, and its attempts to become 'useful and interesting'? As mentioned in the introduction, post-impasse development views modernist development in terms similar to how the modernisation theorists saw nineteenth-century development, and seek to transcend past failures in similar fashion: by making development about people, by giving it direction. As Leys put it, neoliberalism left development to uncontrollable market forces; if development is to be about people, it must become intentional again. In short, the dichotomy between immanent and intentional development remains. Of course, the rational force now called upon to “*steer, push, cajole, persuade, entice, coordinate and at times instruct the wide range of economic agents and their groupings to go this way instead of that, to do this and not that*” (Leftwich, 2000: 7; 2005; 2008) is an indigenous one, as opposed to development guided by Western technocrats. Is it, therefore, not internal to the developing society? Nederveen Pieterse (2012) makes this point, invoking Cowen and Shenton (1996) in support. In the outdated, 20th century conception of development, he argues, “*implicitly or explicitly, development is thought of as an external intervention. The root paradigm is not ‘we develop’ but ‘we develop it’.*” However, since the turn of the millennium a new development era has begun, which involves, among others, a “*change in the agency of development from metropolitan institutions to developing countries, along with a shift in perspective from ‘we develop it’ to ‘we develop’*” and a “*pendulum swing from market forces back to developmental states*”.

Yet this is not what Cowen and Shenton had in mind when they spoke of 'immanence'. The developmental state is not part of 'we develop'; rather, it lies at the very heart of 'we develop it'. For the idea of development did not originate in the West's relation with the rest of the world, but within itself. Development began with the state acting upon its own society; only later did it become associated with the West acting upon the non-Western world. It is precisely this focus, in many critiques of modernist development, on the West versus non-West relationship that permits the impression that post-impasse development might have moved beyond the post-war modernisation era. It permits the conclusion that the problem with development in that era was the wrong kind of intention. Nederveen Pieterse's (2012) interpretation of Cowen and Shenton's (1996) distinction between immanent and intentional development is symptomatic of this. His 'we develop' and 'we develop it' are both intentional; the difference between them is the source of the force attempting to provide rational direction. As he makes clear in an earlier paper (2000), approaches to development

that he sees as denying the possibility of intentional development – neoliberalism and post-developmentalism – are scarcely to be considered theories of development at all. The implication is that an intentional development that is truly concerned with people, rather than merely claiming to be so, is the answer.

It is, therefore, with some trepidation that I view development theory's attempts, in the past couple of decades, to move beyond its past failures. The argument of this paper suggests that post-impasse development theory cannot achieve what it has set out to do. It cannot make development about people, because according to the immanence-intentionality dichotomy the developing people cannot be the motive force of the development process. Implicitly or explicitly, progressive direction must be given to them; without this help, they, like Marshall's Residuum, are not trusted to find it.

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