

The Political Will

Unlike the more-developed countries, adequate capital formation in the less-developed countries is not inherent in the working methods of the economy. So crucial is this fact that it serves to define the difference between less-developed and more-developed countries. Changes are needed. The first question that arises is whether these countries have the political will to pursue sound economic policies and take other required measures despite the political, economic, and social costs of some of these measures. The burden, of course, falls most heavily on the less-developed countries themselves--it is they that may have to choose, for example, to give priority to developmental requirements over those of strengthening a sense of national identity. It is they that will have to adopt policies to attract adequate resources to capital formation, even though all their resources and more could be devoted to the urgencies of a consumption-starved society. But unless these decisions are taken, the prospects for dynamic growth are dim.

Theodore Geiger writes:

More fundamental than the question of resource and skill availabilities, are the difficulties of decision making and administration imposed on these countries by the characteristics of their transitional societies and elite groups. In particular, the inability to agree on the priority to be assigned to economic growth and to adopt the necessary policies, and the inadequacy of the governmental and private efforts to carry out such policies as may be adopted, constitute more inhibiting limitations on rates of economic growth in Asia and Africa than do scarcities of capital and technical skills.^{7/}

The sense of urgency is equally necessary in the more-developed countries. There is a well-recognized need for external financing for many of the prerequisites of economic development, and until the more-developed countries are prepared to accord priority to meeting the minimum requirements the chances of success of any efforts on the part of the less-developed countries are correspondingly lessened.

^{7/} Theodore Geiger, The Conflicted Relationship, p. 149.