Human Rights and Development: Complementary or Competing Concerns?
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Review Articles

HUMAN RIGHTS
AND DEVELOPMENT:
Complementary or Competing Concerns?

By JACK DONNELLY*


The conventional wisdom of the sixties and early seventies held that, except in the very long run, rapid development and human rights are competing concerns. Development was viewed as a necessary condition for the effective implementation of human rights: the implementation of an extensive range of economic and social human rights was considered impossible in the absence of a relatively large GNP (which was seen as the principal product of development), and many civil and political rights were held to be of questionable subjective significance under conditions of gross underdevelopment. Furthermore, in many cases the exercise of human rights—economic, social, and cultural as well as civil and political—tended to interfere with or to slow the rate of economic growth and development. It was therefore argued that many, or even most, internationally recognized human rights† must be temporarily suspended.

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† For simplicity, I shall take as authoritative the list of human rights in the so-called International Bill of Human Rights—i.e., the Universal Declaration of Human Rights, the International Covenant on Economic, Social, and Cultural Rights, and the International Covenant on Civil and Political Rights. The status of economic and social rights has been challenged on philosophical grounds. See, for example, Maurice Cranston, *What Are Human Rights?* (London: The Bodley Head, 1973); Charles Frankel, *Human Rights and Foreign Policy* (New York: Foreign Policy Association, 1978, Headlines Series No. 241), 38-41ff.;
Three particular tradeoffs were widely advocated:

1. *The needs tradeoff.* Rather than devote scarce resources to social programs in order to satisfy basic human needs (and associated human rights to, for example, food and health care), it is necessary to tolerate relatively high levels of absolute poverty (need deprivation) in order to maximize investment. The consumption forgone in the short and medium run, however, will be returned with interest in the additional production purchased through increased investment, thereby minimizing the total economic and human cost of overcoming mass poverty. What may be called a "strong" needs tradeoff would attempt to reduce, freeze, or otherwise control consumption in order to capture the largest possible share of total resources for investment. A "weak" needs tradeoff would simply exclude consideration of consumption-oriented human rights from development planning.

2. *The equality tradeoff.* A "weak" equality tradeoff is based on the so-called Kuznets or (inverted) U hypothesis. Average incomes and income inequality both tend to be lower in the "traditional" sector than in the "modern" sector. Therefore, during the transition to a modern economy, inequality in the size distribution of income will first increase, then be maintained at a high level, and finally recede at moderately high levels of national income (thus producing a U-shaped curve when inequality is plotted against per capita GNP).

and A. I. Melden, "Are There Welfare Rights?," in Peter G. Brown, Conrad Johnson, and Paul Vernier, eds., *Income Support: Conceptual and Policy Issues* (Totowa, N.J.: Rowman & Littlefield, 1982), 259-78. Such arguments, however, have been subjected to trenchant criticism; see esp. Henry Shue, *Basic Rights: Subsistence and Affluence in U. S. Foreign Policy* (Princeton: Princeton University Press, 1980). In any case, they are of little relevance to international action, since they have been officially rejected by virtually all countries, developed and developing alike.


5 "Equity, in other words, is a luxury of rich countries. If a poor society is to achieve anything at all it must develop a high degree of inequality—the small economic surplus must be concentrated in a few hands if any high-level achievements are to be made." Kenneth E. Boulding, *Principles of Economic Policy* (Englewood Cliffs, N.J.: Prentice-Hall, 1968), 94 (emphasis in original). "There is likely to be a conflict between rapid growth and an equitable distribution of income; and a poor country anxious to develop would probably be well advised not to worry too much about the distribution of income." Harry G. Johnson, *Money, Trade and Economic Growth* (Cambridge: Harvard University Press, 1962), 153. In contrast to Johnson and others, I use "equity" to refer to a combination of needs and equality. Thus, I will speak of an "equality tradeoff," reserving the term "equitable development" for development with minimal needs and equality tradeoffs.

In a "strong" equality tradeoff, inequality is viewed as a contributor to, rather than just an unavoidable consequence of, development. For example, it is often argued that, since only the relatively well-to-do can afford to save and invest, and since investment is the key to rapid growth, inequality is in the best interests of the poor in the long-run. Inequality is also often justified as an incentive, and reward, for superior economic performance, and therefore desirable—so long as the resulting distribution is either Pareto-optimal (i.e., no one can be made better-off without someone else being made worse-off) or satisfies the Rawlsian difference principle (i.e., the resulting inequality benefits the least advantaged in society).

3. The liberty tradeoff. The exercise of civil and political rights may disrupt or threaten to destroy even the best-laid development plan, and must therefore be temporarily suspended. For example, elected officials are likely to support policies based on short-run political expediency rather than to insist on politically unpopular but economically essential sacrifices. Freedoms of speech, press, and assembly may be exercised so as to create or inflame social division, which an already fragile polity may be unable to endure; free trade unions often merely seek additional special benefits for a labor aristocracy; elaborate and punctilious legal systems on the Western model may seem to be extravagant anachronisms; and so forth.

All three tradeoffs have been widely held to be not only necessary but temporary and self-correcting. The trickle-down theory of growth is a theory of eventual automatic returns to the poor, who must carry the burden of economic sacrifice. Likewise, the U hypothesis envisions an automatic, natural restoration of considerable equality. And, as was evident in programs such as the Alliance for Progress, growth and development were widely believed to be the key to establishing, maintaining, and expanding liberty in the Third World. So long as rapid growth was achieved—and development was regularly equated with growth, a confusion that further encouraged such tradeoff arguments—

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it was expected that everything else, even the deep absolute and relative poverty of the masses, would take care of itself.

The books under review here, and the burgeoning literature on alternative development strategies they represent, show this conventional wisdom to have been tragically misguided; the tradeoffs simply did not work out as envisioned. While some sacrifices of human rights may be unavoidable in the struggle for development, the categorical tradeoffs of the conventional wisdom are not merely unnecessary, but often positively harmful to both development and human rights. A concern for human rights must be incorporated into the heart of development planning, with development and human rights being seen as complementary and mutually reinforcing in all time frames.

I shall argue for this conclusion primarily through a comparison of the development experiences of Brazil and South Korea in the sixties and seventies. Both countries pursued relatively open, state capitalist strategies of dependent development. Both “succeeded” by the standard measure of growth of per capita GNP. Yet the human-rights consequences, at least in the area of social and economic rights, have been quite different, suggesting not only that the tradeoff theses are misguided, but that the consequences of growth and development are far more malleable, and much more a function of politics, than is often imagined.

Brazil: The Tragedy of Success

Brazil is a classic example of a country that has adopted a growth strategy prominently featuring the conventional human rights tradeoffs. Its performance, therefore, merits the careful examination that Sylvia Hewlett provides in The Cruel Dilemmas of Development.

During the sixties and seventies, growth in Brazil was rapid (an average annual increase in real per capita GNP of 4.8 percent); during the peak years of the Brazilian economic “miracle” (1968-1973), real GDP growth averaged a remarkable 11.5 percent per year (Hewlett,

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Table 2). By 1979, Brazil’s per capita GNP of $1780 was among the highest in the Third World.

This growth resulted in increased average real incomes for rich and poor alike, i.e., absolute poverty was reduced. But Brazil adopted a weak needs tradeoff—“Brazilian policy was characterized by inattention to the short-run poverty problem”—as reflected in increased levels of material and social deprivation.

Urban wages and standards of living were stagnant throughout the sixties and seventies; during the 1960s, the urban standard of living actually appears to have declined (Hewlett, 166ff. and Tables 15 and 16). Social services were woefully inadequate. “Brazil has the second highest rate of illiteracy in South America and one of the worst infant mortality records in the region” (p. 122). The 1978 infant mortality rate of 92 per thousand live births was more than triple that of Costa Rica, which has virtually the same per capita income, and more than one-third higher than in Thailand and the Philippines, both of which had per capita incomes one-third that of Brazil. In fact, urban infant mortality increased steadily in the sixties and early seventies; in 1973 it was about 20 percent higher than in the early 1950s.8

This rise is in part attributable to significant levels of malnutrition. For example, in the first half of 1975 more than one-seventh of total urban hospitalizations involved children suffering from malnourishment (p. 127). The official data showing the 1977 daily per capita caloric supply to be 107 percent of the requirement9 thus are seriously misleading, because this average figure fails to take into account the gross economic inequality that pervades Brazil. And it is here, in extreme relative deprivation, that the destructive consequences of the Brazilian strategy are most evident.

Although figures on income distribution in the Third World are notoriously unreliable,10 there is general agreement that the Brazilian

9 World Bank (fn. 8), Table 22.
situation is particularly appalling. Hewlett (Table 13) places the share of national income of the bottom fifth of the population at just over 3 percent in 1976 (down from almost 4 percent in 1960); the bottom three-fifths received less than 19 percent (down from almost 25 percent in 1960). In contrast, over half of total national income went to the top tenth of the population (up from under 40 percent in 1960) and the one percent at the top alone received over 17 percent (12 percent in 1960), which was more than the total income of the entire bottom half of the population! The figures compiled by the World Bank show an even more lugubrious state of affairs: in 1972, a scant 2 percent of total income is estimated to have been received by the poorest fifth of the population, while the top fifth received twice the income of the bottom four-fifths combined.\textsuperscript{11} Growth thus has made the poor significantly worse off in relative terms.

According to the conventional wisdom, Brazil has grown to the point at which benefits should be not merely trickling, but cascading, down to the poor. They are not. Likewise, according to the conventional wisdom, income inequality should be declining. It is not. And despite Brazil’s relatively high GNP, political liberty seems at best fragile, although systematic state terror is no longer the rule and the prospects for continued political “decompression” are perhaps not entirely illusory.\textsuperscript{12}

Hewlett argues, quite persuasively, that this situation is not surprising. Rather, it is the predictable result of the combined impact of the structure of the Brazilian economy and the economic and political objectives, programs, and policies of Brazilian governments going back at least to Vargas in the early 1930s.

Hewlett’s account of the structural determinants of the consequences of growth in Brazil (chap. 3) is largely a dependency-theory analysis and need not be recounted here. But she also recognizes that, beyond external


\textsuperscript{12} The recent "\textit{abertura}," symbolized in particular by the November 1982 elections, may mark the beginning of a welcome change—or it may be just another short-term, almost cyclical, swing toward the center. A sound assessment of the breadth, depth, and sincerity of these new overtures to political liberty must wait a few more years, and until at least one major systemic crisis has been experienced.
and economic imperatives, growth has been substantially shaped by political decisions. In principle, all the structural constraints on balanced and equitable growth could have been overcome by concerted governmental action, at an acceptable economic cost. Instead, “the specifics of the industrialization strategy and the particular policies of modernizing regimes have served to aggravate the structural components” (p. 97), and “the cumulative effect of these policies was to rigidify and exacerbate” structural inequities (p. 40).

In addition to avoiding the trap of crude economic determinism, Hewlett also refuses to shift the blame to external actors. Although she details the negative consequences of multinational corporations in chapter 7, Hewlett recognizes that “it is wrong to place too heavy a burden of guilt on the shoulders of the multinationals. Multinational firms, in and of themselves, do not destroy national industry or cause poverty”; they are only one element in a comprehensive, integrated system of economic and political domination and exploitation by the Brazilian elite (p. 136).

I would stress the internal political elements in an explanation of the path of Brazilian development more than Hewlett does; political choice, rather than dependency-induced economic necessity, underlies inequitable growth. For example, an effective redistribution of wealth or income would have encouraged growth by stimulating generalized demand for wage goods and industrial products at the same time that it reduced inequality. For rather obvious political (not economic) reasons, however, such a course was, and continues to be, rejected in favor of strategies compatible with maintaining, or even increasing, inequality.

From 1930 to 1964, when Brazil was making its first major push for industrialization, import substitution was the chosen “engine of growth.” Because of political domination by a small elite and the distorted pattern of economic demand resulting from Brazil’s skewed income distribution, industrialization was focused on the inefficient, protected (re)production of luxury goods (consumer durables). The effect was one of largely excluding the mass of the population from access to the benefits of industrial growth in the form of either jobs (production was not only...
inefficient but relatively capital-intensive) or reasonably priced wage goods.

During this period, the system was held together by a semi-populist government that assured its survival by buying off the industrial, land-owning, and labor elites with the benefits of growth, thereby further exacerbating inequality—and inflation. When inflation became unbearable and the military took over in 1964 to impose economic discipline, the poor, who had been hit especially hard by both inflation and the policies that produced it, were forced to bear the burden of stabilization, now in the company of the previously favored urban working class.14

“Readjustment” did set the stage for the Brazilian “miracle.” Its benefits, however, went to the rich; that is, to those who had prospered all along, rather than those whose consumption had been “deferred.” Thus, the Brazilian strategy amounted to a trickle-up strategy of growth. The Brazilian elite did not even save and invest with any special vigor: gross domestic savings and investment in Brazil were only marginally above the average for middle-income, oil-importing countries in 1960, and slightly below the average in 1979.15

I stress the political components of inequitable growth because the orthodox tradeoff theses, which can and have been used to justify the Brazilian strategy, are blindly apolitical. All three tradeoffs aim to remove the political and moral constraints of human rights in order to free the state to direct a maximally efficient development strategy. The assumption seems to be that this liberated state apparatus will function as a neutral—or even a beneficent or altruistic—instrument of technocratic management.

In fact, though, the removal of the moral and political constraints of human rights has reinforced the power of established elites. The tradeoffs exclude the mass of the population but not the traditional elites, who, with their new allies in the bureaucracies and public enterprises, are given a free hand. The unchecked political influence of the elites then perpetuates and even reinforces the exclusion of the masses, and prevents the poor from receiving any major benefits in return for their sacrifices.

This is precisely what would be expected from the experience of the West, where workers and the poor had to demand, or try to take, their


15 World Bank (fn. 8), Table 5. For an account of savings which suggests that a higher marginal propensity to save on the part of the rich may be as much a consequence of unequal growth as a natural tendency, see Marian Krzyzaniak, “Savings Behavior of Poor and Rich in Taiwan,” Journal of Developing Areas 11 (July 1977), 447-64.
economic rights. Although these demands were frequently backed by the use or threat of force, the exercise of civil and political rights was often crucial. The liberty tradeoff, however, prevents the poor from using these important instruments to pursue their claims for a share of the benefits of growth, while the needs and equality tradeoffs tend to be used by those in power to invalidate even the concern of the masses for economic rights.

The return of the benefits of growth to the poor who have sacrificed to bring that growth about is a political consequence of the distribution of power and benefits. The benefits of growth do not trickle down to the poor automatically—at least not in defensibly large quantities. Likewise, decreasing income inequality is not a natural consequence of relatively high levels of per capita GNP—especially if, during the period of growth, an economic, bureaucratic, and political elite becomes firmly entrenched and convinced of its right to act without political constraints from below. In Brazil, the equality and liberty tradeoffs actually intensified over time; poverty, inequality, and repression systematically reinforced one another.

Rather than rapid growth per se, the culprit has been the particular strategy chosen by the Brazilian elite. Even a late-developing dualistic economy on the periphery of the world capitalist system is, at most, predisposed to inequitable growth. There is nothing “natural” or “inevitable” about the style or consequences of Brazil’s development; it is “necessary” only to the maintenance of elite domination, and to economic growth with a grossly unequal distribution of its benefits.

We should not disparage the already noted absolute improvement in the real average incomes of the Brazilian poor; numerous other countries have accomplished far less. However, this relatively minor trickle-backdown would seem to be a function of Brazil’s unusually high growth rate rather than a predictable consequence of the chosen strategy. Both common sense and the experience of less “successful” exponents of the tradeoff strategy indicate that, unless the elite is virtually awash in new money, little is likely to spill over and trickle down; that is, in the absence of “miracle growth,” the Brazilian strategy probably would have been a complete disaster for all but the privileged few who were its direct beneficiaries. The tradeoff strategy is not incompatible with improvements in needs satisfaction of the masses. Such improvements, however, are a virtually unintended consequence that requires not only considerable economic good fortune but massive sacrifices of equality and liberty. Furthermore, nothing in the Brazilian case suggests that such sacrifices are necessary for either rapid growth or needs satisfac-
tion—and the example of South Korea strongly suggests that rapid growth, needs satisfaction, and a high level of income equality can be achieved simultaneously.

KOREA: A MORE SUCCESSFUL SUCCESS STORY

If Brazil's growth was a miracle, South Korea's defies description. Between 1960 and 1979, real per capita GNP grew at an average rate of 7.1 percent a year; that is, nearly half again as fast as Brazil's. As late as 1965, South Korea's per capita GNP was about half that of Brazil; by 1979, it was $1480, or 80 percent of Brazil's.16

The structural transformation of the South Korean economy has also been remarkable. During the sixties and seventies, manufacturing registered a 17 percent average annual rate of real growth, a figure matched by no other country, developed or developing.17 The share of manufacturing in GNP (in constant 1970 prices) rose from 11.7 percent to 35 percent in 1976, while agriculture dropped from 40.3 percent to 20.4 percent (Hasan and Rao, Table D.7). Moreover, all this was quite unexpected: twenty years ago, South Korea was widely viewed as an economic disaster, saved from complete collapse only by massive and seemingly endless infusions of American aid, which amounted to half the national budget.

Despite these changes, South Korea has maintained an income distribution that by international standards is very egalitarian.

As Table 1 shows, the income share of the bottom 40 percent of South Korea's population is comparable to that of Yugoslavia, and actually greater than that of the United States, while the relative gap between top and bottom quintiles in Korea is less than one-third that of Brazil.

Thus, while the case of Brazil shows that the equality tradeoff is easily derailed, that of South Korea suggests that there is no need to get on the track in the first place. Both absolute and relative poverty can be attacked while maintaining rapid growth. And since Taiwan, Israel, Japan, Yugoslavia, and China have achieved similar results through similar means,18 the Korean experience merits close examination.

16 World Bank (fn. 8), Table 2.
17 Ibid.
18 This argument has been developed most forcefully by Irma Adelman and her colleagues. See Adelman and Morris (fn. 6); Irma Adelman, "Economic Development and Political Change in Developing Countries," Social Research 47 (Summer 1980); Irma Adelman, "Growth, Income Distribution and Equity-Oriented Development Strategies," World Development 3 (February-March 1975), 67-76; and Irma Adelman, Cynthia Taft Morris, and Sherman Robinson, "Policies for Equitable Growth," World Development 4 (July 1976), 561-82. Compare also Keith Griffin, "An Assessment of Development in Taiwan," World Development 1 (June 1973), 31-42; Shirley W. Y. Kuo, Gustav Ranis, and John C. H. Fei, The


**TABLE 1**

**Size Distribution of Income: Korea and Selected Countries**

<table>
<thead>
<tr>
<th>Income Share of Quintiles</th>
<th>Ratios</th>
</tr>
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<tbody>
<tr>
<td><strong>Bottom</strong> (5)</td>
<td><strong>Second</strong> (4)</td>
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<tr>
<td>---</td>
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</tr>
<tr>
<td>Korea</td>
<td></td>
</tr>
<tr>
<td>(1970-71)(^a)</td>
<td>7.2</td>
</tr>
<tr>
<td>(1976)(^b)</td>
<td>6.3</td>
</tr>
<tr>
<td>Brazil</td>
<td></td>
</tr>
<tr>
<td>(1970-72)(^d)</td>
<td>2.8</td>
</tr>
<tr>
<td>USA (1972)(^e)</td>
<td>4.5</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td></td>
</tr>
<tr>
<td>(1968)(^f)</td>
<td>6.6</td>
</tr>
<tr>
<td>Sweden</td>
<td></td>
</tr>
<tr>
<td>(1972)(^e)</td>
<td>6.6</td>
</tr>
</tbody>
</table>

\(^a\) Average of four estimates in Hasan and Rao, Table D.46; Montek Ahluwalia, “Inequality, Poverty and Development,” *Journal of Development Economics* 3 (December 1976), Table 8.

\(^b\) Average of two estimates in World Bank (fn. 8), Table 25; Hasan and Rao, Table 3.4.

\(^c\) Hasan and Rao do not separate the third and fourth quintiles. Figures given are averages for the middle 40% in the two sources, distributed by quintile according to the proportions in World Bank (fn. 8).

\(^d\) Average of three estimates in Hewlett, Table 13; World Bank (fn. 8), Table 25; Ahluwalia (fn. a), Table 8.

\(^e\) World Bank (fn. 8), Table 25.


Although the data in Table 1 are not suited to intertemporal comparisons,\(^{19}\) the apparent rise in inequality in the 1970s would seem to be real, as a result of the fact that output and value added grew four

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\(^{19}\) South Korean income distribution data, like such data for virtually all Third World countries (cf. fn. 10), are questionable in their details, at least because of the method of collection. However, as rough estimates, they do seem to present a relatively accurate picture which is probably no more distorted than is normal for countries at a similar level of development. For a fairly thorough discussion of income distribution in Korea, see Edward S. Mason, Mahn Je Kim, Dwight H. Perkins, Kwang Suk Kim, and David C. Cole, *The Economic and Social Modernization of the Republic of Korea*, (Cambridge: Council on East Asian Studies, Harvard University, 1980), chap. 12. See also Eddy Lee, “Egalitarian Peasant Farming and Rural Development: The Case of South Korea,” *World Development* 7 (April-May 1979), 493-517; income distribution is discussed at pp. 497-505.
times as fast in manufacturing as in agriculture (Hasan and Rao, 3-4, 20). But this change suggests only a minor weak equality tradeoff; uneven sectoral growth in no way implies that absolutely high levels of inequality are required. Less equal does not necessarily mean—and in the case of South Korea has not meant—grossly unequal.

Politics plays a central role in establishing a country’s income distribution at all levels of development. For example, Ahluwalia, Carter, and Chenery find that on the upswing of the U, distributional policies are at least as important as growth per se in determining the incidence of poverty and inequality, and that any turnaround also is largely a political product.20 On economic grounds it thus appears that, in at least some important cases, substantial income equality need not be sacrificed for rapid growth.

The case of South Korea also suggests that the needs tradeoff can be avoided. Between 1961 and 1975, real income rose for all rural and urban groups, and real total consumption of the bottom two-fifths of the population increased by 75 percent. Per capita food production grew by almost 1.5 percent per year from 1961 to 1976, and, in light of South Korea’s income distribution, the per capita calorie intake in 1977 of 119 percent of the requirement indicates a relatively good basic nutrition situation.21


21 See Hasan and Rao, pp. 4 and 23; World Bank (fn. 8), Table 22; Lee (fn. 19), 501-05; Ajit Ghose and Keith Griffin, “Rural Poverty and Development Alternatives in South and Southeast Asia: Some Policy Issues,” Development and Change 11 (October 1980), 545-72, Table 10; Young Whan Kihl and Dong Suh Bark, “Food Policies in a Rapidly Developing Country: The Case of South Korea, 1960-1978,” Journal of Developing Areas 16 (October 1981), 47-70, Table 1; and D. C. Rao, “Economic Growth and Equity in the Republic of Korea,” World Development 6 (March 1978), 383-96, at 389.
Adult literacy in 1976 was 93 percent, primary school enrollment in 1978 was virtually universal, and secondary school enrollment was over 70 percent. Infant mortality and child death rates (37 and 5 per thousand births, respectively) are about average for a country at Korea’s level of development. The 1977 ratio of nurses to population of 1 to 550 was excellent by Third World standards (comparable to that of France and Austria in 1960), and indicative of an emphasis on primary health care (although there still is room for low-cost improvements). There is a significant shortage of doctors, especially outside the main cities, but it is not acute. In general, rural access to governmental services is relatively good.22

Just as growth and inequality have formed an integrated system in Brazil, growth and equality seem to have systematically reinforced one another in Korea: progress in alleviating absolute poverty in Korea has been sustained and dramatic, in contrast to the desultory improvements in Brazil. Furthermore, just as in Brazil, the human rights consequences of growth and development have resulted from the interaction of economic structure and strategy. At the risk of gross oversimplification, three significant elements of the South Korean strategy should be highlighted: (1) egalitarian rural development; (2) export-led, labor-intensive industrial development; and (3) education.

Throughout the Third World, the poor dwell primarily in rural areas. Therefore, any strategy for equality and the alleviation of absolute poverty must rest on a sound rural basis. Brazil focused its agricultural efforts on the support and expansion of commercial crops such as coffee. The result, not surprisingly, was a concentration of benefits in the hands of the larger farmers, who are best positioned to exploit market opportunities. In contrast, South Korea focused on food and directly attacked the basis of rural inequality: inequitable land tenure and ownership.

Half of the country’s agricultural land was redistributed in the late forties and early fifties in a massive land-to-the-tiller program. The percentage of full owners rose from under 15 percent to 70 percent, and tenancy was reduced from almost 50 percent to about 7 percent; individual holdings were limited to about 3 hectares, and the average post-reform holding was less than one hectare. These transfers, combined with very low repayment burdens, resulted in a 20-30 percent increase in income for the bottom four-fifths of the population and an 80 percent decrease for the top four percent.23 Land reform thus provided the basis

22 World Bank (fn. 8), Tables 21 and 22; see also Hasan and Rao, Table 5.5 and pp. 73-74; Rao (fn. 21), 384, 389.
23 Lee (fn. 19), 493-94, 507-8; Sung Hwan Ban, Pal Yong Moon, and Dwight H. Perkins,
for mass rural self-sufficiency during the extended transition to a "modern" economy. It also laid the foundation for a rural mass market—which spurred and supported growth in manufacturing—and radically restructured agricultural incentives.

Inequality is a strong disincentive for those at the bottom of the ladder, especially in traditional tenancy agriculture: landlords reap most of the benefits of increased production; peasants are generally too vulnerable to take risks in order to increase production or even to scrape together a surplus to be invested; credit and marketing discriminate against the peasant. In the absence of very large economies of scale—which must be demonstrated, not just assumed (and which don't exist in Korean agriculture)—rural inequality would thus seem to be unjustified on economic grounds, and even less justifiable when the human and social costs of needs deprivation are added to the account.

Land reform, however, only serves as a base for equitable development. Even radical reforms, unless they are vigorously supported, are subject to rapid erosion. For example, market forces tend to reestablish inequality by squeezing out the smallest farmers and increasing the relative rewards of the large or efficient. Small farmers are especially vulnerable to natural disasters and family calamities; they also face significant disadvantages in marketing, credit, and access to agricultural services and improved technologies. Natural population increases create surplus agricultural labor, which also tends to cause inequality. Yet such forces can be—and in the Korean case largely have been—modified or corrected by vigorous state action.24

If basic needs are to be satisfied in rural areas, land must remain productive enough to support its owners. Furthermore, rural life must remain attractive enough to prevent an uncontrolled and unabsorbable migration to the cities that would at best relocate poverty rather than reduce it. Here, too, South Korea has been remarkably successful: agricultural value added grew by 4 percent a year from 1961 to 1975, and real rural income and agricultural wages increased by one-half between 1963 and 1975 (Hasan and Rao, 3-4, 207, and Tables 1.12 and D.45). This growth appears to have been sufficient to permit the structural

Rural Development (Cambridge: Council on East Asian Studies, Harvard University, 1980), chap. 10; Mason and others (fn. 19), chap. 7; George S. Tolley, Vinod Thomas, and Chung Ming Wong, Agricultural Price Policies and the Developing Countries (Baltimore: The Johns Hopkins University Press, for the World Bank, 1982), chap. 2.

24 For example, enforcing the 3-hectare limit on holdings has prevented the development of a free market in land, thus providing very important protection to small farmers. In 1975, only 1.5% of all holdings (1.2% in 1965), encompassing only 7% of the total cultivated area, exceeded the limit; fewer than 8% of rural households were tenants. Lee (fn. 19), 508-9; Hasan and Rao, 205.
transformation of the Korean economy to proceed in an orderly and relatively equitable fashion.

The Korean government, through its fertilizer monopoly and its dominant role in marketing (maintained by a policy of forced sales) has given teeth to national agricultural policy and exercised considerable control over the course and consequences of agricultural development. While it used this dominant position in the fifties and sixties in order to extract an agricultural surplus to finance industrial development, the extraction was relatively moderate, and its effects were minimized and relatively equitably spread by land reform. Furthermore, because government pricing policies helped to moderate increases in food prices, the urban poor benefited. Most importantly, in the late sixties and early seventies—the period of most rapid industrial growth, when the urban-rural gap would have "naturally" increased quite dramatically—the government intervened to support farmers and actually succeeded in restoring agricultural terms of trade to levels above those of the early sixties.

Equitable rural development, however, is unlikely to do more than prevent a serious deterioration in living conditions. For example, while the Korean labor force grew at the unexceptional rate of 3.4 percent a year in the sixties and seventies, agricultural employment increased by only 1 percent a year, despite the fine performance of the agricultural sector and the very low use of agricultural machinery (Hasan and Rao, 223-24, 228-29). Major industrial growth thus was necessary simply to avoid the accumulation of an impoverished and increasingly hopeless labor reserve army. In fact, South Korea not only absorbed these new entrants into the labor force, but it absorbed them with steadily rising real wages (p. 173 and Table D.38).

The South Korean strategy of industrial development, however, was no less exceptional than its agricultural strategy: it emphasized exports and domestic demand rather than import substitution. From 1955 to

25 Lee (fn. 19), 496; Ban and others (fn. 23), Tables 112 and 115.
26 Sources differ on precise figures, but there is a clear consensus on the basic trend. Compare Hasan and Rao, 39-40 and Tables 1.13 and D.44; Lee (fn. 19), 510-12; Rao (fn. 21), 387; Ban and others (fn. 23), Tables 108-110; Kwang Suk Kim and Michael Roemer, Growth and Structural Transformation (Cambridge: Council on East Asian Relations, Harvard University, 1979), Table 37; and Parvez Hasan, Korea: Problems and Issues in a Rapidly Growing Economy (Baltimore: The Johns Hopkins University Press, for the World Bank, 1976), 22, 45-46, and Table 12.
1968, import substitution produced only about 2 percent of the growth in manufacturing; between 1968 and 1973, import substitution in manufac-
truring was actually negative. Exports accounted for about one-fourth of growth, and increased domestic demand picked up the remainder.

The vital role of domestic demand (which is in larger part a result of equitable development) can also be seen in the fact that, despite an
average annual real increase in exports of 34 percent a year between
1965 and 1975 (so that exports constituted 36 percent of GNP in 1976),
only 15 percent of total manufactures were exported in 1970; 25 percent
in 1976 (Hasan and Rao, 4-6, 242-43, and Tables 8.3 and 8.4). Indus-
trialization thus has been focused largely on satisfying domestic demand,
thereby spreading the benefits of growth.

In a strategy of export-oriented development, exporters, rather than
sell to a protected domestic market, must not only compete against the
whole world, but overcome trade barriers and the costs of doing business
at a distance. This fosters efficiency of production, from which domestic
consumers benefit in the form of low world-market prices for goods
that are also produced for export, lower prices for imports (because the
need for tariffs and indirect protection is greatly reduced), and more
jobs. One-third of all new employment in the 1960s came from pro-
duction for export (Hasan and Rao, p. 250). Exports also generate foreign
exchange, a shortage of which often presents a major development
bottleneck. South Korea has even used export promotion to lay the basis
for selective import substitution by pursuing backward linkages—for
example, from textiles to synthetic fibers to petrochemicals (pp. 233, 242-
43). And, since Korean exports consist of manufactured goods rather
than primary products, production for export has actually fostered the
structural transformation of the economy.

Export promotion, however, is no more natural or automatic than
import substitution. Resources, especially credit, must be mobilized and
channeled. The Korean government has done this rather effectively
(Hasan and Rao, 365 ff., 387). Support and subsidies, at a level at least
sufficient to assure that there is no disincentive to exports, are essential.
In South Korea, they have been forthcoming. In particular, the temp-
tation of an overvalued currency has generally been resisted (pp. 236-
39, 266-69; Table D.43). 28

of Economic Research, 1981). For an interesting account of the positive consequences of the
Brazilian shift toward export promotion, see José L. Carvalho and Claudio L. S. Haddad,
"Foreign Trade Strategy and Employment in Brazil," ibid.

28 For a fascinating case study (of clothing) see David Morawetz, Why the Emperor's New
Clothes Are Not Made in Colombia: A Case Study of Latin American and East Asian Manufactured
But while export promotion was necessary for rapid growth, concentration on labor- and skill-intensive industrial production has been essential to the equitable distribution of its benefits (Hasan and Rao, 5, 9, 37, 249-50). Relatively highly-paid industrial employment has been maximized, diffusing the benefits of growth as widely as possible and preventing urban unemployment attributable to capital-intensive production. Korea’s advantage in labor- and skill-intensive manufacturing, however, is also a product of social and political decisions, especially public and private investment in education.

Human capital theory has an unclear status in economics, and in much of the Third World education serves more as a screening device to maintain or increase inequality than as a rational investment in human capital. Nonetheless, investment in education, especially mass primary education, has been essential to both growth and equity in Korea.

Whether because of its socializing effects or its impact on cognitive development, primary education and basic literacy are strongly associated with greater productivity. The percentage of Korean workers with no education dropped from 45.5 percent in 1959 to 23.8 percent in 1970; for production workers, the drop was from 22.9 percent to 9.0 percent (Hasan and Rao, Table 5.8). Employers thus can draw on a rapidly growing pool of relatively well-prepared workers, a fact that helps to explain the more than 90 percent increase in real value added per worker, despite an essentially constant ratio of capital to labor (p. 19 and Table D.38).

Investment in basic education also has important equity benefits. Primary education improves access to agricultural extension services and new technologies, and greatly simplifies the dissemination of information concerning nutrition, health, and family planning. It also provides rural migrants with an entry into the better-paying (and in other ways more attractive) urban-industrial sector. And, since education is an important productive asset, universal primary education and very high secondary enrollments amount to a relatively egalitarian distribution of this key industrial resource, laying a foundation for further equitable growth.


The benefits of education were thus magnified by labor- and skill-intensive industrialization—which education made feasible in the first place. Another important positive feedback has been the increased demand of the rapidly growing urban labor force for more, and more varied (and thus more profitable) agricultural goods, from which farmers benefit in much the same way in which the producers of wage goods and other manufacturers benefit from the larger rural market created by relatively egalitarian rural development.

Therefore, while Brazil pursued rapid growth through the exclusion of the mass of the population, the basic thrust of the Korean strategy—in industry as well as agriculture—has been to incorporate as much of the population as possible into the process of growth and the sharing of its benefits. (The exception is political participation, a serious deficiency to which I will return.) Although incorporation and exclusion would seem to be equally compatible with rapid growth, the consequences are quite different for human rights, or at least economic and social rights. Growth can be made to serve equality and the satisfaction of basic human needs, but only through a conscious and comprehensive political effort. Development can—and should—mean the growth of human beings, not just economies.

South Korea should not be romanticized. It has been, and shows all signs of remaining, an oppressive and often ruthless military dictatorship. It is still poor by Western standards; its success in alleviating poverty, dramatic as it has been by Third World standards, assures only that most of the poor are able to avoid extremely debilitating material deprivation, and have at least some hope for the upward mobility of their children. A growing gap between city and countryside is a serious problem; life expectancy is at best undistinguished; housing conditions are generally poor; industrial working conditions are often dismal; access to pure water is inadequate; women still face serious economic and social discrimination; and so forth.

To many observers one troubling aspect of the South Korean development strategy is its dependence on foreign capital and markets. This dependence is high, however, only in comparison to "self-reliant" strategies; compared to more orthodox state capitalist and socialist strategies, it is not extreme. And, as the case of China suggests, self-reliance, too, has major costs, even for a country with a relatively high objective potential for self-sufficiency (which Korea and most Third World countries simply do not have).

Is it worthwhile to sacrifice equitable growth for self-sufficiency? Perhaps. But in cases where dependence does not lead to poverty, ine-
quality, unemployment, the adoption of inappropriate technologies, commodity concentration, declining terms of trade, and a host of other problems highlighted by dependency theory and the agenda of the new international economic order, one must at least pause before condemning dependence too strongly. On the face of it, only growth that is extremely inequitable would seem to be worth sacrificing. Self-reliant poverty may have its attractions, but if the alternative is a relatively prosperous dependence—and that may indeed be the choice facing many Third World countries—dependence, too, has its attractions, or at least its compensations.31

In generalizing from the Korean experience, however, we must stress three points particularly in order to guard against possible misreadings.

1. There is no single central element to the South Korean strategy, and no single part can be implemented in isolation with any hope of similar success; only the interconnection of multiple policy goals and instruments explains Korea's success at combining rapid growth and structural transformation of the economy, substantial alleviation of absolute poverty, and a relatively egalitarian income distribution. For example, the Korean economy's growth and development are based not just on its export orientation, but rather on its export-oriented industrialization—more precisely, labor-intensive industrialization, pursued in a context of egalitarian rural development.

2. The role of the state should not be minimized. Entrepreneurial freedom exists in Korea only within limits set by the government, which has played the central role in determining the direction and priorities of investment and of development in general. Furthermore, "restraint" in the workers' demands for higher wages and improved working conditions—a restraint that has contributed substantially to Korea's comparative advantage—is largely the result of government control and even repression.

3. South Korea has prospered by finding, and aggressively exploiting, a niche in the evolving world economy and "the new international division of labor."32 Success in this strategy of what might be called

31 South Korean dependence seems to have been relatively well managed, thus minimizing its costs. For example, labor- and skill-intensive production have kept capital needs relatively low, and the heavy reliance on foreign aid in the fifties and sixties allowed for industrial investment without squeezing farmers and workers too severely. Economic dependence, as measured by trade-partner concentration, debt-service load, product diversification, and industrial deepening, seems even to have declined with growth. See Hasan and Rao, Tables 1.6, 1.8, 3.1, D.13, and pp. 78-80, 251-53, 276-80, 431-35; Hasan (fn. 26), 117-20 and 130-38, Appendices C, D, and E, and Tables SA14 and SA15.

32 See, for example, Folker Froebel, Jürgen Heinriks, and Otto Kreye, The New International Division of Labor (London: Cambridge University Press, 1980); Bela Belassa, The
“constructive engagement” in the world capitalist system requires the presence of a comparative advantage, such as that provided in South Korea’s abundant, cheap, and disciplined labor force. In a recent paper, Richard Higgott argues persuasively that this condition is not met in most of Africa, and, by implication, in the rest of the “Fourth World.”

Thus, although the Korean and similar cases refute simple core-periphery models of the global economy, they also undermine equally simplistic arguments for unrestrained, and virtually unthinking, integration into the reigning international economic order.

It is also essential to give due weight to special circumstances. Cultural homogeneity and a traditional emphasis on family and education have contributed to South Korea’s achievements. Japanese colonialism, followed by World War II, occupation, and civil war, undermined the established indigenous elites and repressive social hierarchies. Korea was even “fortunate” in its colonial past: Japan wanted food—rice rather than coffee, cocoa, copper, sugar, or tin—and thus built up an agricultural system that was relatively easily converted to needs-oriented rural development. The process of land reform was eased by the presence of large Japanese landholding. Massive amounts of American aid permitted investment for industrial development despite an extremely low level of domestic savings. The security threat from the North increased social discipline; high population density facilitated the delivery of social services; the scarcity of natural resources prevented Korea from falling into the trap of commodity dependence; and so forth.

Most of these “advantages,” however, had parallel drawbacks: the debilitating effects of colonialism do not need to be enumerated; partition, occupation, and civil war were economically, socially, and psychologically traumatic; aid in many countries has been squandered or has sapped initiative; the military threat required massive military spending (largely dissipating American aid on unproductive investments); population density put pressure on land, housing, and social services; and shortages of resources have held back more than one country. Furthermore, the political will to undertake a program of equitable development needs to be accounted for. Unique cultural and historical


33 Higgott (Murdoch University, Australia), “Africa, the New International Division of Labor and the Corporate State,” paper presented at the 24th Annual Convention of the International Studies Association, Mexico City, April 1983.
factors alone would seem to be an insufficient explanation; I am, however, aware of no thorough and persuasive analysis, in the English language literature at least, of the political bases and dynamics of equitable development in South Korea.\textsuperscript{34}

All things considered, while South Korea is undeniably a special case, its background is not radically different from that of numerous other (much less successful) Third World countries. At least part of its uniqueness lies in its success, not its starting point. At the very least, we must recall that 25 years ago, the only people who emphasized Korea's uniqueness did so to apologize for its failures. Therefore, while guarding against overgeneralization, we should give careful consideration to learning from, and perhaps even planning to emulate, the Korean model.

**Implementing a Strategy of Equitable Growth**

The stress on equity during growth is such a thorough departure from the conventional wisdom that thinking about the nature of this process, particularly about how to manage and implement it, is still in its infancy. One particularly interesting effort, however, is Keith Griffin and Jeffrey James's *The Transition to Egalitarian Development*. Despite the fact that they write from a socialist perspective and barely even mention South Korea in passing, their analysis is broadly compatible with the account of the Korean model presented above.

"It is the initial distribution of assets which sets the pattern for growth. If asset distribution is unequal, it is probable that the additions to income from growth will be distributed unequally" (p. 7). Income is in large measure a function of assets, of ownership and control of the factors of production. All other things being equal, having more assets produces greater income—and where all other things aren't equal, those with fewer assets usually are at a disadvantage. The market rewards those who are best able to cope with its demands, and the ability to cope is, again, in considerable measure a function of one's economic assets: in a market economy, the rich tend to get richer faster than the poor get less poor.

Markets, however, are a social product; neither they nor the inequality

\textsuperscript{34} For the beginnings of such efforts, see Kim and Roemer (fn. 26), chaps. 1 and 2, and pp. 75-79; Mason and others (fn. 19), chap. 5; and L. L. Wade and B. S. Kim, *Economic Development of South Korea: The Political Economy of Success* (New York: Praeger, 1978), chap. 6. More generally, see Richard Higgott and Dick Robison, eds., *Southeast Asia: Essays in the Political Economy of Structural Change* (London: Routledge & Kegan Paul, forthcoming); William R. Cline, "Can the East Asian Model of Development Be Generalized?" *World Development* 10 (February 1982), 81-90; and Gustav Ranis, "Equity with Growth in Taiwan: How 'Special' is the 'Special Case'?" *World Development* 6 (March 1978), 397-409.
they engender are "natural." The distribution of income and wealth in a country rests on structural features of the state, society, and economy that are in large measure susceptible to political control. Distributional issues thus cannot be avoided in development planning; in fact, important distributional decisions will be made, whether consciously or unconsciously, in any development strategy.

The Korean case shows that gross income inequality is not a necessary condition for rapid growth. Therefore, let us assume here that a relatively egalitarian income distribution should be, *prima facie*—at least in the medium-run—a major objective of any defensible development strategy; a strong equality tradeoff is unnecessary, and considerations of justice and human rights make it undesirable. The policy question, then, is whether "redistribution" should precede or follow growth. The conventional wisdom advocates "growth first." The preceding discussion of Korea, however, suggests many of the benefits of a strategy of "redistribution first." 35

"Growth first" implies a capacity for redistributing afterwards. Quite aside from its political naiveté, such a strategy ignores the extremely strong, and probably overwhelming, resistance to *ex post facto* income redistribution. 36 Even nominally progressive direct taxes often prove to be neutral or regressive in practice, and indirect taxes, which for administrative and political reasons are widely used in the Third World, tend to reinforce inequality. Social services are also unlikely to be effective instruments of redistribution because of the serious disadvantages of the poor. In fact, public services are usually concentrated in the cities and rarely penetrate the countryside below the level of the relatively well-to-do, thus actually increasing inequality; even targeted benefits tend to trickle up in structurally unequal environments.

"Redistribution first" not only goes to the root of the problem, but Griffin and James argue persuasively (pp. 39-42) that it enhances the value and efficacy of other measures. Furthermore, it requires that future interventions merely hold the line; starting from relative equality at least reduces much of the structural resistance that plagues incremental and after-the-fact approaches. "Redistribution first" also makes a stab at

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35 Among academic economists, this strategy is particularly associated with the work of Irma Adelman and her colleagues (fns. 6 and 18). The so-called basic human needs strategy, as I see it, takes no stand on the timing of redistribution, and thus does not represent a distinctive approach to this issue.

remedying economically based rural powerlessness by weakening the hold of traditional landowning elites. And, beyond all speculative arguments, it has worked in at least a sizeable share of the cases in which it has been tried, and where the redistributed assets have been vigorously supported by later state policy. By contrast, no oil-importing Third World countries have successfully redistributed after growth.

Redistributing first also minimizes the need for the speculative and questionable tradeoffs underlying the conventional wisdom. Tradeoff arguments demonstrate a serious general problem in the policy sciences. Our “best” theories tell us that if A does x, y, and z, then he will suffer costs a, b, and c, and receive benefits q, r, and s. But, as we all admit in private or at professional meetings—but rarely when playing the role of policy scientist—there usually is only a loose connection between theory and current (let alone future) “reality.” For example, scholars and planners with a mathematical bent are likely to be quite willing to plunge ahead with an $r^2$ that, even by the most charitable interpretation, means that they (literally) don’t have half an idea of what’s going on.

Since such theories are the best we have, they probably should be used, especially if the costs of error are relatively low. But the costs of the needs and equality tradeoffs are anything but low: they consist of major sacrifices by literally hundreds of millions of people. Furthermore, we should be particularly wary of tradeoff arguments in light of the prevailing environment of despotism and oligarchy, for under such conditions “tradeoffs” tend to involve circumstances in which people are being sacrificed rather than making sacrifices.

But even assuming that our theories are sound and the people are willing to shoulder the burden of implementing them, the standard procedure for justifying these tradeoffs is open to serious question. For example, there is a widespread failure to discount for uncertainty. The inability of most Third World countries to meet even modest goals for growth suggests that tradeoffs may not be justifiable once we take into account the (un)likelihood that present sacrifices will achieve the predicted future benefits—whether because of poor planning, inept or corrupt administration, insufficient information, or just plain bad luck.

A more serious problem is the standard assumption that the issue of who receives a benefit (or bears a cost), and when, is not a relevant one; that is, that all costs and benefits are equal, regardless of recipient or time frame. This proposition is quite implausible in the cases with which we are concerned. It may make all the difference in the world to a marginal peasant family whether they get an extra 100 calories per person a day now, or in five, ten, or twenty years: it may well be an issue of
life or death; it certainly will at least be an issue of basic health. To another family, though, the extra calories may mean a full stomach rather than just barely enough to survive; meat instead of rice to a third family; and overweight to a fourth. Who receives what and when—and who sacrifices what and when—can radically alter our calculations.\(^\text{37}\)

The standard arguments for economic tradeoffs require magnified sacrifices from those least able to sacrifice, so that the “short-run” suffering may quickly come to outweigh any plausible long-run succor; or else we are faced with particularly problematic decisions such as sacrificing a generation or two for the future good.

The political opposition to redistributing first is of course sure to be great. However, incremental or after-the-fact redistributions are not obviously preferable even on such pragmatic grounds. For example, incrementalism leaves established elites relatively free to wage a sustained, and quite possibly effective, rearguard struggle against the erosion of their privileged position; by contrast, the Machiavellian strategy of disposing of all one’s enemies in one quick initial strike has much to be said for it.

The problems of planning and administration that are posed by redistributing first are also great (although, again, no more daunting than those faced by more traditional strategies, which have fairly consistently failed to be implemented successfully). Because of the “natural” (i.e., market) tendencies toward the reassertion of inequality, substantial governmental intervention is necessary. Yet the allocative simplicity and efficiency of the market, and the proven inability of Third World bureaucracies to run a fully planned economy, require considerable restraint.

Griffin and James provide a valuable brief review of some of the most prominent options, and the problems likely to be encountered, in such selective interventions. In particular, they offer a fairly detailed discussion (chap. 4) of the use of price controls and rationing to suppress inflation while ensuring relatively egalitarian access to the available supply of wage goods. They then discuss the administrative problems of the strategy, stressing the need to husband scarce administrative resources, as well as the value of decentralization and devolution of authority. These measures, in addition to their potential administrative efficiency, can, if properly implemented, increase the power of the rural poor. Finally,

\(^{37}\) One very rough way to incorporate such considerations into cost-benefit planning is through the use of “poverty weights,” which assign different utilities to the same increment of income, depending on the group that receives it. See, for example, Chenery and others (fn. 6), chap. 2.
they present very brief case studies of China, Cuba, and Allende’s Chile (chap. 7) that complement the discussion of South Korea presented above. These case studies also implicitly underscore another major advantage of the strategy of “redistribution first”: it is compatible with both socialist and state capitalist political economies.

**Political Liberty, Civil Rights, and Development**

The outlook for civil and political rights, at least at first sight, appears less hopeful. The South Korean government is a repressive and at times extremely brutal military dictatorship. In addition to the abrogation of political freedoms and civil liberties, its regular practices have included mysterious deaths, kidnapping, political imprisonment, and torture. Other countries that have pursued a similar strategy of development do not provide much encouragement either. In Taiwan, remarkable economic equality is accompanied by an authoritarian military regime and a virtual caste system in politics. Yugoslavia is a totalitarian state—a relatively mild one with significant economic participation, but hardly a country where civil and political rights are widely implemented. Israel is a lively democracy, but its human rights record in the occupied territories and Lebanon hardly merits emulation. Only Japan respects a full range of civil and political rights, but this was not the case during earlier modernizing regimes, and the important role of foreign intervention in the postwar political system cannot be overlooked. While one may argue that, taken as a whole, these countries are no worse than average for the Third World, the picture is hardly promising.

Although the cases of Brazil and Korea show that repression is compatible with sustained equitable and inequitable growth, the mere compatibility of growth and repression is hardly sufficient to justify the liberty tradeoff. Is repression necessary to rapid growth or development? Does it even make a positive contribution, all things considered? The books under review do not address such questions. In part this is because of their primarily economic focus. In addition, though, there are special problems in evaluating arguments for a liberty tradeoff, problems that make a comprehensive human rights perspective on development a rarity, even today.

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There is precious little experience on which to base our analysis: Third World regimes that respect a wide range of civil and political rights are a decided rarity, and the Western and Soviet experiences, while suggestive, hardly can be applied in any straightforward way to most contemporary developing countries. In fact, we lack even the relatively crude indicators available for economic and social rights, such as quintile shares of national income or health, nutrition, and literacy statistics. For example, the Freedom House map is far too crude, Amnesty International reports are too restricted, and United Nations sources are limited in scope by national sovereignty and the prevalence of ideological thinking.

But even if respect for (and violations of) human rights could be quantified, evaluating the tradeoff would remain extremely problematic. Human rights objectives that are associated with needs satisfaction or income equality can be roughly translated into economic terms. Consider, for example, the right to food: raising the caloric intake of group $A$ to point $x$ might be viewed as requiring $y$ additional income per group member, at total cost $z$, which would have a roughly calculable effect on GNP. The theoretical and practical problems in such cases cannot obscure the fact that at least the broad outlines of an empirical cost-benefit evaluation are clear. By contrast, it is extremely difficult, if not impossible, to state the costs of the liberty tradeoff in monetary terms. We thus seem to be required to make a "tradeoff" between incomensurable items. At the very least, an evaluation of the liberty tradeoff—unlike that of the needs and equality tradeoffs—requires a rare combination of disciplinary perspectives.

 Nonetheless, some preliminary generalizations may be put forth. The denial of civil and political rights is especially necessary under conditions of inequitable growth, since the exclusion of the masses from the benefits of growth will itself require substantial repression. The resulting justification is not primarily economic, however: such repression is required not for development, or even for growth, but rather to protect a particular inequitable distribution of goods, services, and power. The liberty tradeoff supposedly has its justification in growth or development. We would therefore seem to be justified in insisting that civil and political rights

of Jurists, Development, Human Rights and the Rule of Law (Elmsford, N.Y.: Pergamon Press, 1981), especially the discussion paper by Philip Alston; and Robert E. Goodin, "The Development-Rights Tradeoff: Some Unwarranted Economic and Political Assumptions," Universal Human Rights 1 (April 1979), 31-42. Howard's article is particularly noteworthy for its strong arguments that civil and political rights are necessary for development, equity, and social order, and that their denial has been a major contributor to economic failure in Africa.
be suspended only for genuine, and fairly concrete, growth or development objectives, and not—as is far too often the case—just for the ideological or political aims of an allegedly modernizing regime.

Similarly, we might suggest that only in conjunction with a strategy of “redistribution first” is the liberty tradeoff likely to deliver its promised benefits. Brazil and numerous other countries show that economic returns to the masses are not automatic. Unless inequality is addressed first, it is likely to combine with political exclusion to prevent the poor from receiving a reasonable return for their sacrifices.

Civil and political rights may even prove to be crucial instruments for turning a country toward equitable development; in many cases they are likely to be the only way, short of revolution or overwhelming external pressure, to bring about the transition. Even if bread does come first, civil and political rights may be the best (and usually the most peaceful) way to obtain bread, since poverty is in large measure a social and political rather than a natural phenomenon.

The long-run economic consequences of the liberty tradeoff raise further questions that are particularly relevant to the future of a country like South Korea. Can hard work, dedication, and labor discipline, which have been central to Korea’s equitable growth, be maintained without political “decompression?” How long can the popular desire for freedom and self-expression be bought off with economic gains, even assuming that equitable growth can be sustained indefinitely in a repressive environment? Once a certain plateau has been reached, can material progress for the masses be expected to continue in the absence of civil and political liberties? Can a ruling elite maintain a commitment to social and economic equity into a second generation in the absence of civil and political rights? Increasing income inequality in South Korea in the seventies, as well as an apparent increase in corruption, makes these last questions particularly pressing ones. In the absence of civil and political rights, is there any way that power and privilege cannot help but breed corruption? While rhetorical questions such as these are no substitute for argument, they do raise the possibility that continued equitable growth requires civil and political rights.

It is also important to note that a blanket tradeoff of civil and political rights, whatever its economic effects, unjustifiably ignores the manifest diversity of these rights. For example, torture, disappearances, and arbitrary executions can almost always be eliminated with no costs to development; rights to nationality and to equality before the law would also seem to have very low development costs; due process is likely to be a bit more costly, but the burden seems bearable; and even such
rights as freedom of speech, press, and assembly, and the right to vote, which have relatively high development costs, need to be assessed in light of particular empirical circumstances. In other words, tradeoffs of civil and political rights must be selective, flexible, and rather specific if they are to be justified at all.

Although we may safely conclude that the liberty tradeoff as ordinarily formulated is at best too crude to stand up to scrutiny, more consideration needs to be given to the question of the necessity, desirability, and justifiability of particular tradeoffs. For example, the economic rationale for labor discipline may be sufficient to justify substantial infringement of workers' rights. Likewise, it is undeniable that the short-term coalitions, logrolling, and horsetrading with special interests that are so dear to pluralists can threaten economic efficiency. The government's necessarily major role in economic management, however, does not require a full-scale abrogation of civil and political rights. Even if we admit that technical economic managers must be insulated from political pressures, the wholesale suspension of civil and political rights seems a particularly poor way to go about it.

In fact, there may be significant economic benefits to the exercise of many civil and political rights. For example, obtaining an adequate and timely flow of information is a major practical problem of economic management, especially in the Third World where even simple official statistical information tends to be of dubious reliability. Freedom of speech, press, association, and assembly, and the right to petition for redress of grievances, can be important channels of information. Electoral campaigns can also provide important information to planners, but only if there is true competition in relatively free, fair, and open (even if only one-party) elections. Imposed social discipline will usually engender inefficiency that at least partially cancels any gains derived from suspending civil and political rights.

For almost any conceivable benefit from the liberty tradeoff, there is a parallel cost. Therefore, the liberty tradeoff must rest on a largely empirical claim that economic benefits outweigh economic costs by a great margin. (The margin must be considerable, or economic deprivation must be extreme, if the heavy human costs of suspending civil and political rights are to be justified.) Such claims require much stronger support than they usually receive from those advocating the tradeoff.

Finally, whatever the analytical and practical difficulties, it is necessary to keep civil and political rights always in the picture. The ultimate

40 Cf. Goodin (fn. 39).
purpose of economic (and political) development is to lay the basis for realizing human dignity. Whatever its other attractions, a strategy that assures material progress at the cost of political participation, the enjoyment of civil rights, and the unfolding of man’s higher nature is radically incomplete. On moral grounds, at least, we must insist that development strategies strive to minimize any shortfall, rather than justify or even increase it. If the above arguments are correct, a more complete development is a realistic possibility.