

UNITED NATIONS INTELLECTUAL HISTORY PROJECT
The Graduate School and University Center, City University of New York
365 Fifth Avenue
New York, NY 10016

TRANSCRIPT OF INTERVIEW OF

PONNA WIGNARAJA

BY

RICHARD JOLLY

Sussex, 6 March 2001

RICHARD JOLLY: Ponna, this is wonderful to have a chance to ask you about a number of things in your long life in the international world, in Sri Lanka, in international agencies, and at times with nongovernmental groups (NGOs) internationally, and very much in the academic world. Perhaps you could begin by telling us what were the early influences in your life which have made you concerned with poverty, with people's participation, perhaps even with free thinking.

PONNA WIGNARAJA: Speaking reflectively, I would say that there were three broad strands of influence that led me in the 1970s to dissent from mainstream development thinking of that time and persist in the dissent in a constructive mode of thinking and action, until one was able to move from dissent and mainstream some of the ideas on development alternatives. The best statement of what we were trying to do was captured by Hans Singer in the foreword to the book *Participatory Development, Learning From South Asia* in the following paragraph: "I think the readers will agree that in bringing out this book, Ponna Wignaraja and his colleagues in the United Nations University South Asia Perspectives Project (SAPNA), have made a valuable contribution to both development thinking and action. This is dissent in the best sense of the word, and we need this kind of dissent now at this crisis of development paradigms, and indeed of development itself, if we are to move forward. In the current reign of dogmatism, this is a welcome voice. We need more than ever the undogmatic, imaginative dissent from received wisdom and the new directions, which this book provides." After a quarter century, one is happy that much of the constructive dissent is now part of the mainstream discourse on development.

If one were to step back to the first of your questions, as to what were the early life influences and the key events which brought me to this intellectual concern and practice of development, particularly the concern with poverty and search for alternatives, I would say that

there were three influences. The first was that coming from an elite western-oriented Sri Lankan background, but with a mother who had her roots deeply in the village, its value and culture, I instinctively felt the contradictions between the values that came from the urban industrial consumer society and those of traditional rural life. From the age of thirteen or fourteen, every vacation more or less I was sent back to live in her village during vacation time. I lived with her aunt—her mother was not living at the time—who was sort of a surrogate mother to her. I established a rapport with this old lady and learned not only a holistic and Hindu approach to life but also the simplicity, the austerity, the nonpredatoriness toward nature, the sharing and caring that is part of the basic Hindu culture, the compassion for those who are less favorably placed, where no matter who came to your home, even to beg, they never went without food. These were some of the values that have since guided my own life, my own thinking on development, and my personality.

RJ: Where was that village? How far from Colombo?

PW: It was 250 miles away. It was in the heart of Jaffna peninsula—resource poor compared to the rest of Sri Lanka—where the people with six inches of top soil were able to produce four crops a year. The area was arid and has very little fresh water. The techniques the people were using for water management and crop rotation were as superior as what the Israelis and Japanese were doing, with intensive farming and cultivation methods. On water management, they would draw water from the wells by walking a plank with a bucket to conserve this scarce natural resource. Nothing was ever wasted.

As I always tell in public forums, even now, this old lady and people like her knew what to eat, when to eat, what time of day in which you ate certain foods. They were poor; nothing was ever wasted. Even the banana peel was always chopped up and made into another edible

dish. So there was a holistic approach. She lived in a simple cottage made of local materials and a thatched roof. The floor was mud. She would put cow dung down every day on the floor, collected from the neighboring areas to protect from termites and so on. We slept on the floor and bathed in the well. She lived to be ninety-two years old. Until the end, she used to be able to bend and touch her toes. She did yoga, which prevented her falling ill. Looking back, one may be romanticizing this, but this contact with village life was one of the major influences in my later perspectives on development and life itself.

RJ: How much land did your aunt have?

PW: She herself didn't have more than her own homestead and an adjoining field, but she grew fruits, a little bit of paddy. It was less than a half acre, but for her needs this was sufficient. And out of this they saved. Her family had migrated to the city and made small remittances. My mother, at seventeen, was the first girl from the village to pass the Senior Cambridge examination and quite attractive. When the time came for my father, who was a medical doctor, to marry, my grandfather, who also had migrated from the village, went back to the village to find him a bride. My grandfather didn't want my father to go to England without being married. He went back to his roots. My mother got married and within a few weeks went to London with my father.

RJ: And she had never been in Colombo before?

PW: No, she had never been out of the simple Jaffna rural sort of environment. Of course, she had gone to high school in Jaffna, in a good English medium school for that day and age, which molded her own values. Of course, because of those values, she was confident she could cope with coming into an elite family and going to England. She was very quiet, very low-

profiled, but was quick learner, had a great deal of compassion, and throughout her life used family resources to help people in need from the village.

RJ: How come your father from an elite background married a girl from the village?

PW: My father was a medical doctor to begin with. He came from a banking family and that was where the wealth came from, because my grandfather was the local link of the Hong Kong and Shanghai Bank at that early colonial period. That was a very prestigious relationship. Commercial banking was based on trust, the guarantee of all the loans and so on. That's the way the old *comprador* banking system worked. But my father qualified to become a doctor. And then when he came to England to do postgraduate studies in medicine, he also wanted to do forensic medicine and therefore did law at Gray's Inn in London. When my grandfather died, he took over the family banking and chairmanship of several associated financial and other companies.

Now my answer to your question is that marriage as such was not his immediate priority, but my grandfather was rather insistent. At that time, a number of young people from elite Sri Lankan families had gone to England. The only social life they had—and I'm thinking of the 1920s—was with the landlady's daughters or with the barmaids. Several had actually married them and brought them back. My grandfather was not going to allow this. Maybe it was the old man's arrogance and his own values. He literally dragged my father back to the village. My mother was a real beauty. My father looked at my mother, fell in love with her, and married her. I still remember my grandfather telling me, "I had to literally drag you father to go and see this girl." My father went and took one look and it must have been love at first sight. Thereafter, to his dying day, he never looked at any other woman, as far as I knew.

But for my seventeen-year-old mother to come into an entirely different elitist, western cultural environment, then get propelled into a foreign environment, could have been a trauma to most people. She came to England with inner confidence and adapted. She didn't study, but kept her eyes and ears open and learned a number of things—a little bit of music, and a little bit of painting. She cooked and kept busy as my father studied. They entertained my father's friends, who cut across many divides, with a kind of homegrown traditional hospitality. After they eventually returned to Sri Lanka, the Sri Lankans who had enjoyed their hospitality never forgot. I have said this to illustrate the resilience of the culture, kinship, and oneness of Sri Lankans abroad and even within the country at that time.

RJ: Hinduism and Hindu values were very important to her. Tell us a bit more about this. Specifically, why?

PW: Yes. The Hindu values and way of life were very important in giving her that inner confidence and adaptability. First, Hinduism is a holistic philosophy. It is pantheistic. It has no rigid dogma. It incorporates a vast knowledge system. This not only relates to preventive health and nutrition, but also to education, relationships between people, relationship of people to nature, the sharing and caring, and so on. I'm talking about Hinduism and its ideal form. Of course, there are variations. Even the traditional role of Hindu women, which my daughter Gowrie (Ponniah) eventually wrote about for her Master's thesis, reflects this. Gowrie's Master's thesis was on the role of women in Hindu society, because it was a remarkable role.¹ Contrary to the later interpretations of Hindu law, by Manu and others, about the male dominance, Gowrie shows in her research that Hindu women asserted their rights from historical

¹ See Gowrie Ponniah, "The Role of Women in Hindu Society," in *The Challenge in South Asia*, by Ponna Wignaraja and Akmal Hussain (Eds.), Sage Publication, 1989.

times and won rights. There was also a remarkable complementarity between men and women, despite periodic aberrations.

Today even in a marriage or in any religious ceremony, a man cannot perform the ceremony by himself. If you are a widowed father, you cannot give your daughter away in marriage. You have to have a couple. Man and woman have to stand side by side, and this is what we call the complementarity between men and women. The early feminists, not only in the West, but also in South Asia, made the mistake of looking at the contradictions and sharp conflict between men and women, instead of searching for the fundamentals and complementarity where men and women work side by side.

I internalized these philosophical influences—the understanding that the people in the village were efficient, the poor people also had knowledge, and awareness of knowledge systems and they could use whatever resources they had, without waste, to the maximum—these were, I would say, another important strand of influence on my later thinking on what development was all about.

RJ: You must have been in your late teens at the time of the Second World War, and more particularly at the time of the Bengal famine. Did that register with you in Sri Lanka?

PW: You see, the Bengal famine itself, which Amartya Sen later wrote about and was crucial to his later intellectual search for reforming simplistic notions of neoclassical concepts of economics, of economic development, did not really affect Sri Lanka. Sri Lanka had been a granary and there were historically good traditional irrigation systems and food surpluses under colonial rule. With population increase we gave up this self-reliance. We also adopted notion of comparative advantage. We imported cheap rice from Burma. During World War II, when the

Japanese invaded Burma, this affected the supplemental supplies of rice from Burma. Then we had a food crisis, but we had never really had anything as severe as the Bengal famine.

RJ: But did it enter your consciousness in 1943, when you must have been seventeen or eighteen?

PW: No. In 1943, I was just transferring from high school to university. Sri Lanka had a comparatively good export economy under colonial rule. We were, as students, focusing on the political aspects of the independence movements in the region, rather than on our development. The interest in development correlates. The independence movement in India was building momentum, and we were focusing on [Mohandas] Gandhi and the nonviolent movement. We were focusing on what would happen in Sri Lanka. How would decolonization take place? Don't forget that at the time, Sri Lanka had a limited form of democracy. We got adult franchise in 1933. This came much later. Everybody over the age of twenty-one had the vote—men and women. So this was a very progressive factor. Of course, there were also the Marxist influences then. I personally, being a Hindu, and in that sense being more holistic, did not become a Marxist, per se, though many of my friends naturally thought that this was the new way to move after independence. Sri Lanka was a multi-ethnic and multi-religious country. As a member of the minority community, we were focused on the issue of fundamental human rights.

RJ: What about Gandhi?

PW: Yes, the Gandhian influences were beginning to penetrate our thinking. What he had done in South Africa, through nonviolence, for example, influenced the Indian independence movement. Civil society mobilized around the values implicit in the nonviolent struggle against colonial rule. Of course, Gandhi also spoke of greater political self-reliance.

RJ: But this is very late. So much had been done ten to fifteen years before this.

PW: You're talking about my own consciousness?

RJ: Yes, your own consciousness.

PW: In 1948, at independence, I was twenty-two years old. Some of these issues didn't come into my consciousness. When I was fourteen I started going back to my family's cultural roots and that experiential learning had an effect on my own consciousness. Then in university, one became politically aware of fundamental rights. There were great expectations and hope that independence would also result in a positive cultural resurgence, which it didn't!

As far as development was concerned, the intellectual debate of that time gave only a choice between—again, to put it simplistically—capitalism and socialism. It did not include a culturally-rooted development or participatory institutions. Then, of course, when independence came, it was the Westminster model that was adopted. It is called the “representative democracy” model. As it turned out, the “representative democracy” model and this debate between a choice of capitalism or socialism was a false debate. Capitalism and socialism were both based on centralized decision-making processes. These were not the only options for development. Both were top-down central planning models with decision-making by central bureaucracies or centralized boards. The people did not participate and their real felt needs were not reflected in the development process.

RJ: From what you've said about your father and your mother, I might have guessed that your father was not very sympathetic to Gandhi or to these local issues, but your mother would have been much more. Do you remember any of that discussion in the family?

PW: Yes. Surprisingly, while you are right that the dominant influences on my values that I mentioned came from my mother, my father was a compassionate, spiritually-inclined, and a very correct person. In our home, when the house was built, there was a family temple.

Philosophically, he was, I would say, not separated from the fundamental Hindu cultural influences. For instance, when he came back from England, he did two things which show that he also had a compassionate nature. My grandfather died; he inherited control of the banking business, giving up two of his professions—medicine and law—and then ran a free medical clinic because his first love was medicine. The clinic and the buildings are still there in the family compound. That was one thing. The other thing that always struck me was that very soon he became honorary secretary of the Ramakrishna mission, following the philosopher Swami Vivekananda, after the Chicago address, which enunciated the commonalities in all religions.

RJ: I don't know about that, tell me.

PW: Well, the Chicago address was Vivekanda's approach to all religions, transcending the whole concept of "this is Christianity," "this is Buddhism," "this is Hinduism," "this is Islam." He transcended this, and it was the famous speech he made in the Chicago address at the World Parliament of Religions, which even now provides a spiritual foundation for regeneration of mankind. This is the basis of human development, which you have expounded in UNDP (United Nations Development Programme).

RJ: But this was the 1890s, correct?

PW: Yes, these concepts had come early. Still, the Ramakrishna mission, and the movement, the Vivekananda society, all were born in the second half of the nineteenth century. And my father became the honorary secretary of that movement in Sri Lanka. He was interested in the spiritual and economic character of the movement, and later became the treasurer. So the question you asked, "Was it only your mother's influence, and was my father one of these more greedy, elite capitalists?" No, he also had values and compassion. Then when he had to take

over the banking function of the family banking tradition, he naturally became the chairman of the several premiere companies, like Ceylon Insurance. I found, when I was the executor of his will, he only had nominal shares in all the companies that he was the chairman. That means he was a trustee chairman and did not manipulate any of the companies in his personal favor. Today, the corruption—there are two kinds of corruption, one where you take and put money in your pocket, but it is also when you are a public company chairman and gradually you can manipulate the company through insider knowledge.

Then he went into Rotary. He became not only president of Rotary in this region; he was also treasurer of Rotary International for Sri Lanka and South India. He used to make his periodic trips to the U.S., and that is how he was able to attend my graduation at Yale. So this is the answer I am giving you. He was a very modern professional and low-key personality. He allowed my mother to do whatever philanthropy, and to help her family and the village people so that today we don't have that responsibility. She was able to do a lot, and my father did not interfere. A family trust fund permits us to continue this philanthropic tradition. I am now the chairman.

RJ: You support the same village?

PW: Well, not only the same village now. The grants from the trust fund extend all over the country to giving support to orphanages, schools, cultural and religious activities, to training in yoga practice. It is not a big thing, but reflects the sharing and caring values, which inspired the setting up of this trust fund.

RJ: When did you start getting interested in yoga?

PW: Well, my father being in the Ramakrishna mission, I remember, used to send me to yoga classes, and I still remember his sending me.

RJ: From what age?

PW: From about the age of twelve or fourteen. The yoga influences are also part of the point I was making that my father was honorary secretary of the Ramakrishna mission and had internalized its values. During my teens, I used to go to yoga classes at the mission. This was the introduction to yoga. Yoga means joining the body and mind holistically. The importance of yoga, not only from the health point of view, but the confidence it gives to pursue a right path, not to fear, to dissent constructively, came much later. This introduction and initial benefits helped when I had to go abroad, to Yale and then to the IMF (International Monetary Fund), and then to come back to Sri Lanka and to go back again to the World Bank. All these were new challenges in my life. They were pioneering experiences. That was the time I felt the real need for yoga practice, and then after that I never let go of the practice. I found that gave me the kind of inner confidence, physical fitness, and the lack of fear. The lack of fear to do what one thinks is right. Yoga brings the left side and the right side of the brain into balance, not only throws off stress, it improves creativity. It was a factor that brought the inner strength and clarity in thinking, not to be afraid of these kinds of challenges or the responses by some people who had vested interests and their agendas.

There were a number of crises during my professional career. We were rethinking development, democracy, new states were emerging, new paradigms were required, as were new institutions based on new values. I felt an inner strength, which somehow permitted me to move on. The yoga part of it became very, very important as a technique to persist, along with meditation. I was not a purist, but I practiced regularly. So these are also influences coming from the family background.

But now to move on to the second of the influences, this was when I did my undergraduate degree in economics at the University of Sri Lanka.

RJ: This is the late 1940s?

PW: 1944 to 1948 was the time I was in the University of Ceylon. At the time, we were more concerned with politics. The debate between the Marxists and the neoclassical economists on what development choices were about, the whole foment and political changes in moving towards independence were confusing. We did not have to struggle for independence. India did the struggling with Gandhi, which we were watching. To us the British handed over independence on a platter. There was a sound export-oriented economy. They didn't want to go through that trauma which had led to partition in India. There was some experience we had with adult franchise coming from 1933. Even with these positive factors, it wasn't a smooth transition even then. There was an undercurrent, the Sinhala Buddhist majoritarianism, in what was essentially a multicultural society.

The culture of governance was not based on a tolerant broad-based democratic ideal or practice. There were many times when the majority Sinhalese felt that they had inherited the centralized power from the British. There was not to be a sharing of power with the minorities. There was insufficient dialogue. But at the same time, some of the elites cut across all the divides in the premier schools and in the university. We were the generation. I mean our parents were the generation to whom the power was handed over to; we were the generation who were expected to keep the fabric of society together, based on elitist feudal structures and a pseudo-western orientation. There were penetrations of modernization, but no real transition to social change.

RJ: Who were your fellow students that influenced you or that you came back to later?

PW: In Sri Lanka at that time, students were a factor. They were being groomed for the changes, but the training was through conventional education and more for continuity than change. Some of one's close friends went away, some stayed. But when I came back from Yale, I found that we had all changed. In some cases, there were bonds of affection, but no intellectual compatibility—just bonds of past affection. The elite society was rather small. Some persons kept together, but you made new friends. I wouldn't say that there were any friends that were influential. The student movement was fragile and confused.

I went to Yale in 1948 and continued my work in economics. The decision to go to Yale and not Oxford-Cambridge, which would have been the normal process for someone of my background in Sri Lanka, was a major point of departure in my intellectual development and career. My father had insisted I do my undergraduate work in Sri Lanka and not go abroad. That was a good decision. It strengthened my roots.

RJ: In the History Project, we've been looking back at some of the economic textbooks of the early days of the UN, the late 1940s, when indeed you were studying. We are struck that, at least looking at it in western terms, there were virtually no contemporary books on economic development.

PW: Exactly. I studied conventional economics. This was equated with development. As my awareness increased, I began my "dissent." I did not get caught in the false debate on development between neoclassicism and Marxism. I felt both ideologies did not fit into our culture—the fundamental values and felt needs of the people not only in Sri Lanka, but in most poor and non-industrialized countries. At the University in Sri Lanka, I did not have the analytical tools to make the distinction between economics and development. We first learned by rote and sat for examinations as required and passed.

RJ: And we would have said that the university debates in the western countries, in Oxford, Cambridge, Harvard, were still Keynesian versus neoclassical, or Keynesian and neoclassical, with virtually no memory for the Marxists. Remember, [Karl] Marx was still treated as a wayward political track; his economics were not treated seriously. And the great classics of Adam Smith, or David Ricardo and J.S. Mill, were again out of the story. Was that so in Sri Lanka? What sort of economics did you study?

PW: The economics we studied was Keynesian, with its attempt to mediate the debate between simplistic neoclassicalism and Marxism. It ended up in welfare economics. This was what I called the false debate. It was not culturally rooted. It was very foreign and still somewhat economistic and redistributive and reformist, which was more relevant to a western industrial society. In South Asia, it did not deal with the fundamentals of a dominant rural agrarian society, where the compulsions for accumulation were quite different from in those industrial societies, capitalist or socialist. The ecological dimension was missing. That was the irrelevance in these two ideologically-oriented perspectives on development. We moved from Adam Smith to [John Maynard] Keynes and thought that this was a big, quantum jump, modifying crude capitalism with the welfare state, which was unsustainable.

But it struck me even more forcefully when I went to Yale and observed the American system. Let me backtrack a minute to the choice of university for my postgraduate studies—why I did not go to Oxford or Cambridge or London, which would have been logical. Many in our generation went to Oxford or Cambridge even before graduation. I did not go because my father said, “You will be more mature if you do your undergraduate degree here, and after that you can go anywhere you like.” Now that again was his instinct, born of his own experience, whereas people like Gamani Corea and Lal Jayawardena all went straight to Britain for undergraduate

studies. They were all from the same sort of elite, and by going abroad so young they missed some of the debates, albeit incomplete, that were taking place internally. They were also not deeply-rooted in the cultural or the Sri Lankan reality. Similarly, there were others who went abroad early and formed Marxist “cells”—what they saw as the alternative. They were also equally ignorant of the reality.

RJ: I thought they had done some undergraduate work and then repeated it. Certainly Amartya Sen and Jagdish Bhagwati all did their degrees in Delhi and then went and did a further degree in Cambridge in two years. I am not sure that that was the same for Mahbub ul Haq.

PW: Mahbub ul Haq I’m not 100 percent sure of. I thought he did his undergraduate degree in Cambridge and then came to Yale for his Ph.D. That was when I met him, as far back as the mid-1950s. But of course that was certainly true of Jagdish Bhagwati and Amartya Sen. As far as Gamani Corea and Lal Jayawardena, they went straight to England from high school to centers of neoclassical thinking on development.

There was only one university in Sri Lanka at that time, and you knew everyone three years before and three years after if you went there. The students absorbed the two different schools of thought. But others who felt the simplicity and unreality of both these schools of thought—capitalism and socialism—had a lot to learn of other options.

RJ: Is this Peradeniya campus?

PW: No, Colombo. Peradeniya came much, much later.

RJ: At Kandy?

PW: Yes. Peradeniya is in Kandy. So in the Columbo University, you knew everybody, and when you came out of that one university I never regretted it, because I was able to meet people of all communities in Sri Lanka and cut across all the divides, because we were all people

who came out of that one university. Now of course the system has got fragmented, and the divides are very sharp.

RJ: So let us come back to Yale, because you were able to bring out contrasts, I think, between Yale and the British world.

PW: That is the second point of departure. Of course, the contrast between Yale and Oxford was not the real issue. My interest was in development studies, not in economics per se. Development required an interdisciplinary approach rooted in our own reality. The World Bank and IMF had been established in the USA. I was taking advice from Sir Ivor Jennings, who was the vice chancellor of the Sri Lanka University, the constitutional maker, who influenced the Sri Lankan constitution from dominion status to independence, and so on. And since he has known the family, I asked his advice on choice of universities.

Remarkably, although he was an Englishman, he said, “If you are interested in development, I would not advise you to go to a traditional university in Britain, where you will tend to get more of the same.” This was 1948, mind you. Of course, LSE (London School of Economics) was supposed to be progressive but not necessarily interdisciplinary. “Why don’t you go to a university in the United States,” he said, “because they are tending to rethink development. There is certainly a new sound in the air, and you will get the benefit. The interdisciplinary Chicago School of thought was moving to Yale at that time, which made Yale the logical choice.

RJ: The Cowles Foundation.

PW: No. That focused on economics and quantitative analysis. The Chicago School consisted of people like Arnold Wolfers, Klaus Knorr, Gabriel Almond—historians, economists, political scientists, social psychologists, et cetera—articulating real interdisciplinarity and

collective creativity. Sir Ivor Jennings gave a strong recommendation, and Yale accepted me. This was the first time I was going out into the big wide world.

RJ: How old were you then?

PW: I was twenty-two. I had just finished undergraduate studies, still of very limited experience. And then a remarkable thing happened when I went to Yale. You see, there I came under the influence of Henry Wallich, Klaus Knorr, Arnold Wolfers, Gabriel Almond, and others, who were all part of that Chicago School that came to Yale. They were into policy analysis, not just development. They were interested in social change. And then from Yale they got thrown out because they were too interdisciplinary when Yale went big on quantitative analysis and economics, and the group went into Princeton. There was a movement of that school of thought, as they were also dissenting. But I happened to have had the benefit of it while they were at Yale. Then at Yale, there were a number of very bright people who were in graduate school with me who went into the [John F.] Kennedy administration later—Roger Hillsman and several others, who came out of that school of thought.

Each was located in programs that needed to be interdisciplinary. I stuck fairly close to the economics but did all the interdisciplinary courses related to development as well. You are permitted to do this in an American university. In British universities at that time you go to a narrower discipline-oriented field. Of course, universities like Sussex, which came later, were different. This interdisciplinary team saved me from a narrow orientation of development as “economic” development. I didn’t go into this quantitative analysis that Mahbub and others went into when they came to Yale and the Cowles Foundation. I went into policy studies.

I took courses in social anthropology, cultural anthropology, and political science. Those who stuck with narrow economics, and from economics even narrowed it further into

quantitative analysis, had a hard time moving into the larger issues of development policy. There were two results of my experience at Yale. One was this gap which I had felt between reality and theory being narrowed. I had a better appreciation of a holistic approach. The cultural dimension of development and the humanism which is now coming into development discourse was one of my early interests. So much so that one day at Yale in the mid-1950s, Mahbub cornered me and said, "If you keep talking of this humanism and culture in your Ph.D. thesis, you will not be considered a good economist."

Fortunately, I published one or two articles during that period, which I've gone and dug up in a journal called *Civilizations*, and so on, to show that even at that time, this is the way I was thinking.* One is able to quote from these early writings; this is not just my saying, "I did this, I did that." To Mahbub, all I could say at that time was there is a truth out there I am searching for. I want to understand development holistically, and I will not have to do a *mea culpa*. Also, I do not want to be just another economist, removed from reality. I reminded him many, many times.

RJ: What year was that?

PW: That was 1956. Mahbub came to Yale in 1956. What happened to me was that suddenly I was picked up by the IMF from Yale, just as I was finishing my Master's in 1951, and was going on to my Ph.D. And still I was only twenty-four or twenty-five. I really didn't know what kind of a Ph.D. thesis I wanted to write, this intellectual foment between existing theories and the reality of development in countries like mind and India going on in my mind. This economics I was being taught did not fit in with my insights and some new ideas on development. Relating them to economics and a little of quantitative analysis was so unreal.

Fortunately, I decided to take a break. I went to the IMF. I thought the Bretton Woods institutions had a better idea of development. Then I saw the big picture from the top of the IMF, sitting as special assistant outside the office of one of the executive directors whose coverage included Sri Lanka. Then you saw all the papers that went up to the executive director. Sitting there, you could call anybody. If you were interested in an issue, IMF staff would help you understand. I never let a paper go up to the director without my understanding it. Not that I was an advisor, but because the director was Nenad Popovich from Yugoslavia, who didn't speak English very well. A lot of his writing and research I had to do. I did not send a paper up to him and say I do not know what was written in the paper. I learned a great deal. This learning was different from doing postgraduate studies. One saw the difference between theory and practice, how policy is made, is implemented, the politics, the negotiations, the rhetoric, and reality. After two years in the IMF, I came back to the Sri Lanka central bank, which had just been established—this time as secretary to the governor, and again getting a view from the top of a national financial institution. Then when the seven years since entering Yale was coming up, Yale kept saying, "What's going on? We told you not to leave. You'll never finish your Ph.D. If it is money you want, we'll give it to you." They gave me a scholarship to come back and finish my Ph.D. thesis. I was now much better prepared to write a Ph.D. thesis. I had seen some practical sides of international and national development, and better understood the theories, and practice, and gaps. All I needed was one year to finish writing my thesis. I wrote on an aspect of development—the effective demand for foreign capital. It gave me a focus to introduce several aspects of development in an interdisciplinary manner.

RJ: So you went back to Yale?

* See article by Ponna Wignaraja, "The Conflict Between Economic Rationality and Cultural Values: A Problem in the Economic Development of Underdeveloped Areas," *Civilisations* 3, no. 1 (1953): 51-60, published by the

PW: In 1955-1956, that's when I met Mahbub. We were neighbors at the Hall of Graduate Studies. Daily, we met. We were very close friends. Mahbub, in some ways, was a very sentimental and dependent kind of a person. There was another Mahbub who came later—who wanted power, came to enjoy power. That he was intelligent was not in question. Looking back, I now ask what were his values? How did he use his power internationally and nationally? He had a way of picking up fads and fashions in development thinking and giving them greater acceptability in the system. While he moved the terms of the discourse on development rhetorically forward, he kept the solutions marginally reformist.

RJ: He was ambitious?

PW: I used to tell him, “Mahbub, you may have to do a mea culpa at some point. I won't have to.” We used to have these debates at Yale, and even after that for nearly forty years. I thought he was compromising himself in marginally tinkering with mainstream development thinking, to stay within the system.

RJ: At that time, or you mean much later?

PW: No, much later. At Yale it was friendship, and that bond of affection that kept that friendship going. We discussed development, but were not in a position to do much more at that time.

RJ: To me, there was always this political side of Mahbub. I always feel he had a bigger intellectual contribution he could have made.

PW: I agree. He also had many opportunities, both at the World Bank and in Pakistan. I made the distinction between him and Sartaj Aziz as people. That aside, the point I am trying to make is the polarization of our views even at Yale. This was on interdisciplinarity—the content

of development, development for whom, the poverty issue. It was considered heresy to ask these questions in the 1950s.

RJ: So not a non-reality of Yale's economics, but multidisciplinary in the same institution if you took the chance, as you did.

PW: The economics were superb for "economists"—the narrowness of technocrats. But that economics was an insufficient response to the challenges of development kept bothering me. It had little relation to the reality. Many others came to this realization later. It was in the early 1980s that you articulated the concept of economic development with a "human face" in the Barbara Ward Memorial Lecture at SID (Society for International Development). This at least took the discourse to human development.

The second influence at Yale came from economists like Henry Wallich and Klaus Knorr, with German origins and their tradition of political economy. They contradicted what Ivor Jennings said to me: "Wignaraja, go to the United States, to Yale, to study development." These two developmental economists at Yale, who were my Ph.D. advisors, said, "Why did you come to the U.S. to study development? You ought to go to Germany." Because that was the period of the "German Miracle," and that whole German Miracle after World War Two, which was unfolding in the early 1950s, could provide many lessons for developing countries.

RJ: Which year was that?

PW: This was 1950-51, before I went to the IMF.

RJ: When the Marshall Plan was in full swing?

PW: Full swing. And here were the people saying it's not only the Marshall Plan, it's not capital alone that wrought the "miracle." Capital and aid helps. If your foundations have not been bombed out, you can quickly automate and rebuild. But go and look at the real human and

cultural dimensions, the holistic approach. And this comes from a long German tradition. I learned it was not merely the Marshall Plan; it was not the narrow economic reconstruction that built the new Germany. The whole cultural dimension, the thrift, the savings that came out of traumatized people's wanting to be safe, their capacity for hard work, the "Protestant Ethic" that Max Weber had talked about, were contributory factors to the reconstruction and development. They actually packed me off to Germany. I spent six months in Germany, trying to understand strategic issues—political economy and the cultural dimension.

RJ: Who was emphasizing that? Who specifically were the people in Germany showing you around?

PW: First there were people with a German background who were sitting at Yale, telling me to go and look at the "German Miracle," i.e., rising from the ashes after World War II. This was also developmental. And I went with those perspectives. But there I went to the *Bundesbank*, the central bank, and to the *Farbwerkhorst* factory, which was bombed and now being highly automated. I went to the Solingen Steel factory. I was not, as you say, being shown around. I went as an individual. I was provided an opportunity to learn from the ground. These people made the arrangements, but I did not work or go to a university. I was not attached. I learned the German language. It was difficult. But my economics professor, Klaus Knorr, who was also my language examiner, said, "Thank goodness you're a good economist and a good social scientist. Bring me a German newspaper." And he said, "Read it." So I read it because I could read a little bit. He said, "What does it mean?" And I couldn't quite translate it all. He said, "You have passed now. You better go and do your development studies. Don't worry about languages. It's just a formality."

RJ: This was back at Yale?

PW: Yes, this was back at Yale, where you had to have two foreign languages in order to get the Ph.D. I kept saying, “English is a foreign language to me, please let me off the hook.” “No,” they said. “You have to do two other languages,” said Yale. So anyway, these were some of the experiences in a higher university curricular that do not change easily.

RJ: It’s the bit in Germany that to me was a total surprise, which probably just shows my ignorance.

PW: When I went to Germany after I listened to Henry Wallich and Klaus Knorr, I saw what they emphasized—the holistic approach. German recovery was not just an economic process fueled by Marshall Plan aid alone. There was also a Yale professor called Arnold Wolfers. He has died. He emphasized the same thing. The policy-oriented economics came from Wallich and Knorr, but political science came from Arnold Wolfers, William Fox, and social psychology from Gabriel Almond. I don’t know whether these names mean anything to you. These people prepared me to understand the holistic approach to development, which was human and people-centered, the attitudes, the different approach to capital and choice of technology.

RJ: Gabriel Almond was still at Yale when I was there.

PW: You see, these people at Yale were dissenting. Then some of them went to Princeton because Yale became very inhospitable to this interdisciplinarity. Yale became more focused on quantitative analysis in economics—not holistic developmentalism.

RJ: But I’m still not quite getting how the very reality of German postwar recovery demonstrated these non-economic elements.

PW: German reconstruction resulted from the need initially for austerity, hard work, the savings before consumption. This was a key lesson one learned. I saw a new pattern of

development, an accumulation process, the work ethic. There was a new accumulation process at the base. It's a three sector growth model. This is also a little bit of what Gandhianism was about. But Gandhi didn't put it in strong economic terms or in strong enough political terms, except the nonviolence and self-reliance, with a new work ethic. He was talking of self-reliance, not a capital fetish. Capital was the factor in short supply. Development was to be based on efficiency and hard work of the people, the poor themselves, which was a factor in surplus. Gandhi died too early before he could develop some of his ideas to meet the new post-independence challenge. The Gandhians that followed took it either in a romantic way, or as ideology for the political struggle. Some Gandhians took this latter emphasis and started experimenting in a much more radical way at the grassroots. This can be seen in the new social movements and foment in all of South Asia. I'll come to that later.

When I talked to people in Germany—and I talked to a lot of people—it was not an organized study with questionnaires, but you got a sense of an alternate paradigm. I began to understand that German reconstruction was not just money-led, nor was it a purely economic response. It was a cultural response, a social movement by the German people, based on their reality.

RJ: Two further questions about Germany, and indeed possibly Yale's interpretation of Germany's recovery. How much were you concerned with poverty reduction in postwar Germany as opposed to reconstruction and development?

PW: I would say, to be honest, I was still trying to understand urban and rural development and the new accumulation process and the peoples' response. I didn't focus on poverty, per se. The poverty focus came much later. At that point, I was not looking at the

poverty issue. I was still looking at development more generally, the contradictions in development theory and practice.

RJ: And then secondly, of course, there was Germany, the defeated former Nazi power, now emerging from defeat and economic collapse—not merely in a grand sense, the cultural dimension, the positive need for a whole nation to question how they could have gotten into Nazism and what did this mean about human social reconstruction. Did you have any thoughts about that? Did people in Yale talk about that?

PW: I must say that some of those aspects had to be sorted out in my own mind. I had to sort out what was economics, what was culture, what was development. It was big enough to tackle the whole development question and what was called the German Miracle. Who benefited? Wallich wrote a book on this German Miracle. He was an economist, but he wrote in wider terms. I saw these other dimensions in Germany. More recently, when the SAARC (South Asian Association for Regional Cooperation) Poverty Commission, of which I was vice-chairman, were invited by the German government to come for a dialogue with the German policymakers on the poverty issue, these memories came back. That dialogue was led by [Carl-Dieter] Spranger, who was then minister of development in Prime Minister [Helmut] Kohl's government. Spranger and I were the two inaugural speakers. I took fourteen members of the Poverty Commission, and they fielded fourteen German policymakers, advisors, from ministries, academies, and NGOs. We had a hard-hitting dialogue on Poverty Commission recommendations. Spranger, of course made the opening speech, and I followed, telling the story of my experience in Germany after World War II, what I learned. Spranger then asked to speak again, and then he went back to his own concept of the German Miracle. It was very thrilling to hear him at this inaugural session confirm my own impressions of that time.

RJ: When Spranger gives his account of these early years, does it match with yours?

PW: Yes. What I was saying rang a bell with him. He did not call it a miracle. In the formal sense, they said these were the ingredients for development: people, values, culture, hard work, savings. Of course, Marshall Plan aid helped.

RJ: It must be very interesting for them to hear a “Third Worlder” at the time coming to Germany and being interested in lessons for Third World development from postwar Germany.

PW: Lessons from Germany for the Third World. Yes, there were lessons. I repeated it also this time during the Expo 2000 in Hanover Global Dialogue, “Fighting Poverty,” because there I also made an opening statement. This German experience apart from the values and holism also had a few operational lessons for developmental practice. One was that while the Germans reconstructed the industrial sector and transformed the war industries toward civilian use and so on, the fact was that they kept the agriculture sector going. This made a deep impression on me. They didn’t let the rural economy go. They protected it to provide for security. Point number one, this was a practical and political necessity. It was self-reliance in food and through food security. It could not be guided by simple classical economics of comparative advantage. Point number two, that impressed me and since then has influenced my own theorizing on development. On looking back, there weren’t a lot of consultants running around Germany doing projects with a beginning and end. This was a process. There was tremendous mobilization of the German people. Even the Marshall Plan never had the project approach. It was a process approach that was followed. It was a social movement; it was transformational.

And the third point was that they incorporated decentralized labor intensive industrialization into the process. In Solingen Steel factory, all the knives and all the blades are

done in an informal, decentralized, small-scale way. The marketing was done centrally. So the role of the private sector for decentralized labor intensive sectors was different. This was a different role for the organized private sector. There was a clear separation of functions of what the organized market could do after the production was done in a decentralized way. The fourth lessons that came out was there had to be new institutions—former organizations, primary, secondary, and tertiary organizations, which then prevented also leakages from people's surpluses and hard work.

This German experience, although it was not a systematic study, just an exposure made a deep impression on my later thinking on development and eradication of the worst forms of poverty in a given timeframe. The critical elements for poverty eradication began to emerge. Now of course I can see these threads; at that time, these impressions were internalized in my psyche. Somehow it also got reflected in the Ph.D. thesis because the Ph.D. thesis came afterwards—the values underlying development, the cultural dimension, and building on whatever are factors in surplus.

Later, I did work in the Sri Lanka war zone—rising from the ashes, you build from what there is. You go beyond relief into development. You do not bring a whole lot of new things in from outside. Initially, just rising from the ashes you begin with the people, because their coping systems, their survival capacities can be built upon as the “fast track.” That's all that you can do. If there is external aid, you use it. It is a pretense for consultants and donors to rush into a situation with money on what they think people in a post-conflict situation want without asking them, without understanding of their coping system, the cultural strength, without recognizing the effects of war trauma, et cetera.

RJ: Let us compare the German and Japanese experiences. As I understand it, the Japanese recovery did involve the enforced introduction of a number of institutional changes from the outside, including democracy—great adjustment to the formal role of the emperor.

PW: There was that, but the Japanese also never let go of the cultural dimension, food security as a fundamental right. There was the “kimono in the night” and the “suit in the daytime.” There was the modernization trend, but it started with the Meiji Revolution. There was a dichotomy, but they were trying to integrate into an alternative modernity. They also kept the industrial workers in the organization, within the family “from cradle to grave concept,” so as not to allow the polarization between rich and poor to happen. You’re right, they did introduce some outside ideas, but they always tried to ensure that the polarization didn’t take place and they also tried to build on the culture and the strength of existing institutions. They did not have much external assistance. The German and Japanese experience had commonalities, but also some variations in how they reconstructed after the war. The Japanese made a strong partnership between government, private sector, and the financial institutions.

RJ: I think we should come to your time with the IMF, and indeed Ghana. How long was it after you’d gone to Yale in 1948?

PW: What happened at Yale was you do your comprehensives—i.e., take exams for the M.A. degree in the first two years. I took the exams, but I was just not ready yet to write a Ph.D. thesis because I was really worried about the confusion I felt between the reality, the contradictions between theories and practice of development, the politics of development and power relations, most of all about values, which needed to be explicit. When, in 1951, the IMF offered me a two-year contract, my Yale professors said, “Wignaraja, don’t go. We have seen hundreds of students who go away without finishing their Ph.D. theses. They get money in their

pocket and never finish their Ph.D., and we'd like to see you finish." I said, "No, I don't feel ready. I have been in university too long. I want practical experience. Let me do this short assignment at the IMF. I came to America because of these institutions, let me go and try to understand them from the inside." I was the first Sri Lankan in the IMF. In 1951, I had a two-year contract in the IMF. I went there not as a staff member in some narrow specialized area. I went as a technical assistant to one of the executive directors.

RJ: The executive director's?

PW: One of the executive directors. There were fourteen executive directors, representing countries which were grouped together. We were in a group with Yugoslavia, Burma, and Turkey. It was a sort of residual group. A Yugoslav, former governor of the central bank of Yugoslavia, was the director—a very nice and imaginative person—and he was looking for a Third World person with good English to be his technical assistant. In this office, there was an executive director, deputy executive director, and then a technical assistant.

He came to Yale to speak about the IMF and international relations. Yale Department of International Relations to me said, "Why don't you chair this session?" I chaired the session. This particular one, for no particular reason, fell to me. So I chaired the session with a certain Wignaraja style. Even at that time, I was not a consensual chairman. I expressed our hope in the Bretton Woods institutions and provoked a debate. After the meeting a few of us went to dinner with this executive director and continued a lively discussion. Next morning he called. He said, "Look, I was very impressed with your handling of the discussions at the meeting, and I am looking for a young person from one of our group to be my technical assistant with English language skills. It is my personal choice. Will you come to Washington? I want to talk to you." So of course this was very heady and exciting. This would give me some experience and time to

further sort out my confusion of what development was about—global, national, northern and southern, development for whose benefit? I went to my professor, Professor Wallich, and he said, “Not on your life. We’ve seen more people who go away without finishing their Ph.D. We can guide you through your uncertainties.”

I told him I wanted some experiential learning. And it actually took me another four years—two years in the IMF and then two years in the central bank of Sri Lanka—before I came back to Yale to finish my thesis. I was already engaged to be married. The IMF said, “We will recruit you from Sri Lanka.” So they paid for my wife and myself to come back to Washington, and we had two years there. Then John Exter, of the Federal Reserve, came on the scene and was the governor of the central bank of Sri Lanka. John Exter was the first governor of the central bank of Sri Lanka. He was from the Federal Reserve Bank of the USA. Sri Lanka did not go to the Bank of England to set up the central bank. They went to the USA for advice. I’m not quite clear on why we went to the Federal Reserve. Perhaps for the same reasons I went to Yale instead of Oxford and Cambridge. There was an innovative sound coming from the U.S., Bretton Woods, the UN system, et cetera.

RJ: Why didn’t Sri Lanka go to the Bank of England?

PW: An advisor came from the Bank of England, but the governor initially came from the Federal Reserve. That’s a little hazy in my mind, but I think because there was a feeling again, this newness, something new and innovative in the U.S. monetary system and the Bretton Woods.

RJ: And independence?

PW: Exactly. I think that was the real reason to try to dissociate from the colonial institutions. John Exter came to set up the framework for the central bank and led the mission.

He became the governor and the advisor was from the Bank of England. The deputy governor was from Sri Lanka, named N.U. Jayawardena. You know his son, Lal Jayawardena. Exter invited me to come back to the central bank after the two years in the IMF. And then after six months of my coming back to Sri Lanka, where I'm sitting as the special assistant to the governor, then John Exter, who brought me, gets caught up in this political issue. Political pressures had begun for the governor to be a Sri Lankan. And there were candidates. By then there was another man who was picked and sent to Washington to the IMF to be deputy executive director to groom him as the governor. But Exter preferred N.U. Jayawardena, who was his deputy. So he won out on that and N.U. Jayawardena became the governor. Then he asked me to continue as a special assistant. This is going back to 1952-1953. He wanted me to continue.

Where would they get someone versatile who had been to Yale, worked with the IMF—someone with that kind of background at that time? Gamani Corea had come back and gone into the Planning Ministry. Lal Jayawardena was still out of the country. There weren't that many.

RJ: And the former head of Magra?

PW: You mean Godfrey Gunatilleke? He got a degree in English and was in the civil service. This was the administrative service. In the administrative service you become a generalist. He went into the Planning Ministry. Then, when he retired, he set up the Magra Institute, which became like a research and policy institute. But there were some limitations. He neither had the deep grassroots orientation, nor did he have the economics. So because of that it became very eclectic. But he had values. He belonged to the system and could not really

dissent, even though he had liberal views on many governance issues. He was later exposed to trade and development issues by Gamani Corea.

RJ: Being an administrator was probably a virtue.

PW: Well, at that time, Richard, it looked like a virtue in the sense that they brought this managerial and later the human dimension. He was not tied to the narrow economics and so on. But I always felt that that eclecticism was not sufficient. You had to be able to move to a new paradigm and give an economic rationale, and also look at issues of political economy in a much broader sense.

RJ: Just remind me the dates of your two years in the IMF.

PW: 1951-1953.

RJ: And when did you go to Ghana?

PW: Then I came back to Sri Lanka.

RJ: The central bank?

PW: In the central bank. I remained in the capacity of special assistant to the governor until 1956, when I was informed by Yale that my seven years were up and if I did not finish my Ph.D. I would have to start again. The central bank then gave me a full scholarship to go. Yale gave me a partial scholarship. I got my Ph.D. I felt ready.

RJ: And that was from 1956-1957?

PW: 1955-1956. After my Ph.D., I came back again to the central bank. I had served three governors by 1955. I had learned a lot, both about international and national development. But when I returned to the central bank after my Ph.D., the situation had changed. There was a new governor. I was posted to the research department, heading the Development Division. As a professional, I did what I had to do. You are given a job to do, you do it. The experience

under the earlier governors had been good. Then I went to Yale and came back because I was tied to a contract with the bank. I went to the research department of the bank. But it was not the same. There was a new governor. There was no independence. So I left and went back to Washington, this time to the World Bank.

RJ: So, out again? Just describe that, because that is interesting. You told me over breakfast.

PW: The new governor kept hassling me. He did not like me in research, as it influences policy. He said, "You can't stay in the research department." He sent me to the "Siberia" of the bank.

RJ: "Siberia" being the Exchange Control Department of the bank?

PW: Not in charge of it, just as a staff officer signing little exchange control vouchers, permits, et cetera. This was what "Siberia" means. I was not going to take this treatment. With a Ph.D. from Yale, I was quite happy to serve the country, but this was also discrimination and communal. I don't mind it being said, but that is an alibi I don't want to use. But this was also the beginnings of the language problem in Sri Lanka. I belonged to the minority community. I was independent. When that happened, I wrote to my friends in the IMF and World Bank. Richard Demuth of the Bank replied immediately.

RJ: Dick Demuth?

PW: Yes, Dick Demuth. He was in what was called the International Relations and Technical Assistance arm of the World Bank. I'm thinking of the Bank under Eugene Black. And when I was in the IMF, they organized the Sidney Caine mission to Sri Lanka, which wrote the big book report on development for Sri Lanka. Albert Waterston, all of them were in on it.

We became friends, as I was the only Sri Lankan developmentalist in the Bretton Woods institutions at the time.

RJ: The big book on planning?

PW: On planning, and from which came the Ten Year Plan and these three institutions—the planning commission, the Ceylon Institute for Scientific Research, and DFCC (Development Finance Corporation). While in the central bank, I had advised on some of these institutions, particularly the DFCC, for which I drafted the first cabinet paper and helped to establish it. When they set up the mission, I was the only Sri Lankan in the Bank and the Fund, so they would come to you for all kinds of miscellaneous information—who's who, what's what. So you would give it and get to know these people also. Since it was under Dick Demuth's department, I got to know him, too.

RJ: Which year is this?

PW: The mission was planned in 1951-1952 when I was in the IMF and took place in that period, when I was back in the central bank during 1952, 1953, and 1954. I was involved in both periods, informally.

RJ: Even though you were an assistant to the executive director?

PW: 1951-1953, then I got to know people though I was in the Fund. I got to know the Bank people also. Then the mission kept coming and going through 1952-1953 after I had returned to Sri Lanka.

RJ: So you knew them in Washington?

PW: And then subsequently in Sri Lanka. I got to know their approach to development and capacity building for planning both in the public and private sectors. They assured poverty would be eradicated by planned growth in these two sectors “trickling down” or by being

administratively redistributed by welfare programs and charity. Later, I helped set up the DFCC, which was one of the mission's recommendations—the Development Finance Corporation of Sri Lanka, in which the Bank got involved.

Then Dick Demuth got to know me even better because I got a technical assistance assignment for a year in the UN to Libya. That was my first with the UN proper. That was in 1958, to go and help set up the central bank of Libya to establish a research department. It was a two-man mission—a man called Connell from the Bank of England was given rank of deputy governor, and myself as economic advisor. They wanted one from the Bank of England and they wanted somebody who had been associated with central bank research. It was a UN technical assistance mission in Libya. Libya was a country that was brought together under UN trusteeship. There was only one man who had a university degree, and he became the governor of the bank. Governor Aneizi was a qualified Cambridge University graduate, a very elegant man. He discussed a number of issues with me. He felt more comfortable with me than with the Bank of England man, who was from the Exchange Control Department. He had no experience with development issues. So I was helpful to him. Libya became a member of the IMF and World Bank. Here too I could be helpful. When Aneizi attended the World Bank annual meetings, I was designated his alternate. I helped with negotiating a big Bank mission to Libya on the lines of the Sidney Caine mission to Sri Lanka.

It was when the mission came that I saw, at first hand, the source of limitations of the World Bank. Libya was a country on the verge of finding oil and the mission was not allowed to look at this aspect. I used to prompt the governor to ask the question, and they were told oil exploration and royalties were outside the terms of references. We can look at growing olives and grapes, but we can't touch oil. And I kept saying, "Look, I've been here now over six

months. Within a year, the oil is going to flow. Why are you not looking at this major resource, the royalties, their impact on development in Libya?”

This was my first involvement into the real inner politics in the World Bank. This was 1958. The IMF experience helped, but I had not seen deep in the Bank. I was still innocent regarding the Bank’s ideology. On the weekends, when one has nothing to do in Benghazi, where I lived, I’d fly out to the oil rigs. There was only one hotel. You talk to all these oil engineers, and after a couple of drinks they kept telling me, “We’ll tell you the date by which oil will be flowing.” But the oil company kept telling the fragile Libyan government, “We don’t know if it is in commercial quantities.” They prevented the World Bank from looking into the whole oil phenomenon. And I kept telling the Bank mission, “Please look at this phenomenon because these Libyans may not be able to handle the huge oil royalties. They do not have the institutions or capacity. What is the use of asking them to grow a little wheat and olives, grapes and more dates, and expand goat milk and cheap wine production? The revenue from oil could possibly be used to dig to find water. Where there is oil, also there is adjacent water and other minerals.” This line of reasoning got nowhere with the mission’s chief economist, an Englishman called Peter Wright. Despite the mission leader being an Indian, it made no difference. When we went for the annual meeting of the World Bank, we got to talk to Eugene Black, the Bank’s president, who was a little more open.

RJ: Really?

PW: Yes. I must say again I had a few people up there who would always listen or give me access. Black was one of them, even though I wasn’t in the Bank at that time.

RJ: Who were you working for at that time?

PW: Which time?

RJ: At this time, when you were involved in Libya.

PW: This was a UN technical assistance mission and I was attached to the central bank of Libya. It had nothing to do with the World Bank. It was just that the Bank sent a World Bank mission during that period. It was serviced by the central bank of Libya. Naturally, I got propelled into advising the governor of the central bank on the issues he should take up with the Bank mission.

My narrow terms of reference were to set up a research department in the central bank of Libya. When I went to set it up, it was a blank page. I had to find Libyans who could man the thing, and they were saying, "You want statisticians and clerks." I kept telling the governor, "No, you go after Libyan graduates who can advise you on all aspects of Libyan development." We went through lists in all the embassies who had given scholarship to Libyans, because we know how to do this search in our own countries. And there was Ali Attiga. You know Ali Attiga, who became a head of the Arab Development Fund later and was also in North-South Roundtable. He was the first one we recruited. I told the governor, "I've inquired. I've spoken to him. He's just finishing his Ph.D. in Chicago. Bring him here. He'll be a big asset. Offer him anything!"

RJ: And you persuaded them to take Ali Attiga?

PW: Yes, and Ali Attiga knows that. And he came in as the director of research of this new central bank.

RJ: He is Libyan?

PW: He is Libyan, absolutely! We then found a number of young graduates in Egypt, but these were more radical Nasserites. After screening them, one found six graduates who were capable of gradually moving into the central bank and working with the World Bank mission.

The idea was to attach them to each of the mission members so they could learn something from them.

RJ: And they did that?

PW: No. Peter Wright—you knew Peter Wright—he did not want that.

RJ: Wasn't he an advisor in the World Bank much later? He used to drive his Daimler.

PW: I don't know what he did, but he said, "Wignaraja,"—I still remember—"we are here on a mission. We do not have time to train school boys." This was the arrogance of the World Bank at that time! I said, "Look, when you go home, who is going to take up implementation?" He said no, and that was final.

RJ: This is the beginning of tape two. Ponna, you were telling me about involvement in Libya and at that time the failure of the Bank to take independent initiatives on the oil issue.

PW: Plus the inability to build a follow-up machinery in the country where administrative capacity was extremely fragile, to follow up on even the limited terms of the World Bank report recommendations. So the World Bank mission report was an un-owned document. Ownership is now becoming a very important element in development. How do you get ownership accepted? You have to get the people in the country involved from the beginning.

RJ: In other respects, were there any virtues at all in that mission report?

PW: It turned out to be a really useless report because before the ink was dry on the report, the oil began gushing and suddenly there were millions of dollars coming in oil royalties to Libya. There had to be a different development strategy.

RJ: Now I have two questions. From my own involvement in the Middle East, I believe that often the industrial countries hide the truths. They want to suppress the implications of big oil wealth or big sources of anything else, in spite of the fact that the World Bank and the IMF

should be international institutions beyond this, would you think that it was a suppression of reasonable knowledge at that time?

PW: At that time, my conclusion was that the World Bank was under pressure from the oil companies not to include this in the survey and to give maximum flexibility to the oil companies to manipulate, because the words used were, “We are not sure that it is going to be in commercial quantities.” That used to be the name of the game, because when we went to the annual meeting of the World Bank, and I was going as the alternative governor of Libya of the IMF—

RJ: you were going as an IMF alternate governor?

PW: For Libya. The governor, because he wanted to take me, didn’t want to give me a lowly position.

RJ: Even though your formal employer was the United Nations Technical Assistance Bureau (UNTAB)?

PW: The UN, yes. But I was assigned to the central bank of Libya, so I was not reporting to the UN.

RJ: So you were formally financed by UNDP, but told to be loyal to the central bank and to the Libyan central bank?

PW: Advisor to the Libyan central bank and to the governor.

RJ: And then the governor chose to take you as part of his team to the World Bank-IMF meeting?

PW: But the major thing at that time was the coming of the World Bank mission. Libya considered it to be very important because I could give them a developing country perspective—not fragmented elements, but a holistic development concept for Libya. What also

helped was that Herald Caustin, a friend of Hans Singer, was the UNDP resident representative in Libya. He encouraged me to be frank and professional.

If you ignore the major resources in the country, you are distorting the whole thing! There were several consultants and experts on the World Bank mission. They said grow a little bit of maize here, and something there, and somebody there looking at the water, and somebody else looking at the grapes and little dates there—everything but the major development impulse, which would come from oil. Libya's income had come earlier from the rental on the Willis Air Base—from the U.S., you see? Subsequently, of course, this discovery of oil changed the possibilities. And then when we went to the annual meeting of the World Bank, we brought this up with Eugene Black, who listened and was receptive. But then what happened was the mission was winding up. By the time the ink was dry on this so-called piddling trivial report, oil was gushing out of the ground. Availability of underground water was known. The relevance of the report was lost.

RJ: But you could argue, if they had concentrated on oil, the sheer size of the oil revenue would have distracted attention from the reality of human needs, from marginalized people, people living not on the strips of agriculture but living far away. How would you now look back on that?

PW: They could have done both! They could have seen how these people could have started primary health care, primary education, how they could have even started some little technical change, improve what they had done in the past. That wasn't such a huge thing. They were habituated to know what to do with oil revenue, while putting on layers of technology. This knowledge could also have done other things. Major royalties and resources were available

to fund this. It didn't have to be done by foreign aid. This was what [Muammar] Gaddafi eventually saw.

RJ: Do you think the Bank wanted to encourage a lot of lending from the Bank, a lot of borrowing from the Bank at that time?

PW: I think the Bank also was not very clear when they go into these things. But questioning their approach was the first step to get some clarity. But the Bank is now going back on these types of missions. For a little while, they had those big survey missions. Then they went back to their sectoral projects: first infrastructure, then economic, and then the social. Now they are coming back to the overall perspectives and strategic thinking missions.

RJ: Tell me a little bit about Ghana and your involvement there.

PW: Of course, Ghana was part of my work in the Development Advisory Service at the Bank.

RJ: When was that?

PW: That was 1962-1967, after I left the central bank of Sri Lanka and joined the Development Advisory Service of the Bank as its youngest member. It was a five year experiment by the Bank. The feeling in the Bank was that they could not be Washington-based and centralized.

You know that same feeling you had about IFAD (International Fund for Agricultural Development) in the 1980s? You came and said IFAD and UNICEF (UN Children's Fund) could collaborate as UNICEF had field presence. IFAD was an IFI (international financial institution) working out of Rome. If the two collaborated somehow, you could find a new partnership. The World Bank in the 1960s was a Washington-based institution trying to deal with extremely complex situations in the field and unable either to cope intellectually or

operationally with managing this complexity and intervening effectively. So first they said let's try a transitional experiment in the Bank and set up a flexible roving advisory service—for development and troubleshooting.

To that extent, the Bank has been experimenting, and that's what you see even now in the intellectual and operational side of the Bank. There is a part of the Bank that was open to some innovation. And what they said was that we will try this intermediate institution called the Development Advisory Service, not entirely based on the Harvard advisory service model, but based on a kind of trouble-shooter group with ad hoc resident advisors, et cetera. It would stand separate in the Bank, but it would be linked to the operational departments. They said they would select a group of twelve people, developmentalists. They had appointed nine of the development advisors, all over sixty-five years of age. Then they said what about the young? Today, they would have said, "Where are the women?" because these nine were all men.

RJ: But this was the 1960s?

PW: Yes.

RJ: Hans Singer could have been a part of it, but he was still in the UN.

PW: But these were the kinds of people—former governors of central banks, et cetera. They were sort of development people in the old mold. Then when they screened for younger people, David Knox from Trinidad, who was teaching economics at LSE; Subash Dhar from India; and I were chosen. It must have been my connection with the IMF, Dick Demuth, and Yale, and all that that pointed to my selection. There weren't that many young people in those days with that sort of background. So I got, this job and I was the youngest in this group. We always laughed, saying we three brought the average age down to forty, the three of us. Then after five years they said, "No, this experiment also won't work." We were kept in Washington

but lifted lock, stock, and barrel and planted in Ghana and elsewhere where the Bank had problem projects and asked to do the troubleshooting.

RJ: For how long?

PW: Any period. I was in Ghana for one year. They could move you in six months, sometimes three months, sometimes short missions.

RJ: And you kept going back to Ghana? You went to Ghana several times?

PW: No, for one year in Ghana.

RJ: Was Libya occasional also?

PW: No, Libya was a separate ad hoc UN mission. Libya was 1958.

RJ: So which other countries did you go to?

PW: Yes, I'll tell you. I had a variety of experiences and opportunities to learn about the Bank's involvement in development under varying sociopolitical conditions and make small contributions in theory and practice. I'll tell you how we ended up, but it was a five-year experiment. I was assigned initially to Africa. The director for Africa was Pierre Moussa, who later went to the Bank Parisbas.

RJ: Where was Pierre Moussa from? Which country?

PW: He was French. No, he must have been Algerian, but with a French background.

RJ: Let's come back to yourself.

PW: Yes. My first assignment with the Bank, after the orientation period of the advisory service, was in Ghana. They had two people in Ghana. There was a man called Baransky, who had been the governor of the central bank of Poland. But he had left Poland. He was reoriented even at that time, and more or less western-liberal oriented. He wasn't committed to the Soviet model. But the Bank wanted somebody with a left leaning. I was his deputy for the World

Bank, and we were located there. But my task was more or less to advise the planning commission of Ghana.

[Kwame] Nkrumah, the president of Ghana, was at the tail end of his career, and he was looking for new ideas, something fresh. In the earlier Pan African group, [Ahmed] Sekou Toure of Guinea was a colleague of Nkrumah's. They were nationalists. Ghana had bad experiences both with the West and with the Marxist advisers. I remember Nkrumah saying to me the very first day we went to present our credentials, "You don't look like the Bank." That's exactly what he said! And after that, sometimes he would send for me for a reflective discussion. He associated Baransky with Marxist thinking, though he was not.

RJ: He sent for you?

PW: Yes! It was OK, I would always tell Baransky. He said, "Yes, if he wants to talk, go and talk with him. Maybe he will open up, and it's better we win his trust." At that time, Nkrumah was at the tail end of a long political career. Ten years earlier he must have been very dynamic. But at that time he was lonely and we had some very heart-to-heart chats. Ghana then, of course, was preparing for the Dudley Seers mission. Who else should be there in Ghana at that time but Prince Claus in the German embassy—Prince Claus, before he married the Netherlands's princess. I tell you Richard, this sounds like a fairy story. You remember Prince Claus later became advisor to SID, but I got to know him earlier. And in those conversations with Nkrumah, two issues came up. There was the Dudley Seers big book mission to Ghana.

RJ: Of ECA, the Economic Commission for Africa?

PW: Yes. Dudley was the key player. That's when I first met Dudley. Since I was also supposed to work with the planning commission, whenever the mission called I was included in the discussions. We sat down and had discussions. There was also a man named Mensah.

RJ: J.H. Mensah.

PW: Yes, J.H. Mensah was the head of the planning agency in Ghana. He was supposed to be bright, but very western in ideas and orientation. He had gone to a university abroad so he was no different from the type of our own South Asian “western-oriented economists.” His vision was one of modernization, industrialization, rather than go after the strength of the Ghanaian economy, particularly the potential of the Volta River and its implications for food security through irrigation of the Accra plain. They never paid attention to this strategic issue. Ghana had gold, diamonds, bauxite, minerals, on the one hand; they had the cocoa, they had the land, they had the water.

The World Bank had funded the Volta River Project. The project was running into difficulties because they took all the water, twenty-five years after the TVA (Tennessee Valley Authority), to generate power for the development of bauxite for the Kaiser Aluminum Company agreement that they had signed. The Bank and Ghana had taken a narrow view of the potential of the river for development for the people of Ghana.

You see this whole narrowness. Even Baransky couldn't see this. The women can grow casava, they can grow maize, they can grow other food crops, because if you don't give priority to food security you're going to have a famine. You know, Ghana ran into that later. Now what happened was, here I was saying why cannot some of the water be used for food production. Then some people in the World Bank naturally didn't like it. I was told, “We didn't send you to go and renegotiate a project. We sent you to try to put the pressure on the Ghanaians to succumb to the Kaiser Aluminum pressure and make sure that the agreement between the government, the Bank, and Kaiser Aluminum works.

RJ: They actually said that?

PW: Well, I mean in the sense that nothing was in writing but I got my knuckles rapped. Now even at that time, you know, I said, “Yes, I am working for the Bank, but I’m also supposed to be a development advisor to the Ghanaians.”

I had a dilemma. I forget the name of the UNDP representative. Harold Caustin was the UN representative in Libya during the time I was there in 1958. Ghana was 1962. He also gave me a lot of support in Libya because I came under him administratively, because of the UN technical assistance program in Libya. We became very, very close friends. You knew Harold Caustin, don’t you?

RJ: Yes, of course.

PW: Similarly, I befriended the UN representative in Ghana. Hans Singer, Harold Caustin, Vladek Malinowski were all people who got caught up in that McCarthy witch hunt later. They were “dissenting” from McCarthyism in a constructive way and providing development alternatives.

In Ghana, I got to know Prince Claus and even Kofi Annan at that time. There was an intellectual rapport with these people, who agreed that Ghana had natural and mineral resources and a small population—only seven million people at that time. A sustainable development strategy could be designed. Later, whenever I went to the Netherlands as secretary-general of SID, Prince Claus liked to talk of those times. He always liked to talk. He was very open on the cultural dimension of development. Even at that time in Ghana, as a young foreign service office, there was some sensitivity in him to human development. What he said then was, “Who are the people in the World Bank to give permission to Ghanaians to take another look at the Volta Project? It is nothing personal, and the World Bank may not review the project. UNDP and some donors can pick up the idea. I forget exactly—I think the Dutch provided some

funding to UNDP. One day, of course, the idea became strategy. UNDP organized a three-man UNDP mission from TVA, Damodar Valley Authority, and the then land commissioner from Sri Lanka, M. Rayendra.

RJ: TVA?

PW: The ex-TVA chairman. I said, “Go after people with the biggest, multi-purpose water project experience. Go after Kanvar Sein from India, who was head of the Damodar River Basin Project. So two people who have done river basin development, multi-purpose river basin—one from the Third World, one from the North. And the UNDP they said, “Who else?” And then I suggested M. Rajendra from Sri Lanka. I don’t know whether you know Rajendra. He was an able civil servant. Later he became secretary of the treasury, but at that time he was the land commissioner and worked closely with B.H. Farner of Cambridge. Sri Lanka and Ghana had similar problems.

RJ: No, I don’t.

PW: He was a Sri Lankan and had been on land reform commissions, and he was food commissioner and had a lot of field experience.

RJ: Rajendra was Indian or Sri Lankan?

PW: Sri Lankan. The TVA man was the chairman of the mission. This was a preliminary, exploratory mission. In Ghana, like elsewhere, you can’t keep anything secret. And then the Bank got to know. They said, “Wignaraja, you really are going too far.” But Dick Demuth always protected me because my reporting was really not just narrowly project-oriented. It was giving always a more broad assessment of the development potential of Ghana. I gave an interdisciplinary approach on options.

RJ: I can see that this initiative was very controversial, both because it was going against the narrow interests of Kaiser Aluminum and because it was bureaucratically going outside the Bank's narrow agenda.

PW: But Pierre Moussa was also broadminded. He understood the need for food security, and my argument for supporting this sort of enquiry.

RJ: Was Pierre Moussa there?

PW: Not in Ghana, but he was head of the Africa Bureau of the Bank—the vice president. Though I was in the Bank's Advisory Service, for any particular mission we were latched on to the relevant regional operational department of the Bank. You would report to them first and then send a copy to Dick Demuth. So all my reports were shared. Anyway, despite this support, the Bank did not like this independence even from its advisers. You have always told me there is the Bank and the "Bank." I saw it then.

Another experience in Ghana, I met the chairman of the Ashanti gold field. Through my own contacts here in Britain, someone had said, "There is the chairman who wants to meet this young World Bank advisor." I got an invitation, an engraved invitation, to dinner with the Ashanti gold field chairman.

RJ: He was a Brit?

PW: He was a Brit. He was chairman. I forget his name, but this is a true story and it is also very interesting. I got an engraved invitation—only for me, not for Baransky. My wife was also not invited. We had two children, and in any case she could not leave them in Accra and go to Ashanti. They said, "We'll send you transport," and I said, "Alright, I'll come." But knowing you are going to dinner with the chairman, I thought it was a party. At that time, I never had a black dinner jacket, but I had a white dinner jacket and bow tie. I arrived by 5:30 P.M. I was to

be his guest. The dinner was at 8:00 p.m. We were met at a huge mansion, with all kinds of people crowding in, unpacking bags, asking, “What are you going to wear?” and so on. And I pull out my white dinner jacket, and my cummerbund, and my black tie. So the valet takes one look at me and said, “No black tie?” I said, “No, this is black tie isn’t it?” Then I could feel some sort of little tension or confusion. Then suddenly they rush out, and then they come back within a few minutes and say the white dinner jacket is OK. I am ushered into the living room. I’m expecting a party, but there’s nobody there. At 8:00 p.m. comes the chairman. I find that he’s also dressed in a white jacket. This was very interesting. So I’m waiting to see if anybody else is coming and then we have a scotch—the best, of course. And the whole evening is one to one, but it turned out to be very, very pleasant. He was very intelligent, cultured, and up-to-date on Africa, Ghana, et cetera.

RJ: That doesn’t surprise me that it was pleasant.

PW: Pleasant and also very correct. We didn’t talk gold; we didn’t talk about the World Bank. I must say he was well informed. Then he said, “Would you like to see the mines?” And I said, “Yes, I would love to, because I won’t get a chance again.” So next day we went down the mine, and to cut a long story short, I even got a little—which I have now—a little piece of rock with the gold, a little piece.

Now of course word gets around. I reported this meeting to the Bank, as one’s contacts and views of a major industry in Ghana were invaluable even to the Bank. All this was reported to the Bank. I was able to report what a major player in the foreign community in Ghana thinks. So I was able to play that role, whereas this Polish Bank advisor wasn’t into this sort of reporting. So that even my other so-called “indiscretions,” which were going outside the terms of reference, such as involvement in the Volta Project differently, in the larger interests of the

country, were, though not completely forgiven, were partly compensated. Of course, you use discretion, but I was supposed to be a development advisor advising on the Ghana development plan. There are the issues that you have to surface. Otherwise, what are you doing? I kept telling the Bank, “In that case, you don’t need me. You can do this other formal representation with one person.” Anyway, this was one aspect of it. But during this period, I learned a lot. I was only thirty-five years old—and not a conventional thinker. I was still searching for the deeper meaning of development.

The lesson I learned, again like the Libyan experience was that the Bank was very shortsighted about this and didn’t look at development holistically, historically, or as a process which has to be based on lessons from the ground, not on a priori theorizing. Then comes the third experience in that same advisory mission to Ghana. “Wignaraja, you are raring to go and have imagination,” Dick Demuth said. “We are going to really throw you into the deep. Go to Guinea. There is Sekou Toure there.”

RJ: What year was this again?

PW: Between 1963 and 1964. I was in Ghana for two years. “Just go and visit Sekou Toure. We want to see whether this is a country in which the Bank can do business.” I went on an exploratory mission. When I went to present my credentials to Sekou Toure, he said, “Before we talk seriously, come, I want to show you something.” He also said, “You do not look like the Bank.” He takes me to another part of his official residence. “Come look at that fan, look at all that damage. That’s what the French did. We wanted a referendum and stood by that. We wanted our brand of democracy and development. Go and see the countryside. Development is there, where the people are.”

He said, “After that, now you please go and report back to the Bank.” Then he said,

“Don’t stay here in Conakry, the capital city.” I am following the lessons I learned from the French when I was in the French parliament with Safoule, his number two in Guinea. We were in the French Assembly. That means the French system, unlike the British—the British system was a lot more centralized and bureaucratic. The French system was not complete decentralization, but also incorporated *animacion rurale*, where people participate in development and the state gives support. There was in French-speaking Africa, as opposed to British colonial Africa, an attempt to raise community participation and consciousness. There was a distinct difference between the French and the British African approaches to African development.

So he said, “You go out and make all the arrangements, and on such and such a day I am having a huge gathering and celebration in my village. You must come. The pheasants will be roasted, and there will be singing and dancing. That is also part of development—work and leisure.” So I went around the countryside and saw that the best administrators were not in Conakry. The Bank missions that had gone earlier met only the bureaucrats in Conakry who were not the best. With this French pro-consul system, the best administrators went to make things happen in the rural areas. Guinea had resources, land, minerals, small population—only three million people. They had bauxite. But after the referendum, they broke away from the French, who in turn cut off the French aid. Guinea got isolated. Nkrumah gave them some loans in the transition, under his Pan African policy.

RJ: Now to look just briefly at the development approach in Guinea, and possibly in Ghana, surely one is very sympathetic to shifting the locus of development to the rural areas.

PW: Yes—the decentralization concept, with growth.

RJ: And yet today we look back on Guinea, including Guinea in the 1960s, as a largely

misguided socialist tragedy.

PW: In answer to your question, the French rejected them. Now they had moved from western inspiration to the socialist bloc and with it to socialism.

RJ: That triggered a move to independence from France?

PW: It was a chicken and egg concept. France wanted them to stay in the French Union. Independence from France was the other extreme. In Guinea, there was internal political stability, even with the attempt at disruption by the French. Ghana was also stable, though in the latter stage corruption was creeping into the system. They were trying to find an exit into somewhere in the middle—independence, greater self-reliance, dignity. That was why the Bank was being invited to come in. Now to get the Bank to understand this and these nuances was not easy. So one wrote a very comprehensive piece on this decentralization concept in Guinea. This was the early 1960s. The Bank itself, and the UN system, were all enamored with centralized planning.

RJ: Do you have a copy of that?

PW: I don't have a copy of everything that I wrote, but the Bank's archives—they may have it there, because there was a continuous stream of letters from me, numbered and dated. This saved me. I wrote as I saw and learned. There were people who didn't think that I was part of the Bank, because I was not wedded to their ideology and practice of development. Everywhere one went, one was learning new lessons. These were documented, but it was not rigorous enough.

The Bank went from one fragmented project here, to one fragmented project there. One of the things I said about Ghana and Guinea is that there are a range of development options. There was stability and continuity at that time. In Guinea, number one and number two were

both in the French camp—Sekou Toure and Safoule—and therefore they were friends. Therefore succession and continuity was there. This was the way I wrote my reports. In the history of the Bank missions not often at that time had anybody gone to a country and written these kinds of insights with interdisciplinary analysis and questioning the Bank's ideological, technocratic, and single discipline approach.

My third mission in Africa was under Andrew Kamarck, whom you know. Andy was asked to lead the mission to see whether the East African Common Market should be continued or not. This was Tanzania, Uganda, and Kenya. Now at that time—this again must have been 1964/1965, again with some restrictions of the terms of reference—there was an underlying assumption that it was better if the union broke up. And when we went around, we saw a common civil service, mobility of people, common services, transport system, et cetera, which the British had established. My colleagues and I said, "These are small countries, keep it together. We should keep it together and build up the agricultural and rural base."

You know Africa had so many resources. There was evidence of strong community development, so they could grow the food, could have common services and trade. This is what sub-regional cooperation is about. Today one does not question the need for regional cooperation. We said, "Keep the Common Market, and you would find a larger grouping in which the Bank could go in and support to keep it together. But there were some mission members, consultants, plus the local bureaucrats, who said, "No, no, no, we are independent entities." They thought there would be more aid. There were local tribal differentiations as well. They thought individually their bargaining power would be stronger for external aid.

Andy Kamarck was a very good man. He was an agriculture expert, and he saw the idea of common food security system with people's participation. To cut a long story short, the Bank

did not buy the idea of keeping the Common Market.

These were my three main missions for the Bank into Africa. There is where I draw the conclusion, the Bank was very, very shortsighted on all of the things they are talking about now—food security, participation, women. The gender issue was very strong in Ghana to Kenya at that time. So were community values, social mobilization, participation.

RJ: The reality of women—

PW: Exactly—the small industries were women. Women's entrepreneurial, women's credit groups were there.

RJ: Was the Bank paying any attention to this? And UNDP?

PW: Later, in 1986, nearly two decades later, when I went for that study for UNICEF and IFAD—which opportunity you, Jim Grant, and IFAD gave me—it confirmed my earlier observations in the 1960s. In the 1980s, people like Mary Racelis were in East Africa for UNICEF. There they had begun to unearth the lessons from the ground for gender equity, participation, rural development, use of local resources, and knowledge.

RJ: Let me state in summary of these three involvements, was any mention made in the field at that time of the Development Decades? Because the UN in New York was much preoccupied with mapping out the Development Decades. In 1970, UNESCO (UN Educational, Scientific, and Cultural Organization) had been organizing in Addis Ababa these big education conferences.

PW: I must say that when I went to the World Bank, those things were not focused on. I mean gender, environment, education, health as such. The World Bank was still very narrowly focused on economic development, the sectoral infrastructure project approach, the physical infrastructure, capital market institutions. That is my conclusion. I don't recall any connection

with Addis Ababa. The World Bank was on its own, and the UN was a foreign country. It was the kind of pressure people like you brought later that initiated some change. I remember your Barbara Ward lecture in SID in the mid-1980s on “Development with a Human Face,” and later, UNDP’s *Human Development Report*, in which you, Mahbub, and Amartya Sen, and others were involved.

RJ: Still sticking with the Bank, in terms of their support for planning, did they have a very financial view of planning? Waterston’s book was very strong.

PW: Yes. Waterston’s book was there from day one. He emphasized a broader development perspective and new institution building.

RJ: And was that a World Bank bible?

PW: The capacity building and the implementation part were not. It had not really seeped in and was not internalized in the Bank until much later. The Bank entered the discourse on delivery of social services—economic and social development—capacity building and interdisciplinarity much later.

RJ: And Ghana? Arthur Lewis, of course, had been in Ghana ten to twelve years before that, and he’d written a book on development planning.

PW: Lewis and Waterston’s concepts of development planning had their influences on setting up the central planning institutions in government, but not on strategic rethinking, decentralization, culturally-rooted development, or on innovative content of what the plan should be about. So it was very much a top-down planning process not focusing really on the substance, the content, and on a political rather than on a technocratic approach. They focused too much on capital, the factor in short supply, not on people, the poor, the knowledge base, and wider technological choices, et cetera. That is the way I see it. So the mechanisms of the planning

commission were set up. In all countries we went to, there were planning commissions for development in the Lewis sense.

In Africa, there was none of the linking with what the Arusha Declaration was trying to say. Africa had its own traditions. There was no real learning from the village, how to build on what was there. This is the same in South Asia. We did not incorporate Gandhian values and practice into an alternative modernity.

Somehow the planning process was very, very superficial. In one sense, you can say, "Alright, that weakness gave them an opportunity. The weak bureaucratic planning provided some space. But the development process required a paradigm shift from neoclassical and Marxist models. Ideas had to be generated from the culture, from the history, from lessons on the ground. In the Arusha Declaration, some new thinking was initiated.

RJ: I remember looking at the plan for Guinea, to which I went in 1964, which must have been not so different from the time you were there. And what hit me most was it was actually 1963 when I was there, for a few days only, but it was the total unreality of these rapid projections of expansion of this and expansion of the other.

PW: No reflection of the reality. The strength they had was ignored. Sekou Toure was experimenting, trying to build on what was there. He was nearer the truth and tried to respond to the reality. But he also needed conceptual clarity and support of a different kind, which experts who flew in and out for a few days could not give. That was the thing that one tried to bring to the Bank's notice after my mission. But it is very interesting to see how in your short visit you only went to Conakry?

RJ: I think we only went out ten to fifteen miles.

PW: No, that was not enough. One has to go, as I said, deeper, where in this old

decentralized system the better people who had been sent out were able to generate decentralized growth from the ground.

And as I told you that first time, that big ceremony was fantastic. To see those kinds of spectacles meant that Sekou Toure also had a great deal of support in the countryside. He identified with the people. He was also a first generation African leader with a vision. So this was something that started me asking what were the lessons. Somehow, these World Bank and even UN institutions had missed the opportunity to learn. Hence, the crisis now and contradictions. Even the Marxist intellectuals missed an opportunity.

RJ: Before we come to the present, let's just finish on this tape. Between Ghana, Guinea, the East African Commission, and you were starting work in SAPNA (South Asian Perspectives Network Association), what were you doing for that ten years from the mid-1970s to the mid-1980s?

PW: Even though I was in the international system, my heart was in South Asia. I set up SAPNA. SAPNA means vision/perspective in all South Asian languages. I wanted to initiate a network of South Asians to think on South Asian problems from our cultural perspectives and based on the lessons from the ground in South Asia. We started in the mid-1970s.

What happened was, five years after that World Bank Development Advisory Service was started, the Bank decided that this trouble-shooting kind of advisory group was insufficient. The Bank was all over the place, and they had to decentralize. They couldn't handle this complex management from Washington. And so this trouble shooting and trying to bridge the gap between the Washington Bank and the problems in the field couldn't be bridged by a twelve man trouble shooting/advisory squad like us, and therefore the Bank had to be decentralized with resident missions, like UNICEF and UNDP had. So what they did was the old advisory service

members over sixty, over seventy were discontinued. The three younger of us were given the option of staying in the Bank. Though Wignaraja was always dissenting and independent, they did not drop me. I was uneasy about surviving in the Bank's headquarters. I had learned what I wanted. It was a rich experience.

I then had made up my mind, and by then we had decided to put the children back in school in Sri Lanka. We just didn't know how to bring them up in Washington, and people thought we were crazy. Many Sri Lankans wanted to go abroad to "educate" their children, but I still thought they would be better off if they had roots in their own culture. And then the Bank arranged for me to go to Bangkok, three hours from Sri Lanka, to the UN Asian Institute, which was modeled on the World Bank's Economic Development Institute. The children could be in school in Sri Lanka and shuttle to Bangkok by air. David Knox said he'd stay in the Bank and went on to be a vice president. And David, of course, was happy in the Bank, but for me, I learned everything I wanted from the Bank and preferred to move to the UN system and to Asia.

Then the Bank said, "What are you going to do?" I couldn't go back to Sri Lanka because of this communal and ethnic situation. But we wanted to put the children back in school in Sri Lanka. Then the Bank said, "Look, we are creating three new institutions in the model of the EDI, three regional development institutions. They were to be chaired by the executive secretaries of ESCAP (UN Economic and Social Commission for Asia and the Pacific), ECLA (UN Economic Commission for Latin America), and the African one. But they would be independent. They were independent institutes of development planning. Persons who knew the Bank would be given preference in the start-up. Narayan Prasad, who had been an economist at the Bank, but also in the Bank's Advisory Service, and as I told you, who earlier led the mission to Libya in another capacity for the Bank, was sent to head the UN Asia Institute. Albert

Waterston urged me to go to the institute, where I could learn more about Asia.

I had an alternative offer from Tarlok Singh, of UNICEF in New York. When this happened—I don't remember the exact dates, but I remember UNICEF saying, "Wignaraja, what you are saying about development and people is a much more coherent and cost effective approach even for us. It is what UNICEF is doing, but we need some conceptual coherence, so why don't you come to UNICEF?"

RJ: This was the late 1960s?

PW: Yes, somewhere there. And he said, "Please come. UNICEF has good practices, but we need to draw the lessons and conceptualize before we move forward." We can only offer you—I remember him saying something like a P5. I told him, "New York is not for me. But if you can give me a D1, I can consider. But, for the sake of the children, my wife and I have to be within touching distance of Sri Lanka."

RJ: He was offering you a post in New York?

PW: Yes, in New York. This was well before Jim Grant's and your time. He said, "We need someone to come and conceptualize what we are doing. We are doing a lot in the field, but it is not coherent. The lessons are not being pulled together theoretically. You are saying things that seem to help to tie the lessons from our practice together."

Anyway, I went to Bangkok. What happened in Bangkok, as usual, by the time I got there, there was the Indian director, Prasad. He had already picked one of his friends from Andhra Pradesh to be the deputy director. He had picked about ten staff members—eight that were Indian. And by the time I got there, because I delayed making the transition from the Development Advisory Service, he had gone there first. I was supposed to go there as the deputy director. There was no contract letter yet. The contract letter was to be given after arrival. I

arrived to find that all these posts were filled. He said, "You be a special assistant to me, learn the work, and when I retire after a few years you can be the director." He didn't hesitate to say, "You in the Bank were always considered to be a little controversial. So you come and you see. This other deputy is going to be here for a year or two, and when I retire after a few years you can be the director." This was sheer duplicity.

To me, this was not the issue. It was a chance to get to know Asia, to be near the family, the children, and continue to learn. So anyway, I was there twelve years. I never became deputy, nor did I become the director. But I was able to learn, publish, and be creative. I learned and made a major intellectual input trying to do what [Samir] Amin was trying to do at the African Institute and Raúl Prebisch did in ECLA. Except I was not the director. Andrew Joseph, Brad Morse, the board members like Goh Keng Swee of Singapore gave me support. This institute trained government officials, planners. I got to know many people. I was able to do research and publish. The pioneer work *Towards a Theory of Rural Development* was done there.

RJ: That's when we got to know each other.

PW: Right! This pioneer study entitled *Towards a Theory of Rural Development* captured the humanism in development, the new accumulation process initiated by the poor—keeping their surplus in their own hands, savings, investing, et cetera. Andrew Joseph, who was in UNDP headquarters, protected this pioneer research. Andriano Garcia was supportive. But I did not get the independence that Amin, Raúl Prebisch, and others had.

Then the Singapore government invited the Asian Institute to move, and Singapore wanted a UN institution. Goh Keng Swee was on the governing council of the UN Asia Institute. He was superb. [Johan B.P.] Maramis was executive secretary of ESCAP. The board

was a South Asian international “who’s who.” Those on the board would give me encouragement, which is what led me on to persist with the dissent from conventional development thinking. The governor of the central bank of Thailand, Governor Puey Ungthapakorn, and this Australian, Heinz Arndt, were all people who thought this institution and felt this kind of work could help redefine development in Asia. There were several models—Japan, China, South Korea, India, not to mention Singapore and Sri Lanka.

RJ: What about Tony Low?

PW: Tony Low came afterwards, in and out, but he wasn’t on the council. I knew Tony Low. He’s a very nice person.

These twelve years helped me to understand three major social changes in Asia. One was the whole Japanese transformation from the Meiji Revolution, which spilled over to South Korea, i.e., capitalism under non-classical conditions. This is the phraseology I am using. That means they didn’t do what Brazil did, or what the United States did, I am giving it in shorthand. Secondly, China was thirty years under Mao [Zedong]—socialism under non-classical conditions. They didn’t do what the Soviet Union did. Then of course there was the Gandhian social movement in the Indian background, which then went on to central planning under [Jawaharlal] Nehru and [Prasanta Chandra] Mahalanobis.

I did my Ph.D. on the Indian experience. And then the whole Vietnam experience was unfolding. Looking at the Mekong River basin reminded me of the untapped potential in the Volta River.

RJ: Mekong.

PW: Yes, Mekong. A whole waste of an effort, not being able to mobilize the Mekong River. The basin could have continued to be a granary, but it was confined to studies, studies,

studies! Whereas the resources were there to recreate the granary and feed everybody. You know, a whole lot of new ideas could have been generated. Then the war came with conflict in Vietnam and Kampuchea and all that.

RJ: The Vietnam War was still going on?

PW: The war was still going. But the Mekong Valley Project was merely a technical one—with studies. Nothing like TVA was attempted, because they also had been preparing the plans, they were studying, measuring, again all this technocratic approach to resource management. They ignored the very hard working kind of people. Then of course the calamity that came from the American miscalculations and mistakes. And there were people like Roger Hillsman, who was at Yale with me, the one who went into the Kennedy administration as the assistant secretary of state. And we were close friends. When [Lyndon] Johnson came, he resigned because he thought U.S. policy was wrong. There is a lot of understanding we developed on conflicts within and between states at that time, which is relevant even in the Sri Lankan context today. It was during this period that [Robert] McNamara suddenly goes to Nairobi and says the Bank's next priority is poverty.

RJ: What period was that? 1974?

PW: In the early 1970s, after Sri Lanka had opened the economy. In 1971, Sri Lanka had the first youth insurgency. That was when I said thank God for my knowledge of the Bank from inside Africa. They will not understand our poverty, and they would not have a clue about our rural areas. They are going to generate unsustainable activities if they come with money-led projects. And I said, "Now we must get some of the best minds in South Asia besides the largest number of poor are in South Asia. It's too much to manage all of Asia. We have these big macro changes and social formations that have taken place in Japan and South Korea—these

were models. But we must see and understand what all this means for South Asia, which has the largest number of poor. We have the Gandhian framework and smaller social movements we need to study. What will the World Bank's intervention mean for the poor? And will we be in a position to conceptualize and strategize for our policymakers in dealing with the Bank?

RJ: For the Bank in particular, or for the countries, or for the UN?

PW: At that time, we said we must give the options to our governments and scholars. That was when we started SAPNA in 1975.

RJ: Your involvement had been very much with the Bank.

PW: We responded to the Bank, as the Bank was the one that was going to come in and play a grander role than they were capable of in transforming rural Asia. We worked with the UN system as well. In our first study, we did not look at aid as such. We looked at what we could do ourselves with our resources. We also meant to give the governments the options to negotiate with the Bank, or any other donor.

Then the Ford Foundation and UNDP said, "Yes, we can fund such a study." The governments in South Asia didn't have a clear vision. The Asian Institute was not enthusiastic, but I said I would do this with additional resources from UNDP and foundations. There were always funds for good ideas. So I said we'll start with one meeting and bring some wise men from South Asia.

Plus I said I wanted two people only who are non-South Asians because we must have some other experiences. So we went after the South Asians first. Who were the South Asians? We brought people like Amartya Sen, Anisur Rahman, K.N. Ray, Wahidul Haque, and a few others.

RJ: Who were the two outsiders?

PW: I said I wanted Ian Little, who did the OECD (Organisation for Economic Co-operation and Development) manual on development projects, and Ranan Weitz, who had conceptualized the kibbutz, and Moshav Shitcifi in Israel. When I was in the Bank, trying to see where Ghana and Guinea should go, having swung to the left, swung to the right, trying to swing in the middle, I told the Bank, “Look, this Israeli model, not the Kibbutz—that’s too hard—but the Moshav Shitcifi, maybe more relevant, where some work is done cooperatively and by communities. It may provide some lessons.” I said, “I have to go and see,” and then they said, “Go.” I was a dissenter in the Bank, on the one hand, from the bureaucratic point of view, but they were also willing to send somebody to go and learn, to see whether there was anything new in these models. I made two visits to Israel in the 1960s. I stayed in a Kibbutz. I met Ranan Weitz. I looked at the variations.

And that was the time that Golda Meir was the foreign minister. She wanted to meet me. This is a very interesting and relevant story. When she heard that a Sri Lankan was coming—you know the Sri Lankan government had thrown the Israeli mission out of Sri Lanka at the insistence of the Muslims in Sri Lanka. This was an unusual woman of the world. She was a charming old “war horse.” So she said, “Just to cut it short, I understand you have come to study our development and kibbutzim. I have told everybody to open the doors to you. You can see anything you want.” I laughed, of course, and thanked her. What she really wanted to know was how Israel could re-establish diplomatic ties with Sri Lanka. Being a woman, she thought she could influence Mrs. [Sirimavo] Bandaranaike, who was then prime minister. I urged her to wait, not to rush things, as the climate was not opportune.

Anyway, that was a side story, but as a result of this visit, I got to understand the Israeli model of development and got to know Ranan Weitz. I was also interested in that model of

creative community activities.

RJ: Kibbutz?

PW: Kibbutz, but a Kibbutz and variations. You know when we talk of Kibbutz, we always think of a very highly communistic pattern. I mean more “pure” than anything that’s been done in the Soviet Union. There were new values underlying their experiment. You know, Richard, I don’t know whether you have really had a chance to look at that model, but the model had a lot of acceptable variations. There were several critical elements to learn from and understand whether they could be adapted to the Ghana context.

So Ranan Weitz was a logical invitee to come to South Asia. To cut a long story short, in Bangkok we had this first brainstorming meeting with this high-powered group. I didn’t want the new director of our institute, who was a lightweight intellectually, to chair this meeting. He was appointed for political reasons. I couldn’t chair it, as the director was present. So I thought the best thing to do was to ask Amartya Sen to chair, as he was from South Asia. The meeting ended with a recommendation for rethinking the whole development strategy in South Asia since independence, twenty-five years earlier, the causes of poverty in the South, and identify options for the next transition to social change in South Asia.

RJ: You’ve given me kind of something of a background in these discussions in the Bangkok meeting and the recommendation for an in-depth study, which gave rise to the SAPNA. Is that right?

PW: That was the beginnings of SAPNA, where we decided at this meeting that the parting of the ways had come between the conventional debates that went on between Marxism and the neoclassical economists and their reformists, and those who were saying we needed to do some fundamental thinking looking at our own reality, our values, available resources, the

emerging contradictions—people, natural resources, the knowledge base, and institutions.

RJ: Radically different from neoclassical, but not taking up the Marxist approach?

PW: Yes. Fundamentally different from neoclassical and its marginal reformism does not mean the only option was Marxism. This was for us a false debate. Marxism was not the radical alternative. There was something we had to relearn from the ground and carefully, step-by-step, build up a coherent theory and practice in keeping with South Asian values, culture, use of resources, and knowledge. Capitalism and socialism were earlier considered options. But for the poor, both had many similarities—top down decision-making, capital fetish, emphasis on factors in short supply, and welfare, not to mention the imitative modernization and industrialization, with its alienating technology and unsustainable consumerism.

We attempted in the study a very focused attempt to look at holistically the whole question of rural politics and the rural economy, the contradictions, the structure, et cetera, because we felt that these were fundamental. Poverty could not be tackled merely with technocratic approaches, delivery of inputs, projects, et cetera. Urban poverty is an offshoot of this rural poverty. Seventy percent of the people are living in rural areas in South Asia. The contradictions are sharp, and we must begin to understand this. Why, in the region, have we not been as endowed as Southeast Asia or Africa, or even Latin America, with vast natural resources? We have a large population. We know the population is increasing. But we have recognized some other strengths in South Asia, and let us see whether we can understand those strengths, plus the contradictions, and out of that, let us construct the theory using factors in surplus. The independence movement threw up a number of ideas, which are not reflected in the conventional development thinking. After political independence, the related economic and social, human aspects did not incorporate these ideas. There is an unfinished agenda. Now that

was the way we ended the meeting. I wrote the report on that. It was a way of pulling things together, and we closed with the need to redefine development as the point of departure for a major study. There was some dissent from persons like Ian Little and Amartya Sen, saying that neoclassical economics can incorporate new values. But the majority in the group wanted some major rethinking.

RJ: That was the closing thought of that chapter, and the opening of the challenge to evolve a more coherent development option for the poor, particularly in South Asia?

PW: That's right. It was rethinking development and poverty was the "entry point." And then, step-by-step, we revisited the macro-social changes that had taken place in Japan, South Korea, China. We looked at the attempts at social change in South Asia, but very quickly we found the initial preconditions in Japan, South Korea, China did not exist in South Asia. Neither could we expect a massive inflow of foreign capital. The private and public sectors could not generate sufficient growth to lift large numbers of poor out of poverty in a given timeframe. What was the alternative?

We said to ourselves, "Let us look at the micro-level. Let us start theorizing from the ground. Let us not do a *a priori* or historical theorizing." Over the twenty years, we have undertaken eight studies—looking at the ground, drawing the lessons, and then theorizing. Then, with those macro/micro insights, we went back to the field to draw more lessons and further refine the theory and practice.

RJ: But the first volume was *Towards a Theory of Rural Development*. Did you not do that, the five of you, in a village, or outside of the capital city?

PW: Yes, that was the first. We studied a social movement in Maharashtra in India. There were several volumes after that, making eight in all.

RJ: Oh! What were the themes of the other studies?

PW: They were all macro/micro studies, based on the lessons from the ground in South Asia. The eight studies, covering a quarter century of thinking and action, represent the pioneering work of a network of concerned South Asian development actors, searching for relevance and coherence in our strategic response to the South Asian crisis of governance, democracy, and development. Faced with the multifaceted crisis in South Asia and the growing awareness that the conventional development paradigm—neoclassical and Marxist—had failed to address in a sustainable manner even the basic needs of the majority of people over fifty years of independence, we have identified and conceptualized critical elements of an alternative pluralistic and democratic development paradigm. We also looked at human rights, gender, equity issues, and social change.

Ours has been a sustained search for coherent strategic options for development, rooted in South Asian cultures and based on the lessons from the ground. The studies also reflect some of the dialogues with development actors in other regions to ascertain the wider applicability of these lessons and build new coalitions for positive action. We have advocated our ideas in international forums with some small success. The point of departure is the recognition of the poor as subjects and not objects of development. The release of the creative energies of the poor and strengthening their capacity, initially, to use local resources and knowledge to generate a different pattern of growth. This wasted human resource was a way out in the transition.

RJ: How would you describe SAPNA?

PW: SAPNA means “visions” and “perspectives” in all South Asian languages. I never forget what Barbara Ward said: “Where there is no vision, the people will perish.” But we went further. Our vision had to be rooted in our culture and reality. Otherwise, it will be unrealistic.

We realized that this required a lot of unlearning and learning from the ground on our part. We realized we needed new intellectual interdisciplinary analytical tools to achieve this. At each stage in our learning, we reflected and we published.

The South Asian Perspectives Network Association, or SAPNA, is an independent, innovative action, research, capacity building, and policy dialogue network composed of a critical mass of South Asians committed to investigating South Asian problems from a South Asian perspective. Poverty in all its dimensions became the entry point to understanding the theory and practice of development itself. The network members try collectively to identify the macro and micro policy options, and the implementation methodologies, for transformation processes—political and social—that can benefit the poor and are sustainable.

These intellectual initiatives provide a holistic framework and a set of culturally relevant responses to the current concerns in the region with globalization, environment, gender, human development, technology, democracy, and governance. They also gave us new analytical methodologies. The SAPNA process illustrates how the power of ideas when clearly synthesized and forcefully articulated had significant impacts at several levels. SAPNA's ideas have been picked up by heads of states or SAARC, policy makers, people's movements, intellectuals, students, and trade unions. These ideas have also been legitimized in the global dialogues on development and democracy, for example, the Copenhagen Social Summit (World Summit for Social Development).

RJ: Can you briefly set out the stages you went through in this intellectual quest of nearly twenty-five years?

PW: For the record, let me respond by summarizing the substantive issues and critical elements we covered at each stage, which were reflected in the eight interrelated publications,* where each publication set the stage for the next enquiry. The first in the series, *Towards a Theory of Rural Development*, was made up of a trilogy of sub-studies on rural development with particular reference to South Asia. Undertaken at a time when conventional development thinking was under critical scrutiny, it provides the reader not only with an innovative approach to analyzing rural mass poverty, but also attempts to identify the necessary elements of a conceptual framework for a sustainable alternative approach to rural development. This study pioneered the approach of participatory action research (PAR) in South Asia—in other words, of going directly to the field and learning through a deep, critical dialogue with the poor communities. This theoretical approach, which is firmly based on the idea that there should be a constant interplay between action and reflection, practice and theory, and that every theoretical insight should be tested on the ground, with the results being reincorporated into the theory, gave form to this methodology of participatory action research.

Throughout the first studies, we identified ground experiences in Bangladesh, India, and Sri Lanka and contrasted them with China—socialism under non-classical conditions; and South Korea—capitalism under non-classical conditions. We then applied these insights to the Bhooma Sena tribal movement to illustrate how the creativity of the poor people of rural Maharashtra is released and mobilized for the all-round development of their lives. From these further insights, an attempt has been made to systematize the beginning of another theory of rural development and, for that matter, of development itself in the South Asian context.

* See appendix for full citations of the eight volumes.

In this, the activists and cadres of Bhoomi Sena joined the scholars as partners in action research. This partnership has given an intersection of perceptions and knowledge generated from two different life streams interacting with each other to create knowledge jointly. This methodology totally differs from a quick fix addition of participation to a top down process of delivered poverty alleviation.

The papers presented in *The Challenge in South Asia: Development, Democracy, and Regional Cooperation* are also the results of collective research by South Asian scholars on the crisis of development and the associated crisis of the state at the macro level and its implications for South Asian regional cooperation. The papers are divided into two parts. Within the broad framework of a critical look at the conventional macro framework of development, the first part attempts to propose the beginnings of an alternative macro approach to support and reinforce participatory development from the base. Four country experiences—Bangladesh, India, Pakistan, and Sri Lanka—are analyzed to demonstrate how sustainable development has been undermined by the inadequacy of the post independence process.

In the second part, the crisis of state power and the inability of the nation-state to cope individually with the multifaceted crisis are examined. Centralized political power has weakened already fragile democratic structures and marginalized large sections of the population. Societies have fragmented along ethnic, religious, and linguistic lines. In this context, the question is raised as to whether culture has a role to play in building sustainable development and democratic polities in South Asia. The book ends with arguing the case for regional cooperation to promote common goals, meet needs, and resolve common problems in a region fraught with crisis.

Women, Poverty, and Resources was an attempt to understand the relationship between gender and equity issues in the context of women having to bear the double burden of being poor and women. A selected number of studies of success cases of women-led experiments in poverty eradication in South Asia is presented. They illustrate the reality that poor women have great creative energies that could be mobilized for sustainable human development. Poor women all over the world have organized themselves around issues of common concern and met the challenge of poverty eradication. In many instances in South Asia, these experiments in organizations of poor women have gone to scale and serve as models for adaptation in other situations in Africa and Latin America. Underlying the success of these micro-level cases through participatory research is the fact that sustainable development could be based on local accumulation processes and these processes can be multiplied.

The study ends with a critical reexamination of the role of donor agencies for poverty alleviation. This analysis serves to highlight the growing realization that the conventional aid relationship needs restructuring in order to effectively support the poor. Some guidelines for donor partnership have been provided on the basis of lessons from best practices.

Participatory Development: Learning from South Asia is a harder critique of the dominant development paradigm that has been adopted in various South Asian countries. The failure of mainstream economics to resolve the deepening multifaceted crisis facing the people, particularly the poor, of this region demanded an even deeper learning process from the ground. Through the use of additional illustrative success cases, not only drawn from different South Asian countries—Bangladesh, India, Pakistan, and Sri Lanka—but also with different actor groups and levels of action, the methodology of participatory action research is presented as a means of initiating positive social change at the macro level. The underlying premise is that a

pro-poor strategy with social mobilization and participatory development that goes with it can avoid many of the imbalances and contradictions created by past development strategies.

The study deals in greater depth with the methodology of social practices, social mobilization, and participatory development. The knowledge system and role of the facilitator/ animator reinforcing these processes and raising the consciousness of the poor and strengthening their capacity to assert their rights to resources to which they are entitled is also analyzed.

The four previous studies had set the stage for a penetrating insight into the new social movements—in other words, the women’s movement, ecological movements, et cetera—that are seeking to transform the lives of poor people in the South. In *New Social Movements in the South: Empowering the People*, the new social movements are differentiated from the old movements, such as the trade unions and political parties.

In part one, experiences which are drawn from Asia, Africa, and Latin America are conceptualized and range from large, collective protest movements to small-scale development actions, all further reinforcing the lessons for rethinking past approaches to development and democracy, and the paradigms that informed these approaches. The papers give greater coherence to the emerging new pluralistic paradigm and a synthesis of ideas for another pattern of development with social ideas with social practice and grassroots democracy. It views the process of social change in its totality, with development and democracy as integral parts. The papers introduce to the debate the participation and people’s mobilization. They all raise the question whether structural changes reflected in “best practices” within limited spaces can be multiplied in a comprehensive and systematic way with political commitment and support from new coalitions and partnerships with the participation of the poor and other vulnerable groups

under a variety of sociopolitical circumstances. Part two gives specific case profiles of the new elements in the emerging paradigm.

A further step was taken when the Independent South Asian Commission on Poverty Alleviation was established by the heads of state of SAARC to use these studies, among others, to engage a larger number of policymakers in a dialogue on a relevant paradigm of development and democracy for South Asia. This sixth SAPNA study, *Readings on Pro-Poor Planning Through Social Mobilization in South Asia, Volume One*, attempted to further refine the recommendations of the report of the Independent South Asian Commission on Poverty Alleviation with new lessons from the ground. This book is the first volume in a new series which seeks to articulate a coherent macro and micro strategic pro-poor planning option, with social mobilization for eradication of the worst forms of poverty in South Asia in a given time frame, leaving only residual numbers of the poor to be carried by welfare and safety nets, and the management of social transformation in South Asia. This was an attempt to mainstream this thinking in official SAARC. It advocates the perspective and framework for poverty eradication through the use of macro “best practices” and micro “success cases” and the process of strategic pro-poor planning with social mobilization. When supported sensitively by the state, NGOs, donors, and others, this process can become even more effective. The book concludes on the note that unless this approach is followed, not only is democracy at risk, but South Asian countries will become even more unmanageable.

The format of this sixth book is that of a reader. It is equally relevant as a class text, field text, action research guide, or a more general commentary on development strategy. The text is enriched by the inclusion of the Poverty Commission report as annexes to the relevant chapters.

The discourse on governance and its links to development required further clarification in the South Asian context. As the issue of good governance has become a widely shared goal in the 1990s among various development actors, SAPNA went back to some of the aspects that had been probed in its earlier publications. There is consensus on broad goals in terms of fostering greater transparency, accountability, and openness in government organizations, but when it comes to the link to goals and approaches to development, there is considerable variation in strategies and objectives. For some, good governance is a means of ensuring effective macroeconomic management through downsizing of the state and reduced scope for bureaucratic interference and encouraging the private sector. Many are questioning the ability of the private sector to cope with social problems. Others emphasize the opportunities presented for increasing participation in decision making and resource allocations, especially by the poor.

With good governance, two other agendas are being associated in recent years: decentralization reforms and growth by the poor themselves. This goes counter to the two-sector—public and private—development models. Despite their high visibility and scope for complementarity, these three agendas, centered on governance, poverty reduction, and decentralization, are rarely brought together in a systematic fashion. This is where SAPNA has made a new contribution in this study in recognizing that the governance agendas, with an emphasis on participatory development, can be combined with systematic decentralization of power and resources to the grassroots in order to lay the basis for sustained poverty reduction through a new pattern of additional growth in the third informal sector of the economy.

The case studies, *Pro-Poor Growth and Governance in South Asia*, document the various decentralization experiments taking place in the countries of the subcontinent—Bangladesh, India, Nepal, Pakistan, and Sri Lanka—and illustrate how social movements and local

organizations are mobilizing the poor to take advantage of these reforms to mobilize resources and influence to bring about pro-poor growth, broad-based development, and sustainable poverty eradication in a given time frame. This required moving on two fronts in the transition—one front based on cautious liberalization from bureaucratic approaches, and the other encouragement of pro-poor growth by the poor themselves. The eighth book, forthcoming, is on the role of the facilitator in the social mobilization process.

RJ: I recall *Towards a Theory of Rural Development and Women, Poverty, and Resources*. Give us first an overview of where, how, and who prepared *Towards a Theory of Rural Development*, which contributed to the whole alternative approach with participation of the poor in development. Just give me an overview with a very few sentences, and then let us come back to the details.

PW: This evolved over a four year period.

RJ: 1975 to 1979?

PW: Right, that was the period. The point of departure was the conclusions of the Bangkok UN Asian Institute brainstorming. SAPNA began with a small group of five of that group in deep unlearning and relearning from the ground exercise over four years. I was at the UN Asian Institute. One was at Sussex University, one at the University of Toronto, one at the National Institute of Bank Management in India, one in the government in Sri Lanka. So we could only meet occasionally, but I got some small funding from the Ford Foundation and UNDP for our research and reflection. I would not allow the UN Asian Institute to interfere with our methodology of analysis or the substance of our conclusions. Sometimes in university vacations we would stay together for three months, sometimes for two weeks, depending on the time that people had. We would visit the countries and begin to understand their macro and micro

experience. So we kept going over all the macro norms—strengths and weaknesses. We then focused on the micro-level approaches and on the poor themselves. We listened to them. This was the mid-1970s.

There were two challenges. One was to come up with these development alternatives, macro and micro. But there was a second challenge that came with it, and that was the intellectual challenge, the methodology for understanding the macro-micro reality of South Asia. We could not use the conventional social science methodologies and single discipline analysis. This is the big difference that we found—that there were challenges, and you will get that in the foreword that Sven Hamrell of the Dag Hammarskjöld Foundation wrote to this first book. That is the “collective creativity,” interdisciplinarity, social praxis. Praxis is a part of research methodology. And that is where, between Robert Chambers and ourselves, there was a major methodological difference, between his PRA (participatory rural appraisal) and our PAR (participatory action research) methodology, which is really action-reflection and social praxis. While you are doing your research and forming your groups, you are also explaining the reality, the social changes, and learning the lessons. This is raising consciousness. Using the action reflection methodology conscientiously, the poor become the subject, as opposed to the poor being the objects, recipients of development inputs.

RJ: Surely Robert Chambers would say the poor are the subject.

PW: He will say that they are subject, but when you look at the process he advocated of how PRA groups are formed, you understand the difference and why most of those are not sustainable after donor and other inputs are withdrawn.

RJ: Let’s leave for a moment how the SAPNA approach differs from others. Give us the essence of the SAPNA approach.

PW: What it gave us for the first time was an understanding of the contradictions and the conflicts in rural society. That's one thing. The second was the values—those cultural values that could positively be harnessed towards an alternate strategy. Third is the kind of institutions that the poor themselves were building. Fourth is that they are efficient, but they cannot keep their surplus in their own hands. The leakages come because of the contradictions in the rural society. The way in which the system was functioning, treating them as objects and in effect making them more dependent on the one hand, and also reinforcing, sharpening the contradictions, letting the rich get richer and the poor get poorer. We are saying now this whole question of empowerment is a prerequisite. We did not go like the Marxists and say we have to capture the state and dominant power. We said build countervailing power. This was a more democratic alternative, where the poor could assert their right to resources to which they are entitled, on the one hand, and the other is to keep their surplus in their own hands. This process does not necessarily have to be built on capital and imported technology, which are the factors in short supply. It can be built on the creativity and efficiency of the poor, and their access to local resources and local knowledge in the first instance. But of course, if they could get additional inputs, this could help them to multiply process and also move into the mainstream.

There are categories of poorest and less poor, a small category of less poor who can easily be mainstreamed. And there are the other poorest, who require to be vigorously mobilized, conscientized, and organized. So there is a whole process here, and I'll come to the details of that process a little later. Part two of the Bhoomi Sena study in *Towards a Theory of Rural Development* showed there had been initial intervention by the Communist Party of India into the lives of these poor tribals in Maharashtra in India and nothing happened after they supported the Communists. There was intervention by the Sarvodaya Gandhians, who tried to

organize the whole village to get together and build a road. These poor people, they sacrificed even a day's labor to build that road, and later found that the landlords owned the land alongside that road. The poor did not benefit.

Then the third is the technocrats going with credit and skills training, and all those things that are now being talked about and getting them further into debt because they didn't understand credit. We learned you never give credit to a poor person. They take credit with good intentions, but at the first crisis in their lives they use the credit. They should not have credit before they save. It is a complete misreading of what is the success of the savings and credit phenomenon. Savings first and credit after rigorous social mobilizations and consciousness-raising is a different story.

All this was first spotted and documented, and then Bhoomi Sena said, "All outsiders out, and we will build our own organizations, and we will build self-reliance on our own coping systems." That was a very hard, bare hands approach to a participatory sustainable development case we studied and documented. From this we went on to see if this sort of experiment could multiply all over South Asia. Under the impulse of the Indian independence and Gandhian movement, then after the Bangladesh second independence, and then here and there in other South Asian countries, we saw the core methodology with acceptable variations in practice. But where the core methodology and fundamentals were identifiable, we started studying those as well. We said for this to multiply it required certain macro framework conditions.

Ultimately the development strategy has to start at the base and then link up with the macro, whether the macro is liberalization or planned welfare or any other. That means walking on two legs and to harmonize the two strands, we have to see what other norms there are for the macro. What are the macro framework conditions? Macro framework conditions are not what

the World Bank and IMF are calling macro-structural adjustment. These are monetary and fiscal. It includes all the human elements that you and UNDP are talking about. We asserted these humanistic values in the 1970s in our critique of conventional economic development thinking and action. What are these macro-accumulation processes and the compulsions for a new form of accumulation was very apparent all over South Asia. We couldn't follow the old accumulation process pertaining to industrialized countries.

RJ: Accumulation more by stopping the leakage, accumulation from the outside?

PW: Right, not accumulation from the private sector and market-led growth, or from the public sector growth and then trickling down, or administratively being redistributed will not solve the poverty problem. We lashed at the growing poverty problem in South Asia. We didn't try to re-measure poverty, the numbers, but we took everything that other people were doing from the old PQLI (Physical Quality of Life Index) to the Human Development Index (HDI) and found that somewhere between 30 percent to 40 percent of the people were in dehumanized poverty situations and that makes a huge number. Because the statistical base itself is flawed and their methodology of conventional measurement is flawed, we said why are we wasting time on these kinds of statistics? The existence of unacceptably large numbers of dehumanized poor is observable. It is an observable reality, and the danger signals are beginning to emerge that poverty, violence, and unmanageable policies are linked. This is now the mid-1970s. Then when we looked at what does this say for democracy development strategy, the macro framework conditions, we were able to highlight a number of elements for reversing past processes and reducing poverty. That comes out even in your alternative development strategy program in the UNDP *Human Development Report* today. There, human development includes equity, human rights, food security, and also the definition of democracy away from

representative democracy to participatory democracy and the decentralization evolution element. That democracy and development were interrelated processes with participation as a human right were brought out. It was not centralization with little bits of decentralization, not central planning but strategic planning. This was a political approach to development with empowerment of the poor. A new social contract had to be designed between the state and the poor. This is a very general statement.

It was not the employer-employee social contract. It was not the Keynesian or socialist welfare state. It was no redistribution with growth and growth coming from two sectors only, from a very limited accumulation process, ignoring the base and potential in the poor.

Then came this miracle. These four or five people who started the first study became fifteen. And then by the time you asked me to do the *Women, Poverty and Resources* study, the SAPNA network was in place. The main elements in the alternative paradigm were clear. We understood what the fundamentals were. That's how we were able to move so quickly and surface the voices of the poor for IFAD and UNICEF. Then from this we went to the second generation study of success cases in participatory development in South Asia.

RJ: Which volume is this one?

PW: *Participatory Development: Learning from South Asia*. That is the one in which Hans Singer wrote in the foreword in 1991, "The decade of the 1980s has been a 'lost decade' for development—for many countries development has gone into reverse. The contributors to this volume have highlighted the multifaceted crisis in South Asia, not only in economic terms but also in political and human terms. Impartial parts of the academic community and parts of the UN system are expressing doubts about the validity of the dominant paradigm of

development. This book is part of that ‘dissent’ in the best sense of the word. We need the new directions which this book provides.”

We wrote not only on the need for alternative development thinking from the perspective of South Asian reality, but also the alternative social science methodology to be able to understand the reality and strategize the alternatives. You couldn’t get the alternatives from conventional social science.

RJ: And then the *Participatory Development* book?

PW: Up to this time, we were still looking at micro-level success cases, some of which had been scaled up. Now the challenge was at which point do these become social movements on the back of the women’s movement—not the feminist one—but the sort of broader gender issues, on the ecological movements? Can these new social movements internalize equity, et cetera, in order to make them really transformational on a national scale? You can’t scale up on these projects alone. By then, of course, I had run out of space at the UN Asia Institute in Bangalore, and then I moved to UNU (United Nations University) in Tokyo. There, Kinhide Mushakoji said, “Go ahead, Ponna. You can create a regional group in South Asia, Africa, Latin America.”

RJ: But you went to UNU after SID?

PW: No. I went to SID after the UNU. The UNU was supposed to be a global think tank for the UN system. It never matured in this way, dealing with pressing global problems holistically. It also got trapped into projects’ sectoral approaches. A few good sectoral institutions were set up in different countries, but the UNU never gave a vision on pressing global problems. It became another UN institute, a missed opportunity.

RJ: I see. So you were in the UN Asian Institute until about 1978. And then you went to the UNU and then came to SID.

PW: And UNU was badly led by James Hester, who didn't have a clue on development. This man, Nevin Scrimshaw from MIT (Massachusetts Institute of Technology), compounded the problems. A great deal of UNU resources were invested into the nutrition program at MIT, one of the richest institutions in the richest country. But there was some space with people like Mushakoji to be able to continue some rethinking on development in wider terms, i.e., to create global groupings where people from each region think on their problems and solutions. There were a few global alternative programs. Johana Galtung and Rayni Kothari had large million dollar programs. Now they themselves are saying, "What has come out of this investment?"

I said, "Try regional groupings. They are much more manageable." And Samir Amin took one. Pablo Gonzales Cassanova took the Latin American. When it came to Asia, I said, "Break it up. It is too much to look at the whole of Asia." We broke it up into three programs—one for East Asia, one for Southeast Asia, and I kept South Asia and enlarged SAPNA with UNU support. UNDP gave SAPNA some money—limited amounts, never more than about \$50,000 to \$75,000. So it was the small monies which we used in our intellectual quest in SAPNA.

RJ: Which actually achieved an awful lot more than Nevin Scrimshaw.

PW: Yes, than Nevin Scrimshaw, Galtung, and Rajni Kothari's projects, where it was too much money and too big. The smaller networks were cost-effective. The small funding was able to leverage additional funds from within the region. We were not a project with a beginning and end. We were able to persist once the funding from UNU ended.

RJ: What happened in the other regions?

PW: Samir made a transition from conventional Marxist thinking to an African perspective. And Pablo was trying to build on the original Prebisch model. The main thing is that SAPNA persisted even after UNU stopped funding after twelve years. Then I was asked to pull all of these regional quests together. We used SAPNA for this. That's when the new social movements, which differentiates the women's movement, the ecological movements, and so on, from the trade union movements and the political parties, was evolved and linked to alternative development and social change. You recall IFAD and UNICEF asked me to mainstream some of the ideas in their organizations. You asked me to publish the report. The book *Women, Poverty, and Resources* was a path-breaking study. If IFAD had the vision, it was now. UNICEF and IFAD together could have led the way with *Voices of the Poor*, instead of waiting for the World Bank to come up with its report ten years later.

Then came the second miracle. In the SAARC context, the polarization had begun—the kind of things you are now talking about in the latest 1999 *Human Development Report*. Up to them, even you were, I thought, a little cautious. You had your focus on the World Bank and trying to humanize their concept of economic development.

RJ: I think you should tell us something about the process of applying these ideas in practice.

PW: That is where I am leading. It takes a little time to tell this. The value of these earlier intellectual quests prepared us to make an input when the SAARC heads of state appointed an Independent South Asian Commission on Poverty Alleviation to advise them. I was the vice chairman and coordinator. It was a unanimous report and the ownership was taken by the SAARC heads of state. The report said the numbers of poor were too large in South Asia to reduce with public or private sector growth. A massive redistribution process with

participation and contribution of the poor also to the growth process was needed to reduce poverty in a given timeframe. “Walk on two legs,” we said. “Move cautiously on liberalization and globalization while generating growth from below as well.”

RJ: The forewords to the SAPNA book brought out this theory and practice of your efforts.

PW: The forewords. Because we evolved this, we didn’t suddenly come to a truth. We were continuously learning. Now these ideas are in the mainstream, though regional implementation is slow.

RJ: You summarized here the forewords by an impressive list of your peers in the review of SAPNA for the year 2000.

PW: Not SAPNA Progress Report.

RJ: This is report number seven, which has the forewords and the overview.

PW: Yes. So it’s already on record. Now the miracle was when the heads of state of SAARC realized South Asia was moving to an unmanageable political situation. The polarization resulting from liberalizing India came later. Liberalizing had already begun in Sri Lanka to make the rich richer and the poor poorer. Now this was 1991, mind you. Even with a high Human Development Index, they had several youth in insurgencies.

RJ: You as the vice chairman of the commission?

PW: Yes. The former prime minister of Nepal was chairman. They could have called it the Independent Commission on Development, but it would have been too threatening. So they called it the Commission on Poverty. But the main thing was in 1991 they had brought poverty back to center stage out of concern in SAARC, out of their own compulsion, and an inability to manage the contradictions that were beginning to sharpen.

We had political support from the next chairman of SAARC, [Ranasinghe] Premadasa, who was Sri Lankan. Then we were able to get some of our SAPNA network people who were close to him to try to design the terms of reference, participation, and so on. And we said it must be like the Brandt, Brundtland, and South Commissions. It must be politically-led, not merely an intergovernmental committee. So no question of an ex-bureaucrat—you know the South Asian game. We would have ended up with an ex-finance secretary of somebody's friend or relative as chairman.

RJ: What was Premadasa in SAARC then?

PW: Premadasa was the chairman of the SAARC Summit. But it was [Krishna Prasad] Bhattarai, the former prime minister of Nepal, who emerged as the chairman, because we wanted an ex-prime minister. So it was politically-led in the same mold as the Brundtland, Brandt, Pearson, and Nyerere Commissions. So we followed that model.

When it came to the vice chairman and the coordinator, that again was a miracle. Again through an unusual process, a non-bureaucratic process, I was appointed, even though I was dissenting from mainstream thinking. This wasn't the choice of the foreign ministries. It was by the heads of state. There were two people from each country. Some of them, like [Fazle Hasan] Abed of BRAC (Bangladesh Rural Advancement Committee), emerged from civil society. Sri Krishna Uppadhyay also, the father of the Small Farmer Development Program in Nepal, and the Production Credit for Rural Women in Nepal, emerged into the commission. UNICEF was associated with these. There were some people from planning commissions with pro-poor perspectives, but there were these four or five people who were talking about poverty from the point of view of the poor.

To cut a long story short, we didn't have much money. SAARC gave \$20,000 and five meetings were funded by the host governments. I was asked, "Wignaraja, how many days of meeting?" I said, "Not less than one week for each meeting, because it is impossible to innovate otherwise." But they said, "Here's \$20,000 for the secretariat." I said, "If the UN undertook it, it would cost U.S. \$1 million. If the World Bank under took it, it would cost U.S. \$2 million. SAARC wants me to produce a credible report for U.S. \$20,000." Then Premadasa said, "SAARC does not have money, but how much do you want?" And I said, "At least give me another \$50,000. That's \$70,000 in cash." I said, "I can do it for \$20,000, but it won't be a credible document. It has to be well-researched." He said, "Done." I returned \$35,000 to him at the end because we drew a great deal from the lessons we learned in SAPNA and the commissioners themselves did research.

RJ: So you did the whole thing for how much?

PW: The whole report for five meetings and about U.S. \$35,000. The UNDP development report is \$1 million. The World Bank's report is \$2 million. How did we do it? The first meeting was hard-hitting. The chairman came and said, "Wignaraja, I brought democracy to Nepal. I am chairman because the others put pressure on me. I'll accept it. But Wignaraja is vice-chairman. He will run the commission." He gave me full support. That was also very important, so nobody could divide the chairman and vice chairman. We both took a political and pro-poor approach. And he was an old friend. He was a value-led person. I don't know whether you know him. We had hard-hitting sessions. Anybody who said something, others said, "Prove it in practice! Prove it on the ground!" Some were very dogmatic initially.

Essentially, each commissioner must have written between 500 and 1,000 pages of inputs, so we didn't have to use money on consultants. Only two peer reviewers I got just before

the final phase for safety. One was from BIBS in Bangladesh, who at that time had done quite a bit of work on the grassroots movements in Bangladesh, like Grameen Bank. And one was Tariq Banuri, who you know, an economist from Pakistan. We requested them to critique the draft: “Are we making any mistakes factually? Are we consistent in our reasoning?”

RJ: Ponna, you were just telling us about the operation of the South Asian Commission on Poverty.

PW: It was very cost effective and, to cut a long story short, it was a report that was unanimous. I never expected it. The usual South Asian style would have resulted in dissents. But every word was scrutinized and unanimously agreed. When it went to the SAARC Summit in 1993, it was endorsed unanimously by the heads of states of SAARC, who took ownership of the report. Now what we did substantively in the report was that we looked at all the theories and practices on poverty reduction, plus listened to the voices from the poor, and then tried to see what are the lessons, what are the options. That was a unique kind of an approach. There was no a priori theorizing, but we looked at the South Asian development experiment in depth and we came up with three messages and one recommendation to the heads of state of SAARC. That I can summarize in a nutshell.

Message number one, no matter how you measure poverty—income, nutrition, gender discrimination, whatever it is—there are 40 percent of the people below the poverty line. We used all the measurements. This means approximately 450 million people in South Asia live in poverty. And when you look at the link between this kind of poverty and the other multifaceted crises from gender conflicts, natural resource conflicts, population growth, ethnic conflict, et cetera, it is not only democracy which is at risk, but the polity becomes unmanageable. This was a political message, and I was surprised that fifteen commissions, independent but nominated by

governments and South Asian heads of state, agreed to send this strong message to the governments. So that was the “shock document,” which all of you in the UN system subsequently internalized and developed in your own ways. Everyone developed that thought that we are heading to a major crisis and polarization, and articulated the link between poverty and violence. Now this was 1993. The report was finished in 1992 and went up to the summit in 1993, so it had taken five to ten years before some of the others picked this message up at the Copenhagen Social Summit and later in the Millennium Summit.

The second message was that the conventional or mainstream development strategy up to this moment—basically based on the Keynesian consensus, the welfare theory and redistribution, which resulted from the two-sector growth model—is inadequate. Liberalization and structural adjustment was also inadequate. We did not say it was bad, we said it was inadequate to cope with this kind of polarization. In fact, with population growth, liberalization and globalization in the short run would adversely affect the poor. Of course, if you had massive resources and aid, you would grow more food, have decentralized, labor-intensive industrialization, and human development, and cushion the poor.

RJ: Food, human development, and decentralized labor intensive. That’s the second message.

PW: Then we also critiqued the project approach and interventions, like the “harmony model, PRA, and PAR, which get together everybody, rich and poor, by these quick-fix toolkit approaches to receive aid. This sort of project would not be sustainable. Where the contradictions are sharp, the poor have to analyze their reality. All these steps were the SID journals starting from 1981. They were simply written.

RJ: I was going to say that. That was the early 1980s?

PW: SID was 1979/1980 onwards. But we were all preparing. This was a learning experience in SAPNA from 1975. It was all there, so it was easy to get some of these lessons into the new SID journals. There were about three or four messages regarding shortcoming in the existing mainstream which didn't help the poor. The third message was the voices from the poor. We said, "Look, this is what the poor are saying." And that's where the whole question of participation came. Participation—we documented all this, including participatory monitoring. These were hard process, where the poor are the subject and the participatory monitoring is a self-corrective mechanism.

The kinds of institutions that had to be built by the poor to participate as subjects that we are seeing on the ground cannot happen spontaneously except here and there. They have to be catalyzed. A new kind of committed facilitator/catalyst is required, but we can train new kinds of facilitators to catalyze and multiply the success cases. And that in all human beings, particularly in South Asia, there are sharing and caring values. I would say over the world there are people who have an identity and commitment with a heart and compassion for the poor. It is like training good managers for public service or the private sector. Can we not train committed facilitators to help empower the poor, assert the right to resources to which they are entitled?

RJ: Enlightened commitment and the potential leadership is there?

PW: Committed leadership, exactly. And they could be a school dropout, graduate, even an academic, bureaucrat or politician. It is a new type of de-professionalized professional. We documented this kind of participatory organization of the poor as a new institutional form. That's the third message. Then the recommendation was while opening and liberalizing cautiously, we need a pro-poor approach. We needed the second pro-poor plan in the transition. We concentrated on this second transitional leg. You have to have a parallel strategy for the

transition within a given time frame which can be done cost effectively. Out of which you get 2 percent growth, 3 percent growth at the base of the economy through the efforts of the poor themselves. Up to 5 to 6 percent you can get at the maximum from the liberalization, privatization, globalization process. Then you have a respectable 7 percent, 8 percent, 9 percent growth, but the pro-poor strategies will generate a lot of food, a lot of work, a lot of savings, and so on from the base and can be reinvested in the small sector. And here we gave the values, the new institutions, the social mobilization training that is required. These were part of the fundamentals for sustainable poverty eradication.

RJ: What I'd like to do, Ponna, is get you to comment on how these ideas spread and what were the positive efforts that explain, in your view, the way the ideas spread, and also what were the negative either obstacles or points of opposition.

PW: Now the first thing is that these ideas did not come out of prior theorizing or external ideologies. They were evolved as we learned. We learned as a group—the collective creativity. The group was in a learning mode. These were not just scholars. These were grassroots activists, action researchers, some were bureaucrats or bankers with a heart. These were high political personalities. I mean, we include in this even prime ministers when they're not ministering. They come and participate in SAPNA and interact with us. The SAPNA network is not a membership organization, but we collectively reflect on our realities on the basis of explicit values. Those who do not share our vision or perspective and values drop out. I had international contacts and friends in all UN agencies. Those who want to can contribute to rethinking development.

Now with that kind of network and having been vice chairman of the SAARC Poverty Commission and met all, one had a certain credibility. Of course, the SAARC secretariat didn't

follow up vigorously on spreading these ideas, nor did the governments as such. They put a very fragile mechanism called Ministers of Planning and Finance to follow the Poverty Commission. So there was an official SAARC process of sorts. What SAPNA did when we found that that was a fragile official SAARC mechanism, we set up on the mode of the Brandt Commission follow-up and Pearson Commission follow-up an independent follow-up mechanism. What Barbara Ward did after the Pearson Commission—you remember the Williamsburg conference? The Columbia conference in New York? The Brundtland Commission follow-up, Nyerere's follow-up after the South Commission—we built into SAPNA a regional poverty follow-up group. It is still an open-ended network, but it's not an NGO. It is a legal entity, a regional unity. It reflects a new kind of partnership between civil society actors, representatives of organizations of the poor, governments, donors, banks, et cetera.

But we created something like Brad Morse's Interaction Committee. You know the North-South Roundtable. That is a group of committed people being brought together to dialogue, exchange ideas, and advocate them. Now, when the Poverty Commission report was finished, the first meeting we had was with the World Bank. The moment the World Bank saw the word "growth" in the commission report, they got attracted. It was a growth strategy, not a social development or human development for poverty, not a regional strategy for eradicating the worst forms of poverty through pro-poor growth. So they said, "Can you bring the commission to the Bank for a discussion?" I said, "Yes." So we went to Washington. We said, "We will not have the dialogue inside the World Bank. Let us have it on neutral ground." They said, "You come, we will have it outside." We had it at Annapolis. They paid the costs but we were not intimidated. They brought a powerful team. They had asked, "Shall we have it in Asia?" And I said, "No, you'll bring your lower level officials."

RJ: Which year was this?

PW: This was 1993. And then I said, “However, it’s not going to be the Bank versus us. You bring other IFIs.” I said, “I also want UNICEF.” They said, “UNICEF is not an IFI.” And I said, “UNICEF is at the grassroots as an international organization, so we want them to come. They will understand what we have to say. UNICEF sent Karl Eric Knutsen to represent it. UNDP came, IMF, ADB (Asian Development Bank), and IFAD. They all came to the hard-hitting session. It was a debate between conventional neoclassical thinking on development mildly tampered by concerns with social issues and our “constructive dissent,” which included empowerment of the poor, participation of the poor as subjects in another pattern of growth. The World Bank wrote the report on that dialogue. Since it was an endorsement of our approach, I let their report go, but they gave us very little credit. The usual way in which they write their reports, they glossed over some key concepts. But it was good enough for us. But they did not follow up the dialogue with us. I thought they would follow-up for a South Asia dialogue and strategizing for reduction of South Asian poverty. Take one region and follow-up. UNDP said, “We’ll follow up.” And what did they do? They had me help to raise a million dollars first and then went on to do some more poverty projects.

RJ: This was Nay Htun?

PW: Not Nay. There was a woman who was acting head of the Asia Bureau before Nay came. She was from Latin America. She said, “Wignaraja is romantic. UNDP wants to be practical.” They put seven projects in seven SAARC countries.

RJ: Projects?

PW: This was supposed to be holistic, like we are doing now. UNDP tried several projects. A lot of money was creamed off by consultants and others. Some of these projects had

a new rhetoric but were not sustainable, did not reach the poor. They were money-led.

After a while, Nay comes up after that and says, “Wignaraja, what’s going on here? I’m told you designed this.” I said, “Yes, I designed it but your people gave it to somebody else to implement.” Then he came and sat in my living room in Sri Lanka and persuaded. He said, “Wignaraja, we are all of the same perspective. We want to reduce poverty.” And Nay, being what Nay is, the first time I met him he convinced me that SAPNA should cooperate and try to do something with this UNDP project for South Asia. I said, “Nay, you are asking the impossible, but because I get good vibrations from you I will try to help.”

Some members of the SAPNA were appointed to the advisory committee of this UNDP poverty project. But you know these advisory committees. You are sitting there. Nay Htun was there. So was Ike, the secretary general of SAARC, making speeches. One day, a whole pile of papers shoved at you the day before, you arrive at SAARC. There was a one day meeting and everybody is saying, “What a wonderful job.” You’re supposed to advise. It was a sham. So I made up my mind to go to these advisory meetings and not to be a bad guy. Some marginal comments come away. Within five years, the seven projects were wound up. In the Indian case, Ted Turner comes. He wants to do a favor to Chandrabander Naidar, a major political player in India. He was chief minister of Andhra Pradesh. Turner puts a million dollars into the project, as it was being wound up. And now people can say this is a success. Here and there, there are some little results, but poverty has not been reduced. Now the World Bank has put more money behind this UNDP project. Now it is called a success. Maybe there will be some growth. But will it be sustainable?

The Poverty Commission had critiqued the conventional project approach. We had recommended social mobilization—a holistic approach.

RJ: But this seems to me a case where intellectually the ideas are good, where the ideas and the model have grown out of a lot of real-life experience and the aid agencies in implementation, in this case, the Bank and the UNDP, use a faulty mechanism, too large money channeling it into projects. Tried and trusted people who get the idea—then somebody else uses it for something other than the original intellectual idea. Are there any other lessons from this?

PW: Yes. You have said it very succinctly. What you say is true from the point of view of the donors who refuse to unlearn, relearn, and change. They take new ideas and put it back into normal mechanisms. They do not try to innovate. But they do not understand the methodology.

It is clearly said this comes from the Poverty Commission. The rigorous social mobilization process that we talk about in the methodology is not the methodology that was adopted in the UNDP projects. Social mobilization of the poor cannot be done in the conventional projectized manner from the top. So it was methodologically unsound.

But my sense of concern came when one or two of the group of fifteen South Asians on the commission were co-opted by UNDP. With consultancies, the solidarity of the commission was broken. A lot of consultancy fees, a project office in Kathmandu—you know this kind of thing. And now the project has been wound up. The formal seven projects have been wound up. They evaluated the project before winding up, but they didn't even have the final advisory committee meeting. So it just petered out. I think eventually over five years fifteen million or more dollars were invested by UNDP.

RJ: How could that have been avoided?

PW: Once UNDP was given the design for a participatory poverty eradication process for South Asia, they should have discussed the design at several levels—with governments, civil

society, organizations of the poor, and formed new partnerships. A great deal of capacity building, training, and reorientation of support mechanisms would have been necessary.

RJ: Could you not have done something more to redirect the project?

PW: I didn't know what was going on in New York.

RJ: But this is very fundamental about how ideas do or do not get carried into action. My question was not so much could you have dissented, but how might have been a follow-up process to this saga. Although this is quite exciting, this is a set of ideas well written up and institutionalized into the South—an inter-regional group.

PW: The South Commission, the G-15 (Group of 15) secretariat, the Group of 77 (G-77) in New York—these could have done more. Ownership of these ideas was taken by the government. But superficial ownership is not the same as internalizing the ideas and developing commitment. It is easier to do more of the same with a new rhetoric. What did we do? ADB didn't pick up the ideas. IFAD didn't pick it up. UNICEF didn't pick it up. UNICEF was doing some of this and said we have our own approach.

Then the next step in response to the report of the Poverty Commission was by the Germans in 1995. They have put their German aid agency through six, seven years of rethinking this whole question of participation. They had sort of said among the donors they were now ahead of the game, not the Scandinavians or the like-minded group. The Germans had come quite far. They had some success in their watershed projects. Now Klemens Van de Sand, whom they appointed afterwards as vice president in charge of operations at IFAD, was behind this dialogue with the Poverty Commission. He was under [Carl-Dieter] Spranger, minister of development cooperation. He then invited the Poverty Commission in 1995 to come for a

similar dialogue, as in Annapolis. He said the point of departure is different. So again we repeated the exercise by going to Germany. There is a report on that also which I can send you.

There also was a debate, but they felt that we reinforced their concern with the issue of participation, the methodology, and so on. Then when it came to our follow-up, the Germans said we can put a small sum of money behind SAPNA, but you have to take charge and be sure the report of the Poverty Commission is followed up. The first figure they said was some \$600,000 a year, for three years, which is not a bad sum of money. But they said, "Since you are an NGO and we want you to be the sponsor, and you have to sign the contract, we the government of Germany cannot give it to you personally. We do not want to go through the SAARC. We will give it to the Konrad Adenauer Foundation [KAF] to give it to you."

Then to design what we were going to do, we had a brainstorming session in which the German government, the KAF representatives, and SAPNA poverty commissioners participated. We had a very good brainstorming session. Unknown to me, the three Konrad Adenauer Foundation people who were doing country programs in India, Pakistan, and Sri Lanka did not like the kind of independence the German government was giving SAPNA.

They said, "What is this? Here is new money coming to KAF, and you mean to say we are not going to get a share in this. This is all going to Wignaraja?" Before I knew it, they had cornered up \$300,000: "We will give Wignaraja \$300,000." When I heard about it, I said, "Fine. I know how to make \$300,000 work. As long as the KAF \$300,000 also goes towards poverty reduction it is OK. Let us see what they do and what I do." All I wanted was some small assured care funding. The UNU had stopped their core funding to SAPNA after twelve years, after [Kinhide] Mushakoji left. The UNU had new people come and the three regional projects I designed for Asia, Africa, and Latin America with Mushakoji were wound up. They

did not understand the process we were sustaining. For the UNU, these were projects, not an intellectual quest. Some of these got wound up after five or six years.

I told them, “You don’t wind me up.” And I stretched it for twelve years. But in the end, I had to give in. New people completely—I didn’t know anybody in the UNU by that time. So this \$300,000 from the Germans was a help because that gave me core funding. And out of that, we started the independent follow-up and advocacy campaign to the Poverty Commission report. So we do four kinds of activities now as a follow-up. One is to go on learning from the ground how to strengthen organization of the poor, not with “tool kits” but as a political approach and training. Secondly, we showed what are the macro framework conditions, strategies, and policies, how to monitor and then the policy, which can support participatory development. We dialogue with governments; we dialogue with NGOs, donors, and scholars. The NGO field also lacks coherence. Each one is saying and doing their own thing and is a babble of voices. They don’t have a single set of coherent messages to give a government or donor as far as it matters to the poor. And some of them are very money-grabbing also.

But we had kept going and now we have come not only to these six publications. There are two more coming, and the next one is the training manual on the role of the facilitator, an intermediary. That is the missing element to catalyze participatory processes through organizations of the poor. Help the organizations harden and strengthen and then link them in new partnerships with sensitive government agencies, donors, et cetera, in a reoriented way. The next book is tackling this question of the link between decentralization reforms and growth and governance. So two more publications are forthcoming.

Let me quote from the foreword to the last book by Gowher Rizvi: “The pursuit of good governance has become a widely shared goal among various development actors since the

early 1990s. While there is consensus on broad goals in terms of fostering greater transparency, accountability, and openness in government organizations, there is considerable variation in approaches and objectives. For some, good governance is a means of ensuring effective macroeconomic management through downsizing of the state and reduced scope for bureaucratic interference. Others emphasize the opportunities for increasing participation in decision-making and resource allocations, especially by the poor.

“Two other agendas have also become increasingly important in recent years, namely those of poverty reduction and decentralization, though not always in tandem with good governance. Despite their high visibility and scope for complementarity, these three agendas centered on governance, poverty reduction, and decentralization are rarely brought together in a systematic fashion. This is where the present volume makes its particular contribution in recognizing that the governance agenda, with an emphasis on participatory development, can be combined with systematic decentralization of power and resources to the grassroots in order to lay the basis for sustained poverty reduction. The case studies in this volume document the various decentralization experiments taking place in the countries of the subcontinent—Bangladesh, India, Nepal, Pakistan, and Sri Lanka—and illustrate how social movements and local organizations are mobilizing the poor to take advantage of these reforms to mobilize resources and influence to bring about pro-poor development.”

RJ: Tell me about the intellectual process of the ideas and their spreading. Have there been obstacles to acceptance or statements that there is nothing new or acceptance with distortions?

PW: You see, the pretense that all this is radical or revolutionary comes first. In the beginning, the neoclassicists called us Marxists. I was not a Marxist. The Marxists called us

“soft” or Gandhian. I said some aspects and values are Gandhian, but we have gone beyond. Distortion comes first. They say this is too radical. But now after the UNDP *Human Development Report* and UNICEF reports, nobody can now say that these sets of ideas are radical.

So within that framework and concern for the poor, there have been many things that confirmed our ideas. Others were advocating similar ideas. We were not the only ones. Poverty was increasing. So nobody is saying these are radical. Of course, what they are saying now is, “There is nothing new,” and some even say, “We discovered the theory.” Now we say, “All right, you don’t give us credit. We don’t mind.” Our publications have even been quoted occasionally, but not in any of the major UN reports. Not even in the UNDP reports, the Human Development Reports, not even in the UNICEF reports, not even in the World Bank reports—not in one. The World Bank is now reporting on the *Voices of the Poor*. If they have learned this is OK.

RJ: Why do you think that is?

PW: I have no ideas and we don’t really care.

RJ: But you must care because if ideas are to spread, they surely must have appeared in newspapers.

PW: Yes. Maybe our advocacy within the system is a bit weak in the sense that we don’t have those millions to go and mainstream or even launch major policy dialogues. At Expo 2000, the GTZ Germany invited me to make a presentation on the panel on poverty. This had some impact. The poor are not the problem but can be part of the solution.

RJ: But surely the SAARC Poverty Commission report has been quoted?

PW: Not enough. Not like the Brandt (*North-South: A Programme for Survival*) and Brundtland (*Our Common Future*) reports. The SAARC report was a pioneer coherent document on development and poverty. Some know about it, but the distribution by the SAARC secretariat was weak. Let me tell you the way they do it. When the report was finished, they said, “Wignaraja, what a wonderful job. Give us the document.” I gave them the document, but I kept the diskette. Thank goodness for information technology. Because of this little money from IGAF I was able to keep printing and distributing copies. Do you know what the SAARC secretariat did? They took the report and made some token distribution and then they have a price distribution. I begged them, saying, “Put it in a commercial publication.” So you write them a letter and ask for a copy. Six months ago they wrote saying, “Send us U.S. \$2.” If that process works, you get the copy, but by then you’ve lost interest.

In the meantime, SAPNA has been printing nearly 5,000, and we distribute at conferences, meetings, et cetera. But that is not enough. This should be distributed. Otherwise, one day we have to reinvent the wheel.

RJ: This is pretty serious—to judge the documents before deciding to expand their dissemination.

PW: Never before has this kind of ownership by the heads of state of SAARC—never mind that the heads of state have changed—ownership by South Asians of a homegrown strategy. To whom does one tell the story?

RJ: When the report was issued, there must have been some coverage in the newspapers.

PW: Not one formal launch. Not one. Because immediately the SAARC secretariat took over, and they have been lukewarm. Most governments went for globalization. They labeled it a Premadasa document, and they buried it. SAPNA has persisted. They say,

“Wignaraja, we gave you a job to do. It was a brilliant job. Now why don’t you just lie down and stay quiet?” I have schooled most of our commissioners to say, “All of you signers of this report, nobody told us to fade away. We did it for the poor of South Asia.” Now, ten years later, IFAD has begun to take an interest—ten years after the *Women, Poverty, and Resources* book. I am encouraging IFAD.” This time, after that, Phrang Roy and Van de Sand are senior vice presidents. They are supportive: “Wignaraja, put some funds at your disposal. This advocacy has to be done more vigorously than you are doing now.”

The collaboration with IFAD gives some hope. They are now prepared to give me in the first year \$100,000 to reorient the IFAD staff and their project managers, because that is also one way. And they say, “You do it for the first year, then we come to the second year.” IFAD is changing. They have a new president with a new vision. Their past projects have not been a success. SAPNA can help them give leadership in advocating the methodology and strategy for implementing the Millennium Declaration of reducing poverty by 50 percent in 2015.

RJ: This is the end of the interview. Ponna, thank you.

APPENDIX

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INDEX

- Abed, Fazle Hasan, 86
 Accra, Ghana, 48
 Addis Ababa, Ethiopia, 54-55
 Africa, 43, 49, 51, 53-54, 56, 62, 66, 72-73, 82,
 97; *see also* East Africa
 approaches to development of, 51, 56
 African Institute, 60
 Almond, Gabriel, 16, 17, 23
 Amin, Samir, 60, 83-84
 Andhra Pradesh, India, 59, 94
 Annan, Kofi, 46
 Annapolis, M.D., 92, 97
 Arab Development Fund, 37
 Arndt, Heinz, 61
 Arusha Declaration, 56
 Ashanti, Ghana, 48
 Asia, 58-63, 73, 83, 92, 97; *see also* East Asia,
 South Asia, *and* Southeast Asia
 Asian Development Bank (ADB), 93, 96
 Attiga, Ali, 37
 Aziz, Sartaj, 20
 Bandaranike, Sirimavo, 64
 Bangalore, India, 82
 Bangkok, Thailand, 58-59, 65, 76
 Bangladesh, 70-72, 75, 79, 88, 99
 Bangladesh Rural Advancement Committee
 (BRAC), 86
 Bank of England, 35
 Bank Parisbas, 43
 Banuri, Tariq, 88
 Benghazi, Libya, 36
 Bhagwati, Jagdish, 15
 Bhattari, Krishna Prasad, 86
 Bhoomi Sena, 71, 78-79
 Black, Eugene, 33, 36, 40
 Brandt Commission, 86, 92; *see also North-
 South: A Programme for Survival*
 Brazil, 61
 Bretton Woods institutions, 19, 29-30, 33; *see
 also* International Monetary Fund (IMF)
 and World Bank
 Brundtland Commission, 86; *see also Our
 Common Future*
 Burma, 6, 7, 29
 Caine, Sidney, 33, 35
 capitalism, 8, 14-15, 61, 66, 70
 Cassanova, Pablo Gonzales, 83-84
 China, 61, 67, 70
 Cambridge University, 13, 14, 15, 30, 35, 47
 Caustin, Herald, 40, 46
 Ceylon Institute for Scientific Research, 34
 Ceylon Insurance Company, 10
*Challenge in South Asia: Development,
 Democracy, and Regional Cooperation,
 The*, 71
 Chambers, Robert
 Chicago, I.L., 9, 37
Civilizations, 18
 Colombo, Sri Lanka, 2-3
 Colombo University, 15
 Columbia Conference, 92
 Communist Party (India), 78
 Conakry, Guinea, 51, 56
 Copenhagen, Denmark, 69, 89
 Corea, Gamani, 14, 15, 31
 Cowles Foundation, 16, 17
 Dag Hammarskjöld Foundation, 77
 Damodar Valley Corporation, 47
 Damodar River Basin Project, 47
 decentralization, 51-52, 55, 57, 75, 81, 98-99
 decolonization, 7, 12
 democracy, 7-8, 11, 28, 50, 68-69, 71, 73-74,
 80-81, 88
 Demuth, Dick, 33-35, 42, 47-48, 59
 development, 1-3, 6, 8, 11-28, 30, 34-35, 46-47,
 50-52, 54-56, 61, 64-85, 89-90, 93, 98-100
 and the Chicago School, 16-17
 and good governance, 75, 98-99
 and post-WWII Germany, 21-27
 debate regarding, 8, 12-15, 65-66
 holistic approach to, 18, 22-24, 26, 39, 69,
 80, 94
 participation of the poor in, 68, 72-73, 75-79,
 81, 84-85, 90, 91, 93, 98-99
 rural, 51, 54, 70
 Development Decades, 54
 Development Finance Corporation (DFCC), 34
 Dhar, Subash, 42
 East Africa, 54
 East African Commission, 57
 East African Common Market, 53-54
 East Asia, 83
 economics, 6, 12-14, 16, 18, 21-22, 24, 26, 32; *see
 also* development, liberalization, Keynesianism,
 Marxism, privatization, structural adjustment
 competing schools of, 12, 65-66
 neoclassical, 6, 12, 14, 67
 Expo 2000 Global Dialogue (Hanover, 2000), 26,
 100
 Exter, John, 30-31
 Farner, B.H., 47
 Federal Reserve, 30
 Ford Foundation, 63, 76
 Fox, William, 23
 France, 50-52
 French Union, 52

- Gaddafi, Muammar, 41
 Galtung, Johana, 83
 Gandhi, Mohandas, 7-8, 24
 Garcia, Andriano, 60
 gender, 54, 68-69, 72, 82, 88
 Germany, 21-28, 97
 and Japan, 28
 central bank of (Bundesbank), 22
 post-War reconstruction of, 21-28
 Ghana, 28, 32, 41, 43-52, 54-55, 57, 64-65
 and the World Bank, 43-50
 Gho Keng Swee, 60
 governance issues, 31, 69, 75, 98-99
 globalization, 69, 85, 89, 91, 101
 Grant, Jim, 54, 59
 Grameen Bank, 88
 Gray's Inn, 4
 Group of 15 (G-15), 96
 Group of 77 (G-77), 96
 Gunatilleke, Godfrey, 31
 Guinea, 44, 50-52, 56, 64
 and the World Bank, 52
 Hamrell, Sven, 77
 Haq, Mahbub ul, 15, 17-18, 20, 55
 Haque, Wahidul, 63
 Harvard University, 14
 Hester, James, 83
 Hillsman, Roger, 17, 62
 Hinduism, 5, 9
 Hong Kong and Shanghai Bank, 4
 Htun, Nay, 93-94
 Human Development Index (HDI), 80, 85
Human Development Report, 55, 80, 84, 100
 human rights, 7, 68-69, 80-81
 ideas, 1, 18, 56, 69, 84, 91-92, 95-96, 99-101
 and independent commissions, 91-92
 Independent South Asian Commission on
 Poverty Alleviation, 25, 74, 84, 88, 91-92,
 94-98, 100
 India, 7, 10, 12, 18, 42, 47, 61, 67, 70-72, 76,
 78-79, 85, 93, 97, 99
 International Financial Fund for Agricultural
 Development (IFAD), 41, 54, 81, 84, 93,
 96, 102
 International Monetary Fund (IMF), 11, 16, 18-
 19, 28-36, 38-39, 42, 79, 93
 Israel, 64-65
 model of development of, 64-65
 Jaffna peninsula, 2-3
 Japan, 7, 28, 61-62, 67
 and Germany, 28
 post-WWII reconstruction of, 28
 Jayawardena, Lal, 14, 15, 31
 Jayawardena, N.U., 31
 Jennings, Ivor, 16, 17
 Johnson, Lydon, 62
 Joseph, Andrew, 60
 Kaiser Aluminum Company, 45, 48
 Kamarck, Andrew, 53
 Kampuchea, 62
 Kathmandu, Nepal, 95
 Kennedy, John Fitzgerald, 17, 62
 Kenya, 53-54
 Keynes, John Maynard, 14
 Keynesianism, 14, 81, 89
 Knorr, Klaus, 16, 17, 21-23
 Knox, David, 42, 58
 Knutsen, Karl Eric, 93
 Kohl, Helmut, 25
 Konrad Adenauer Foundation, 97
 Kothari, Rayni, 83
 Latin America, 66, 72-73, 82-83, 93, 97
 Lewis, Arthur, 55-56
 liberalization, 76, 79, 85, 89, 91
 Libya, 35-39, 43, 46, 58
 and oil, 35-36, 38-40
 and the World Bank, 35-40
 central bank of, 35, 37, 39
 like-minded group, 96
 Little, Ian, 64, 67
 London, U.K., 3
 London School of Economics (LSE), 16, 42
 Low, Tony, 61
 Magra Institute, 31
 Mahalanobis, Prasanta Chandra, 61
 Maharashtra, India, 67, 70, 78
 Malinowski, Vladek, 46
 Mao Zedong, 61
 Maramis, Johan B.P., 60
 Marshall Plan, 21-23, 26
 Marx, Karl, 14
 Marxism, 7, 12, 13, 15, 44, 56-57, 65-66, 78, 83,
 99
 Massachusetts Institute of Technology, 83
 McCarthyism, 46
 McNamara, Robert, 62
 Meiji Revolution, 28, 61
 Meir, Golda, 64
 Mekong River, 61
 Mekong Valley Project, 62
 Mensah, J.H., 44-45
 Middle East, 38
 Mill, John Stuart, 14
 modernization, 12, 28, 45, 66
 Morse, Brad, 60, 92
 Moussa, Pierre, 43, 48
 Mushakoji, Kinhide, 82, 83, 97
 Naider, Chandrafander, 94
 Nairobi, Kenya, 62
 National Institute of Bank Management, 76
 National Socialist German Workers' Party (Nazi
 Party), 25

- Nehru, Jawaharlal, 61
 Nepal, 75, 85-87, 99
 Netherlands, 44, 46
New Social Movements in the South: Empowering the People, 73
 New York, N.Y., 54, 59, 92, 96
 Nkrumah, Kwame, 44, 51
 nongovernmental organizations (NGOs), 1, 25, 74, 92, 98
North-South: A Programme for Survival (Brandt Commission Report), 101
 North-South Roundtable, 37, 92
 Nyerere Commission, 86
 Organisation for Economic Co-operation and Development (OECD), 64
Our Common Future (Brundtland Commission Report), 101
 Oxford University, 13, 14, 16, 30
 Pakistan, 20, 71-72, 75, 88, 97, 99
Participatory Development: Learning from South Asia, 1, 72, 81-82
 Pearson Commission, 86, 92
 Poland, 43
 central bank of, 43
 Ponniah, Gowrie, 5
 Popovich, Nenad, 19
 poverty, 1, 21, 24-25, 27, 34, 62, 65-67, 69-72, 74-75, 80, 85-86, 88-89, 93-95, 99-100, 102
 Prasad, Narayan, 58-59
 Prebisch, Raúl, 60, 84
 Premadasa, Ranasinghe, 86-87, 100
 Princeton University, 17, 23
 privatization, 91
 Production Credit for Rural Women, 86
 Racelis, Mary, 54
 Rahman, Anisur, 63
 Ramakrishna, Swami, 9-11
 Ray, K.N., 63
 Rayendra, M., 47
Readings on Pro-Poor Planning Through Social Mobilization in South Asia, 74
 Ricardo, David, 14
 Rizvi, Gwoher, 98
 Rome, Italy, 41
 Rotary International, 10
 Roy, Phrang, 102
 Seers, Dudley, 44
 Sein, Kanvar, 46
 Sekou Toure, Ahmed, 44, 50, 53, 56-57
 Sen, Amartya, 6, 15, 55, 63, 65, 67
 Scrimshaw, Nevin, 83
 Shitcifi, Moshav, 64
 Singapore, 60-61
 Singer, Hans, 1, 40, 42, 46, 81
 Singh, Tarlok, 59
 Small Farmer Development Program, 86
 Smith, Adam, 14
 social mobilization, 54, 73-76, 79, 91, 94-95
 social movements, 7, 24, 26, 63, 67, 70, 73, 75, 82, 84, 99
 socialism, 8, 15, 52, 61, 66, 70, 81
 Society for International Development (SID), 21, 37, 44, 46, 55, 82-83, 89-90
 South Africa, 7
 South Asia, 6, 24, 56-57, 62-63, 65-68, 70-72, 74-75, 77, 79-85, 88, 90, 93-95, 102
 South Asian Association for Regional Cooperation (SAARC), 25, 69, 74, 84-88, 91-98, 100-101
 Ministers of Planning and Finance, 92
 South Asian Perspectives Network Association (SAPNA), 1, 57, 63, 65, 68-69, 74-79, 83-84-87, 89, 91, 94, 97-98, 101-102
 approach of, 77-79
 South Commission, 85, 96
 South Korea, 61-62, 67, 70
 Southeast Asia, 66, 83
 Spranger, Carl-Dieter, 25-26, 96
 Sri Lanka, 1, 5-7, 9-15, 19, 27, 30-35, 47, 58-59, 61-62, 64, 70-72, 75-76, 85, 93, 97, 99
 central bank of, 19, 30-32, 34, 41
 governance of, 12
 decolonization of, 7, 12
 structural adjustment, 80, 89
 Tanzania, 53
 technical assistance, 35, 37, 46
 Tennessee Valley Authority (TVA), 45, 47, 62
 Thailand, 61
 central bank of, 61
 Third World, 26, 47
 Tokyo, Japan, 82
Towards a Theory of Rural Development, 60, 67, 70, 76-77
 Trinidad, 42
 Turkey, 29
 Turner, Ted, 94
 Uganda, 53
 Unghpakorn, Puey, 61
 Union of Soviet Socialist Republics (USSR), 43, 61, 64
 United Kingdom (U.K.), 3-5, 9, 12, 14-17, 48
 United Nations Asian Institute, 58-60, 63, 76, 83
 United Nations Children's Fund (UNICEF), 41, 54, 57, 59, 81, 84, 86, 93, 96, 100
 United Nations Development Programme (UNDP), 9, 39-40, 46-47, 54-55, 57, 60, 63, 76, 80, 83, 87, 93-95, 100
 United Nations Economic Commission for Africa (ECE), 44, 58
 United Nations Economic Commission for Latin America (ECLA), 58, 60
 United Nations Economic and Social

Commission for Asia and the Pacific
 (ESCAP), 58
 United Nations Educational, Scientific, and
 Cultural Organization (UNESCO), 54
 United Nations Millennium Declaration, 102
 United Nations Millennium Summit, 89
 United Nations Technical Assistance Bureau
 (UNTAB), 39
 United Nations University (UNU), 82-83, 97-98
 United States (U.S.), 10, 16-17, 21, 29-30, 40,
 61-62
 University of Ceylon, 12
 University of Delhi, 15
 University of London, 14
 University of Sri Lanka, 12, 13, 16
 University of Sussex, 17, 76
 University of Toronto, 76
 Uppadhyay, Sri Krishna, 86
 Van de Sand, Klemens, 96, 102
 Von Amsberg, Claus, 44, 46
 Vietnam, 61-62
 Vietnam War, 62
 Vivekananda, Swami, 9
Voices of the Poor, 84, 100
 Volta River, 45, 61
 Volta River Project, 45-46, 49
 Wallich, Henry, 17, 21, 23, 25, 30
 Ward, Barbara, 68, 92
 Washington, D.C., 29-31, 33-34, 41, 43, 57-58,
 92
 Waterston, Albert, 33, 55, 59
 Weber, Max, 22
 Weitz, Ranan, 64-65
 Williamsburg Conference, 92
 Willis Air Force Base, 40
 Wolfers, Arnold, 16, 17, 23
 women, 5-6, 54, 72-73, 82; *see also* gender
Women, Poverty, and Resources, 72, 76, 81, 84,
 102
 World Bank, 11, 16, 20, 33-58, 60, 63-64, 80,
 84, 87, 92-95, 100
 and Ghana, 43-50
 and Guinea, 52
 and Libya, 35-40
 development approach of, 53-55
 Development Advisory Service of, 41-42, 48,
 57-59
 Economic Development Institute (EDI) of, 58
 World Parliament of Religions, 9
 World Summit for Social Development
 (Copenhagen, 1995), 69, 89
 World War II (WWII), 6, 21, 22, 25
 Wright, Peter, 36, 38
 Yale University, 10, 11, 13-25, 28-32, 42, 62
 and the Chicago School, 16-17
 Yugoslavia, 19, 29
 central bank of, 29