STABILITY AND PROGRESS:
THE POORER COUNTRIES' PROBLEM
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POVERTY’S HANDICAPS

There has been assigned to me the general topic of stability and progress as problems for the poorer countries. I hope I will be regarded as being responsive to my assignment if economic instability is dealt with only as it may be an obstacle to economic progress in the poorer countries, if progress is interpreted to mean improvement of the levels of per capita income, and if I make my main topic the causes of and the possible remedies for the poverty of the poorer countries.

Sir Dennis Robertson, who has carried out so brilliantly his corresponding assignment for the richer countries, has surrendered to me, with undisguised alacrity, all of Asia, Africa and South America. I will neither reject nor accept Sir Dennis’s delineation of the boundaries of my territory, provided it is understood that peoples must be poor to fall within my jurisdiction. But did Sir Dennis intend to exclude from my orbit the Central American and Caribbean countries, which do not happen to be in Asia, or in Africa, or even in South America? And did he unqualifiedly reject as outside his orbit all or any of those Communist countries which are not located in South America, Africa or Asia?

In discussions of the problems of national poverty, the slightest gesture towards a general statement is liable to meet the objection that the poorer countries differ greatly among themselves in many relevant respects, and that what has just been said does not apply to some poor countries known to the objector. It would not be practicable for me, however, even if I had the qualifications to do so competently, to attempt to tailor my remarks to fit closely each of the fifty, or perhaps one hundred, countries with which I have been endowed. Of the making of generalizations, there will, nevertheless, be no end in this paper. I must therefore ask you in advance
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to interpret them as if they were believed by me to apply to most, or
to many, but not necessarily to all the poorer countries.

The question why some countries are much poorer than others
presents a challenge to the economist, to which he will respond in a
great variety of ways, according to his methodological bent, his
interests, skills, and insights, and the uses, if any, to which he expects
his answer to be put. It is probable that there is scarcely any branch
of human knowledge, useful or ornamental, which cannot be drawn
upon for a contribution to the answer, and it is clear beyond dispute
that political scientists, historians, sociologists, anthropologists, geo­
graphers, geologists and others can profitably be consulted by the
economist in his search for an answer. I can speak only as an eco­
nomist, however, and if I invoke non-economic causes of poverty
as part of the picture, I concede in advance that I do so without
claim to the necessary professional qualifications. Disciplines, how­
ever, usually prefer encroachment on their territories by outsiders
to being ignored. On the other hand, there is almost no economic
factor, no matter how im-portant it may seem to most of us, which
some economist will not ignore or minimize, either out of inadver­
tence or honest ignorance, or because recognition of it would get in
the way of a desired conclusion, or mar a pretty theory, or complicate
the analysis. I have done my best to avoid this danger, but my best
may well be not good enough.

The concept of 'cause' has its own notorious difficulties. I will
assume that we are all agreed that national poverty generally has
many causes, and that if our interest is in how the poverty can be
relieved, the proper procedure is to seek to identify those causes which
are both major and strategic in the sense that their removal or modera­
tion is not beyond the conceivable power of the relevant portion of
mankind. But 'causes' all have their 'causes' in an infinite regress,
and I will assume that the best procedure is to try to identify them
and to understand their mode of operation at the critical stage at
which there is most chance that they can be removed or moderated.
In discussion in this area we are likely to hear much of the 'vicious
circle' of poverty, with the implication sometimes drawn from it that,
since poverty is self-perpetuating, the poverty of the poorer countries
can be remedied only by the intervention of a deus ex machina, in
the guise of aid from outside Asia, Latin America or Africa — or
Europe, or Australasia. I do think, with many others, that there is
an important element of the vicious circle in the problem of poverty,
and that there is therefore good reason for invoking external aid to
help break that circle and to help to undermine the defeatism on the
part of the poor which recognition of the circle is liable to foster.