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[Rezension] International economic order and development policy - a plea for dissociation - Dieter Senghaas: Weltwirtschaftsordnung und Entwicklungspolitik: ein Plädoyer für Dissoziation. Frankfurt/M.: Suhrkamp Verlag, 1977

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SENGHAAS, DIETER

**International Economic Order and Development Policy. A Plead for Dis-
sociation**

[“Weltwirtschaftsordnung und Entwicklungspolitik. Ein Plädoyer für
Dissoziation”]

Frankfurt: Suhrkamp Verlag, 1977; 357 pp.

Despite rapid growth in questions and answers, development theory and the theory of development policy are predominantly oriented towards associative development – in the sense of integrating developing countries into the world market and associating them with the industrialized countries. Development theory and policy, however, are at the crossroads, to say the least, or even in disorder, many say. In most developing countries, elementary development problems have not been solved within the established framework; economically they have not succeeded, not with regard to the accumulation of capital but in distributing its returns among the masses. Speeded accumulation, a workable rule for self-determined dynamics in structurally homogeneous and highly developed economies, does not lead to acceptable results in economies that are structurally deficient and underdeveloped. Not to be aware of this basic difference between

developing and developed countries, and of the specific relationships between them, is one of the great failings of traditional development theory, which has failed not only as a theory but also in the practice of development planning and development policy.

Such and other theses are the starting-point for Dieter Senghaas to examine critically the relationship between the international economic order and development, and to conclude with strong plea for dissociation, i.e. dissociation of the developing countries (the capitalist periphery) from the world market (the capitalist metropolis). The "periphery" is understood as a social formation and economy, the accumulation process of which displays specific, externally induced and reinforced structural defects (structural heterogeneity), while the metropolis' is understood as an economy that is structurally more or less homogeneous and evenly developed. The relationship between such two different structures cannot be of equal benefit to both. Judging from practical experience with association agreements between developing and developed countries, and from the results of associative development policy (and also from an analysis of the consequences of the integration of the Latin American, African and Asian economies into the international division of labour), Senghaas reaches the conclusion of a strong plea for dissociation, this plea being supplemented by the demand for necessary transformations in the internal structures of the peripheral countries and by reflections on a new horizontal division of labour between the developing countries on a subregional, regional and continental level.

Dissociation here is not meant as, or to be confused with, autarchy or autarchistic policies for the developing countries; within a concept of dissociative development policy, the kind and degree of cooperation among the developing countries and also with the metropolis, is seen as being flexible, depending on given conditions and concrete goals: this, in various sections of the book, is called "selective cooperation".

Senghaas arranges his book in five chapters. In the introductory chapter (pp. 10-71) the historical and actual context of the developmental discussion is presented. Chapter I (pp. 73-152) then describes the structural differences between the economy of the metropolis and the periphery, by analysing three "case studies" of development. The first (pp. 75-87) brings a re-interpretation of Friedrich List's political theory of productive forces, and his critique of free trade and the doctrine of comparative advantage. Senghaas believes that List's ideas of the mutual permeation of agricultural and manufactural production, of the orientation of production towards the domestic market, and of temporal protectionism, is in a sense very much up to date, regarding the basic human needs strategy, the demand for

decentralized production and the debate on appropriate technology. He deplors the fact that today there seems to be no Friedrich List of the Third World; but, at the same time, he expects List's theory to become topical when the masses in the developing countries turn against the present international economic order and against the ruling elites supporting that order.

The second case study (pp. 88–117) is devoted to the analysis of Japan's development strategy after the Meiji Restoration (1868). Although Japan is defined as being a capitalist metropolis and centre of world trade, Senghaas tries to show that Japan followed a dissociative capitalist development path, in the sense of only selective cooperation with the outside world in the field of technology and organization, and in the sense of a simultaneous development of the domestic market and the export market, which together prevented Japan from becoming peripheral in the world system.

In contrast to Japan, Senghaas characterizes Brazil as an example of the associative capitalist development pattern (pp. 118–152), marked by rapid aggregative and export growth but mass poverty and an underdeveloped domestic market. Japan and Brazil to him are the two antipodes of capitalist development.

The third chapter of the book (pp. 153–202) comprises three studies on the current development debate. The first study concentrates on the question of whether the aim most of the present governments in the developing world are striving for, of increasing their countries' share in world trade, is realistic or not. Senghaas describes this strategy as being a blind alley (pp. 155–172). Also the strategy followed by many industrialized countries of shifting their relatively unproductive industries into the developing countries (pp. 173–188) is not thought advisable for overcoming unequal development; on the contrary, to him there seems to be too much social harm involved in this strategy. Lastly, Senghaas deplors the catastrophic consequences of orienting the agricultural sector of the developing countries toward the world market (pp. 189–202) as reducing the potential of self-reliant supply, disturbing rural society, marginalizing the rural population, etc.

The fourth chapter in the book (pp. 205–260) then concentrates on the existing (old) international economic order and the general remedies proposed; this is what he calls the "new clothes". Senghaas believes that most of the demands put forward by the developing countries are structurally conservative in character. The present conflict between the periphery and the metropolises (the developing and developed countries) is said not to be antagonistic but only partialistic: "Even the radical representatives of the

Third World are not staging a campaign against the foundations of free world trade, but obviously strive to transfer basic premises of the traditional order into the new international economic order" (p. 209). The interest of the elites of the developed and the developing countries are too similar for more than a partial modernization of the third world societies to be able to be expected: "The wind blowing through the world economy is therefore only a storm in a teacup" (p. 216).

While the new international economic order (NIEO) is only one item on the international agenda of discussion, the militarization of the third world countries is a fact. A separate part of the chapter (pp. 223–260) shows Senghaas as a peace researcher: he describes the development trends of the military complex in the metropolitan countries, the expansionist impulses and the growing military penetration of the developing countries, and he asks what detrimental consequences these trends will have on the economic and social development of the developing countries.

The concluding chapter (pp. 261–290) is the main part of the book: it is a treatise on the autocentric, self-reliant development of the developing countries. Here Senghaas elaborates on his main theses which together provide a contrasting programme to the development strategies that mostly remain on the surface of the development problem, or which see the remedies needed in all too quick an adaptation to the situation in the industrialized countries. Senghaas casts light into the corners of a future for the developing countries that is quite different from what has been put forward at recent conferences on the NIEO. What are the prerequisites of a development policy that tries to reach its true goal, i. e. the satisfaction of the basic needs of people living in social misery and absolute poverty? Senghaas gives three answers in form of three fundamental demands: first, dissociating the periphery from the metropolis, the search for identity and self-reliant development, because otherwise the structural defects resulting from dependence cannot be overcome; second, the establishing of closely-connected economic circuits between agriculture, capital goods and consumption goods industries, which is thought to be necessary in order to develop a broad and differentiated domestic market; third, the horizontalisation of foreign economic relations, that is, intensifying trade among the developing countries and overcoming unequal trade relations.

Senghaas has most certainly written a challenging book for all interested in the theory and practice of development. However, a number of critical questions could be asked – some of which may find concealed answers in the book and the voluminous notes and annotations (see pp. 291–358), while others may not. There are, first, the aspects of place and time; the highly aggregated level of discussion may plane off the differences within

the periphery and within the metropolis; what is a structural defect today may be an advantage tomorrow. Furthermore, even if there are many who judge the dependence of the periphery on the metropolis as sceptically and negatively as Senghaas does, how then could dependence actually be overcome? What in fact is self-reliance, what is it that should be relied upon in any specific case? What are the consequences of the strategic deliberations for the developing countries and for the developed countries (or rather for which developing countries and which developed countries?); may not the costs sometimes outweigh the benefits? Does Senghaas not put too much weight on the positive and not enough weight on the negative effects of dissociation, on external and internal factors of development?

In a specific sense, the relationship between the external activities of a developing country (dissociation from the world market) and the internal necessities (development of self-reliant structures) may be fundamental. Furthermore, is there not an optimal scale for regional cooperation? Who provides the infrastructure necessary for developing the south-south relationship?

Without doubt, Senghaas provides us with radical, not marginal, economics. But what about the gap between radical development economics and concrete development policy? How can one measure dissociation and self-reliant development? Can a consensus be reached among the theoreticians upon the necessary definitions? Can a consensus be reached among the social strata in the developing countries on the degree of association or dissociation, or rather the nature of selective cooperation with the outside world? In a certain sense of the word, the majority of the people in the developing countries are in fact not associated with the outside world; is it that Senghaas does not differentiate enough between economic and social relations, between the exchange of products and the exchange of ideas?

Meanwhile, Senghaas has become very well known in Germany and elsewhere, not so much because he is professionally respected by the academic economists, but because he dares to think differently and contrary to the mainstream of modern economics. A serious discussion of his theses and theories is needed if the willingness for innovative learning and to re-orient one's own thinking can be relied upon. It is time to investigate more thoroughly (and on a country-to-country level) the negative as well as the positive effects of the association or dissociation of the developing countries with the industrialized countries.

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