COMMUNITY DEVELOPMENT AND THE NATURE OF HUMAN MOTIVATION:
SOME IMPLICATIONS OF RECENT RESEARCH

David C. McClelland
Professor of Psychology
Department of Social Relations
Harvard University

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## Table of Contents

<table>
<thead>
<tr>
<th>I. Introduction</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>II. Achievement motivation and entrepreneurship</td>
<td></td>
</tr>
<tr>
<td>Effects of achievement motivation on behavior</td>
<td>3</td>
</tr>
<tr>
<td>Evidence that achievement is related to economic development</td>
<td>4</td>
</tr>
<tr>
<td>The difference between &quot;rational&quot; incentives and &quot;irrational&quot; motives</td>
<td>6</td>
</tr>
<tr>
<td>Origins of achievement motivation</td>
<td>16</td>
</tr>
<tr>
<td>III. Implications of our analysis for current programs of community</td>
<td></td>
</tr>
<tr>
<td>development</td>
<td>20</td>
</tr>
<tr>
<td>Comment on their objectives</td>
<td>21</td>
</tr>
<tr>
<td>Comment on their methods</td>
<td>23</td>
</tr>
<tr>
<td>Comment on the &quot;standard plan&quot; for development</td>
<td>27</td>
</tr>
<tr>
<td>IV. Proposals for a different approach to community development</td>
<td></td>
</tr>
<tr>
<td>A case: Hand-loom weaving in India</td>
<td>33</td>
</tr>
<tr>
<td>Methods of changing values and motives</td>
<td></td>
</tr>
<tr>
<td>Persuasion</td>
<td>34</td>
</tr>
<tr>
<td>Changes in the social system</td>
<td>37</td>
</tr>
<tr>
<td>Economic analyses</td>
<td>38</td>
</tr>
<tr>
<td>Sociological analyses</td>
<td>40</td>
</tr>
<tr>
<td>Early character education</td>
<td>42</td>
</tr>
<tr>
<td>Better allocation of scarce resources of entrepreneurship</td>
<td>45</td>
</tr>
<tr>
<td>Providing a congenial environment for change</td>
<td>48</td>
</tr>
<tr>
<td>Proposed budget for a new approach</td>
<td>51</td>
</tr>
<tr>
<td>The different role of external and internal aid</td>
<td>52</td>
</tr>
<tr>
<td>V. References</td>
<td>54</td>
</tr>
</tbody>
</table>
COMMUNITY DEVELOPMENT AND THE NATURE OF HUMAN MOTIVATION:

SOME IMPLICATIONS OF RECENT RESEARCH

by

David C. McClelland

Harvard University

INTRODUCTION

Interest in community development is currently very widespread. In poor countries it arises out of a realization that genuine economic and social progress depends ultimately on the mobilization of village resources where the great majority of the population lives. Among the rich countries, it reflects in part a genuine desire to "share the wealth" and in part a competition between the Communist and non-Communist worlds to demonstrate which political system is most likely to produce rapid economic and social progress. Among the peoples of the world, most of whom live in villages untouched by the material advantages of modern technological civilization, the interest in community development arises quite naturally out of a desire to share in the benefits that the peoples of the wealthy countries so obviously enjoy. Such widespread interest has created a number of plans to further development—plans by private organizations and by governmental agencies, both national and international. Soviet Russia has its five-year plans, the United Kingdom began its colonial development program as early as 1929, the United States established its technical assistance program now under the International Cooperation Administration in 1950, the United Nations has a Technical Assistance Administration, and countries like India and Pakistan have well-developed nation-wide programs of village development. In addition to these major governmental activities, there
are a number of pilot projects in social and technical assistance sponsored by private agencies like the Ford and Rockefeller Foundations and the American Friends Service Committee.

Interestingly enough most of these plans at least in the non-Communist world, are quite similar. They focus on improving agriculture and health, and on supplying public overhead capital (e.g., roads, public utilities, credit facilities) and technical education. In short there seems to be widespread agreement as to how village development is to be brought about. It will be my thesis that this agreement is premature because it is based on only a partial analysis of the problem supplied largely by economists, political scientists, and experts in public administration and social work. What has been left out of these plans is a careful consideration of psychological factors, in particular of group differences in motivation.

Now it is certainly not new to argue that plans for community development must take into account the wishes and motives of people or that changes in values and institutions must precede or accompany economic development. In fact modern economists in writing about economic development have regularly stressed the importance of taking into account psychological and sociological factors (Rostow 27, 13, 21, 4. Hoselitz Meier and Baldwin Buchanan and Ellis). Meier and Baldwin state succinctly the position taken by most modern economists as follows:

"In general, the economic problems of development are relatively simple compared with the broader and deeper sociological problems of respecting the general cultural patterns and institutions of the poor countries at the same time that they acquire new wants and the means of attaining them. Not only must economic organization be transformed, but social organization - as represented by such major institutions as caste, the joint family, the rural village, the church, and the schools - must also be modified so that the basic complex of values and motivation may be more favorable for development. Thus, the requirements for development involve both economic change and cultural change. The fundamental problem is likely to be not how much economic change the economy can absorb, but rather how much cultural change the backward people can accept and how quickly". (4, pp. 358-359)
The importance of understanding psychological factors has been widely appreciated. The difficulty has been that psychologists have had very little to offer of a concrete nature to economists and others interested in promoting the development of poor countries. Their science is as yet young and they have not been able to supply any "hard facts" of the kind economists are used to which are demonstrably related to problems of economic development. It is my conviction that recent research in the measurement of human motives may have altered the situation somewhat. The research has been going on for over ten years now and while it is by no means complete or definitive, already enough facts have been collected to suggest some changes in the current "standard plan" for community development. My first objective necessarily will have to be to demonstrate that these recent findings on the nature of human motivation are directly related to the problem of economic development. Then perhaps I can use them to point up certain inadequacies in current plans and suggest alternatives. It goes without saying that my analysis is tentative. I do not qualify as an expert in economics or community development and may easily overlook matters of major importance to those with more practical experience. What I can do as a psychologist is to try and outline as vigorously and as clearly as possible what some of the implications of recent research into human motivation appear to be for community development. Others will have to decide whether these implications are sufficiently well grounded in fact and sufficiently practicable to be put into effect.

ACHIEVEMENT MOTIVATION AND ENTREPRENEURSHIP

First it will be desirable to gain an understanding of what the psychologist means by "achievement motivation" since it is a key variable in our subsequent analysis and since the way in which its technical meaning has grown through research is typical of other such motivational variables useful in detecting the
value complex related to economic development. The "achievement motive" is ordinarily measured by performing a "content analysis" on imaginative thought. The scoring criteria for the "content analysis" were derived by comparing the thought processes of people under the influence of achievement motivation with the thought processes of people not under its influence (19). "Thought processes" were sampled by asking subjects to write imaginative stories to pictures. It was found that they introduced more ideas of a certain kind into their stories when their motivation to achieve—to do well—was aroused than when it was not aroused. An objective coding definition has been worked out for detecting these "ideas" with high agreement among different observers. Nearly all of the "ideas" can be classified under the heading of "desiring to do well" or "competing with a standard of excellence." This then became the scoring definition for a variable which was named technically \( n \) Achievement to distinguish it from other common-sense measures of achievement motivation such as one would get from how well a person said he was trying. The \( n \) Achievement score for an individual is simply a sum of the number of instances of achievement "ideas" or images and their sub-types (19), and the score for a group of individuals is some measure of central tendency (the average, the mode) of the scores of individuals who make up the group. In this way it can be determined, for example, that the average \( n \) Achievement of a group of teen-age German boys is slightly but significantly lower than the average \( n \) Achievement of a carefully matched group of American boys (20), or that American boys from lower class backgrounds have lower average \( n \) Achievement than boys from middle class backgrounds (25).

By this time we know a good deal about how people with high \( n \) Achievement scores tend to behave as compared with people with low \( n \) Achievement scores. The "highs" work harder at laboratory tasks, learn faster (19), do somewhat better
school work in high school even with I.Q. partialled out (24), and seem to do their best work when it counts for their record and not when other special incentives are introduced such as pressure from the outside to do well (3), money prizes (3), or time off from work (8). They are more resistant to social pressure (19), choose experts over friends as work partners (9), and tend to be more active in college or community activities, like risky occupations (16), perform better under longer odds (2), and choose moderate risks over either safe or speculative ones (17). Finally they come from families in which there has been stress on early self-reliance and mastery (19), and oddly enough, they cannot report accurately when asked whether they have a high achievement or not (6).

It is perhaps worth stressing that all of the statements about how people with high achievement motivation behave are based on careful statistical studies in which the measure of motivation is independent of the activities listed. In other words, it would not be very unusual or important to conclude that people who are active and energetic have a lot of achievement motivation. The advantage of being able to measure the motive independently of activities is twofold. On the one hand, it enables us to predict what persons or what groups of persons will be active and energetic in advance of their actually being so. And, on the other hand, it gives us a method of establishing levels of achievement motivation for groups or individuals which are not subject to the wide differences of opinion that inevitably arise if estimates are formed on the basis of the activities in which people engage. For example, if a person studies hard, one observer might be led to conclude that he has a high achievement motive. Another might disagree and feel that he is studying hard because he is afraid of his parents' disapproval if he fails. Still another observer might conclude his studying was simply a means of escape from anxieties he felt in the social situation. The
method described enables one to determine (with some individual error of course) which of these motives is actually operating by detecting what the person's "inner concerns" are. And knowing specifically what his motive is enables us to predict what other things he will do much better than we could on the basis of our inferences about his motives based on his overt behavior.

Let us suppose that we can get some kind of a measure of the strength of a person's achievement or other motives in this way, and that with such measures we can predict whether he will be concerned about achievement, friendship, or power in what he does. What has this got to do with economic development? A lot, if we can find evidence to support the following two propositions: (1) that group differences in the average level of certain motives such as \( n \) Achievement predict differences in rate of economic growth and (2) that certain motive combinations predispose individuals to act like the successful business entrepreneurs who have played key roles in all previous economic development. There are three kinds of evidence for the first proposition. Table 1 presents one kind. The figures in it are from a study by Rosen, in which he was interested in class and ethnic differences in achievement motivation within the United States. Obviously the middle class, which is by definition higher economically and occupationaly than the lower class, has a higher average level of \( n \) Achievement. The slight falling off in achievement motivation for persons of highest socio-economic status requires a more thorough analysis than is relevant here, but perhaps it will be sufficient to point out that it is probably due in part to traditionalist emphases in the upper class, in part to the nature of some of the professional occupations in which this group is engaged, and in part simply to "having arrived." In any case, the middle class, which is generally recognized by sociologists and economists as being most energetic or "upwardly mobile"
Table 1
Average achievement scores of adolescent American males by social class by ethnicity (from an unpublished study by B. Rosen.)

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>upper</th>
<th>middle</th>
<th>lower</th>
<th>average</th>
</tr>
</thead>
<tbody>
<tr>
<td>French-Canadian</td>
<td>10.00</td>
<td>10.92</td>
<td>8.26</td>
<td>8.20</td>
</tr>
<tr>
<td>Italian</td>
<td>9.43</td>
<td>12.94</td>
<td>8.75</td>
<td>9.78</td>
</tr>
<tr>
<td>Greek</td>
<td>9.17</td>
<td>12.13</td>
<td>9.67</td>
<td>10.81</td>
</tr>
<tr>
<td>Jewish</td>
<td>10.06</td>
<td>10.41</td>
<td>11.00</td>
<td>10.53</td>
</tr>
<tr>
<td>Negro</td>
<td>11.36</td>
<td>9.00</td>
<td>7.67</td>
<td>8.40</td>
</tr>
<tr>
<td>Protestant whites</td>
<td>11.85</td>
<td>11.00</td>
<td>9.03</td>
<td>10.19</td>
</tr>
<tr>
<td>Average</td>
<td>10.69</td>
<td>11.34</td>
<td>8.78</td>
<td></td>
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</table>
and as containing the largest number of small business entrepreneurs, clearly comes out with the highest level of $n$ Achievement. Furthermore, the ethnic groups which have been more successful economically on the American scene also come out with higher levels of achievement motivation than those which have been less successful. To take the best authenticated case, data from Havemann and West clearly show that Jews, Protestants, and Catholics matched for college education and original economic status, were successful economically in that order, just as their average levels of $n$ Achievement in Table 1 would lead one to expect.

But these data come exclusively from the United States and refer only to differences among minority groups within the general social system of the United States. Perhaps the differences in $n$ Achievement are due to selective migration, to the ease with which various foreign groups have adjusted to the United States, or to other variables which in combination with $n$ Achievement produce economic success only in the United States. Is $n$ Achievement related to economic success in other social systems? Unfortunately a definitive answer to this question cannot be given at the present time. A major research project under my direction is answering it, but the data have not as yet been analyzed. All that can be done here is to sketch the nature of the project and some very preliminary findings. The study purports to estimate the approximate importance of various motives and values in a number of countries directly from thought patterns as they exist in those countries. The method of arriving at these estimates is different from the one so far described and therefore deserves some further justification. In Table 1 random samples of individuals in various categories (lower-class Protestants, middle-class Jews, etc.) were tested and the average score of
these individuals presented as representative of that group. Since individual testing of this sort is not practicable for large scale international comparisons, or particularly for historical comparisons to be mentioned subsequently, it was necessary to devise another method of assessing for example, the "typical" n Achievement level of a cultural group. The procedure adopted was to choose stories representative of the culture, rather than individuals who might produce stories representative of the culture. In other words, it was felt that stories in widespread use in a culture might be representative of the way individuals thought in that culture in much the same sense as a sample of actual stories produced for us would be when individuals were tested. The only further requirement would be that the stories should be of the same general sort as those collected from individuals—namely, that they should be short, imaginative, and not dictated by any obvious reality factors in the culture, such as its political system. All of these requirements pointed to the use of stories for children widely used around the world to teach them to read. Such stories tend to be of standard form everywhere, and to be little influenced by political factors, presumably because children in the early grades when they are just learning to read are too young as yet to understand such things. So we obtained samples of children's stories from over 50 countries, had them translated, and without knowledge of the country they came from, coded the frequency with which various motives and values appeared. Table 2 presents some data from this study abstracted in advance especially for this memorandum which confirm our general line of reasoning, but which almost certainly also present a grossly over-simplified picture of the total findings to come. They show a marked relationship between n Achievement level in 1925 and rate of economic growth subsequently
Table 2

Relationship between \( n \) Achievement level in 1925 and subsequent growth rates in real national product per capita (1938-1950)

<table>
<thead>
<tr>
<th>High ( n ) Achievement level in 1925</th>
<th>Gain in real national product per capita (1938-1950)</th>
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</thead>
<tbody>
<tr>
<td>Canada</td>
<td>56</td>
</tr>
<tr>
<td>England</td>
<td>44</td>
</tr>
<tr>
<td>Denmark</td>
<td>42</td>
</tr>
<tr>
<td>United States</td>
<td>40</td>
</tr>
<tr>
<td>Average</td>
<td>45</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Low ( n ) Achievement level in 1925</th>
<th>Gain in real national product per capita (1938-1950)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>29</td>
</tr>
<tr>
<td>Belgium</td>
<td>21</td>
</tr>
<tr>
<td>France</td>
<td>17</td>
</tr>
<tr>
<td>Holland</td>
<td>6</td>
</tr>
<tr>
<td>Average</td>
<td>18</td>
</tr>
</tbody>
</table>

Rank Correlation = .75 p < .05

Notes: \( n \) Achievement level in 1925 estimated crudely from achievement imagery in children's stories.

during the period when the children of 1925 were young adults at the peak of their productivity. In fact put in their most striking fashion, the results suggest that an \( n \) Achievement level 2-1/2 times greater in 1925 leads to a gain in productivity 7 or 8 times greater in 1933-1950. On the other hand there is apparently no relationship between \( n \) Achievement level in 1950 and either past gains in productivity or present absolute level of economic development. Furthermore, a motive which we have so far not mentioned—namely the need to establish friendly relations with others—appears to play a more important role in the rich than the poor countries—perhaps because in "modern" countries traditional interpersonal ties have been so broken by individualism that there is a need to re-establish them.

But there are so many shortcomings in the data currently available, they are hardly worth pursuing further. No really poor countries are represented in Table 2. Holland has a level of \( n \) Achievement in 1925 far below most underdeveloped countries to-day, and yet it achieved considerable growth subsequently. And so forth. The most we can glean from these meagre facts is the hint that motives and values appearing in children's stories may predict subsequent economic behavior. In other words the values of the adult generation as reflected in children's readers may not affect their own behavior so much as it does their children's so that there may be a generational lag in cultural change.

A third kind of evidence for our proposition that motive levels predict economic activity comes from historical studies. Can one demonstrate that achievement motivation rose prior to the economic development of a country and fell off prior to its economic decline? Only one such study has so far been completed. It was undertaken by Berlew and deals with the rise and fall of ancient Greece. The most relevant findings are presented in Figure 1. The \( n \) Achievement level was assessed in this case by content analysis of imaginative literary productions (from Homer to Aristotle) matched for theme and
Fig. 1. Average achievement level plotted at midpoints of periods of growth, climax, and decline of Athenian civilization as reflected in the extent of her trade area (measured for 6th, 5th, and 4th centuries only). See McClelland, 18.
selected from three time periods representing roughly early, middle, and late Greek history in the time before Christ. The graph shows that n Achievement level was highest long before Greece had developed into much of an economic power, and that, in fact, by the time of her "golden age", it had dropped significantly foreshadowing her subsequent decline. Many other studies of this sort are necessary before any firm conclusions can be drawn about major historical movements in achievement motivation and their relationship to subsequent or contemporary changes in economic level. So far only one additional study has been started dealing with the rise and fall of pre-Incan civilization in ancient Peru, and preliminary results in general parallel those for ancient Greece.

Actually the case for n Achievement and other such variables as "moving forces" in the production of economic development rests more heavily on the evidence for our second proposition that certain motive combinations predispose people to behave in ways that would lead one to expect economic development. Economic historians are now generally agreed that business entrepreneurs are essential to economic development. To avoid misunderstanding, it should be stated at the outset that of course business entrepreneurs exist in poor countries today just as they have always existed in all countries from the beginning of history or at least the market economy. What is meant by the term, then, is someone who behaves in a peculiarly energetic way. The great German sociologist, Max Weber, accurately described long ago how such a person differs from the traditionalist businessman and summed the differences up by referring to the new "Spirit of Capitalism," a phrase which has proven to be somewhat misleading. On the one hand it has suggested to some social scientists that such entrepreneurs had to be associated with private enterprise of a capitalistic sort and on the other that they were primarily activated by the profit motive, although neither of these assumptions characterizes Weber's thinking very
accurately. Nor is it necessary to assume that what we mean here by the "entrepreneurial spirit" - e.g., behaving actively and energetically in the economic sphere - requires either a particular social and economic system (in which, for example, gains accrue to the individual) or a particular kind of motivation - e.g., the desire for such gains. In fact, recent study of the concrete lives of many of the "entrepreneurial heroes" in the West strongly suggests that attributing their behavior to the operation of a "profit motive" is at the very least a faulty and incomplete piece of psychologizing. For one thing, as Weber was one of the first to point out, many of the most successful of these business entrepreneurs in England and the United States belonged to fundamentalist religious sects derived from Calvinism and Anabaptism, which were in principle strongly ascetic and successfully prevented their members from sensuous enjoyment of the fruits of their labors. In short, it was the Calvinists, Methodists, Quakers, and other such radical Protestant groups who were most successful in the business sense. But could their chief motive be profit if they were expressly denied the possibility of enjoying material benefits? The phenomenon is by no means limited to the history of the West. In India, for example, it also appears to be the ascetic religious sects like the Jains and the Parsees who have been most successful in business. In neither the East nor the West has it been the secular-minded materialists, primarily interested in money and what it will buy for them personally who have been successful in business. The reason is not far to seek, economically speaking, because one of the necessities of business growth is for individuals to forego profits for long periods of time so that they can be plowed back into the business, thus expanding and developing it. This is precisely what the asceticism of certain religious sects encouraged, while the more short-run pursuit of pleasure was undermining continued expansion of businesses run by more out-and-out materialists.
If it was not primarily material gain for themselves, what did motivate the most successful business entrepreneurs? To read the historical record (5), it sounds very much as if their motive was what we have been calling the achievement motive. They often wanted to perfect themselves in the eyes of God by doing His will which meant developing the resources with which God had endowed man in nature, and doing one's best to bring about the kingdom of God on earth. Money income—or profit margin or the size of one's business—appears to have become more a means to measuring how well one had done his job rather than an end in itself. Suppose we tentatively assume that our hypothesis is correct—that successful business entrepreneurs have been characterized by a high level of achievement motivation—what else can we learn from their behavior as described by historians which might enable us to check further to see whether individuals with high achievement show the same characteristics? A careful reading of the literature (5) suggests that the energetic entrepreneurs of whom we are speaking tended to seek out situations which were characterized (1) by the possibility of knowing fairly accurately the results of one's efforts, (2) by a concentration of responsibility for decision and action on one person and (3) by what objectively would appear to be a certain degree of risk of failure. Business has all of these three characteristics. Profit margins, costs, and sales volume give quite accurate feedback as to the effects of one's efforts. Secondly as Sutton has pointed out (28), most businessmen have a very real sense (sometimes exaggerated) of their individual responsibility for the outcome of their decisions. That is, in a modern, complicated, inter-related world, it would be quite easy to attribute rise or fall in sales or profits to market factors over which the individual has no control, but in fact there is little tendency to do this. The entrepreneur gets the credit or takes the blame. And finally business obviously involves risk. The entrepreneur must make countless decisions as
to whether to expand or contract, to make a capital investment or to postpone it, add a new line or discard an old one. It is often impossible to know in advance exactly how any of these decisions will turn out. The successful entrepreneur must usually be willing to take moderate risks, for if he is too conservative and traditionalistic, there will be no expansion or development either in his business or in general level of economic productivity in the country of which he is a part. Or if he is too speculative he may ruin the business.

These three characteristics also make good theoretical sense in terms of what a person with a strong $n_Ach$ would be likely to want out of a working situation. For instance if he wants to do well, he must certainly have some feedback as to how well he is doing. If what is done is his responsibility and not someone else's, then he can get a feeling of personal satisfaction from having acted correctly. Otherwise it would have little significance for him since the action was not his personal responsibility to begin with. Finally, if no risk were involved, it would be certain from the beginning how a decision would turn out, and he could gain little sense of achievement from having it come out successfully. Or even in the case of a wildly speculative venture which succeeded, it is doubtful if the person with high $n_Ach$ would feel much satisfaction because the outcome could hardly be attributed to anything which he had done well but instead would almost certainly appear to have been due to luck. Thus, one could see why individuals with high $n_Ach$ would be attracted to moderately risky situations in which they were most likely to gain a sense of personal satisfaction for having acted in a way which produced a successful outcome.

So much for the theoretical argument. Now what are the facts? Is there any evidence that subjects with high $n_Ach$ are attracted to the type of opportunities which business provides? Or do entrepreneurs in fact score higher
in \( n \) Achievement than other individuals of comparable educational and professional status? The data are by no means all in but what there are support our expectations. (1) Students with high \( n \) Achievement prefer risky occupations, particularly of a business nature — e.g., buyer of merchandise, real estate salesman, stock broker — to "safe" occupations of equal prestige — e.g., clergyman, interpreter, statistician — (16). (2) The "highs" also work more efficiently under somewhat "riskier" conditions — when the chances of coming out on top are about 1 in 3 — than the "lows" who perform most efficiently under somewhat "safer" conditions — when their chances of winning are about 1 in 2 or fifty-fifty (2). (3) Even more significantly the "highs", when given a choice of the odds under which they prefer to work, choose a situation in which their objective chances of success are about one in three whereas the "lows" tend to distribute their choices of different types of risk much more evenly so that more often they work under conditions in which they are either certain of succeeding or could succeed only if they were extremely lucky. While this experiment was performed with young children, its results are strictly analogous to what we would expect if business behavior in under-developed countries is characterized by low \( n \) Achievement. That is, it is commonly observed that in such countries there is a strange mixture of very conservative economic behavior (based on traditionalistic, primary-producing occupations) and extremely speculative behavior such as buying a chance in a lottery. What is missing is the tendency to take "calculated risks", to maximize the possibility of gain, which we have found to be characteristic of individuals with high \( n \) Achievement and which also characterizes economic behavior in developed countries.

These research findings have to do only with the risk-taking characteristic of entrepreneurs and persons with high \( n \) Achievement. Research on the
other two characteristics (knowledge of results and a sense of personal responsibility) supposedly liked by entrepreneurs and subjects with high \( n \) Achievement has not as yet been done, although there are strong theoretical reasons for supposing that they too will fit in with the risk-taking findings. But what about the most obvious question of all? Do entrepreneurs have higher \( n \) Achievement, as assumed, than other individuals of comparable socio-economic status? Unfortunately a definitive study of this problem has not as yet been completed, but preliminary evidence certainly suggests that this is the case. For example, the average \( n \) Achievement score for salesmen from a large life insurance company was nearly double what it was for employees from other departments of the same company who were otherwise comparable to the salesmen in salary, rank, etc. The difference is highly significant statistically. Salesmen are to be sure not exactly the entrepreneurial type we have been speaking of, but they are certainly very similar to the extent that their success depends on promotional activities. It should also be mentioned that the salesmen were significantly higher in the need for affiliation — just as the rapidly developing countries were in the content of their children's readers, a fact which underlines the incompleteness of our analysis to date and strongly suggests that while \( n \) Achievement may be a key motivational element in entrepreneurial behavior, it may be only a part of a larger motivational complex not as yet entirely identified.

Our argument, up to this point, can be briefly summarized as a series of propositions. (1) Economic development and its constituent part — community development — are both dependent on the vigorous activity of a number of individuals who behave in an entrepreneurial fashion. (2) What appears to make individuals behave in this fashion is a motivational complex not entirely understood as yet but containing a strong need for Achievement as technically
measured by psychologists. (3) There is both direct and inferential evidence that this motivational complex has been in shorter supply in poor countries than in rich countries which explains the difference in their economic productivity to date. (4) If substantial economic development is to occur in poor countries, the number of individuals with the entrepreneurial motivational complex - and particularly with high n Achievement - will have to be significantly increased. But how can motivations be changed? How can the number of individuals with high n Achievement be increased? It is here that the psychologist probably parts company with many social theorists who would probably accept the argument so far presented as perhaps being no more than the technical working out of what is after all common sense.

The reason is simple. The average social theorist today is still pretty much a rationalist. He reasons like this. Granted that people in underdeveloped countries do not have enough n Achievement or whatever motive the psychologist says he needs. All you have to do to get more of the motive is to make it worth their while to want something. Provide the people with the proper incentives and they will work harder and more efficiently. As Rostow puts it in describing what happens before the "take-off" into sustained growth, "usually from outside the society, but sometimes out of its own dynamics, comes the idea that economic progress is possible; and this idea spreads . . . . new enterprising men come forward willing to mobilize savings and to take risks in pursuit of profit . . ." (26, p. 31). The dangerous part about such analyses of the situation is that they are true but only part of the story. Most of the people in the world will work harder if provided with special incentives to do
so, but there are a few people in the world who will try to do their best whether or not there are special incentives, and these are the ones we are talking about—the ones with high $n_{\text{Achievement}}$. The contrast is nicely illustrated in Table 3. Note that working class students improve their performance markedly if they are offered chances of winning a $\$500$ reward. It is not perhaps so surprising that the middle class students do not improve their performance under the same incentive because perhaps five dollars means less to them. What is significant about this Table, however, is that the middle class students performed much better under no reward than the working class students did. As we have seen in Table 1, the middle class students have higher $n_{\text{Achievement}}$ and strive to do their best "irrationally" whether or not there is any external incentive for doing so. A number of similar research findings reported in the psychological literature demonstrate that subjects with high $n_{\text{Achievement}}$ strive to do their best without special incentives arranged by society to elicit efficient behavior. In other words they have internalized the desire to do well and are to some extent no longer influenced by the rational calculus of whether or not behaving in this way will gain them anything or not. The importance of this finding for community development planning can hardly be exaggerated. If one starts with the assumption that motives can be easily manipulated by rational considerations and arrangement of incentives to work, he will concentrate his attention on changes in the social system. If the system is changed, people will "come forward" to fulfill its new requirements. If, on the other hand, one recognizes that to a considerable extent motives are autonomous forces within individuals, he will concentrate on changing people. If the people are changed, they will force changes in the system. Of course the contrast between the approaches is here exaggerated. Both the social system and personality structure are interdependent, but it is worth overstressing the importance...
Table 3

Average number of items completed in a number-tracing task by middle and working class students with and without a $5.00 reward for excellence of performance*

<table>
<thead>
<tr>
<th>Class</th>
<th>Absent</th>
<th>Present</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Students</td>
<td>Mean</td>
</tr>
<tr>
<td>Middle</td>
<td>54</td>
<td>20.11</td>
</tr>
<tr>
<td>Working</td>
<td>13</td>
<td>16.00</td>
</tr>
</tbody>
</table>

of beginning with personality change since the other approach has been generally adopted. Its chief disadvantage is that it starts from outside people and involves the simultaneous arrangement of a large number of social institutions to provide maximum incentives to work. The complexities of these arrangements staggers the imagination, and of course if the proper incentives are not provided, people simply will not work hard because it does not "pay" them to do so. Nearly all planners recognize the probable futility of trying to lead an essentially passive people through the paces needed for economic development, but few of them have faced squarely the fact that to create the spirit of self-help and initiative that they want, a basic change in n Achievement and allied motives is necessary. Only such change will produce the irrational driving force necessary to overcome what are factually and rationally considered nearly insuperable obstacles to economic development.

If the motive complex including n Achievement is a basic personality characteristic and not just the desires aroused by manipulating external conditions, how is it that some people have it and others do not? Once again the research on this point is by no means as clearcut as we would like to have it, but the evidence for at least two general propositions is fairly impressive:

(1) The amount of n Achievement a person has is a function of pressure for achievement and self-reliance put on him in a context of warmth and respect by his parents, particularly by his mother. In other words a person's motives, not too surprisingly, are the result of the values of his parents and the way they bring him up. What a number of research investigations suggest (19) is that if the parents have high standards of excellence themselves, if they stress self-reliance and independence early, and if they do it with full warmth and respect for the child, then their children, at least their sons, will tend to
develop high \( n \) Achievement. They may also develop more of a need for Affiliation because they have been forced early to stand on their own feet, but data on this point are still lacking. Once again we must emphasize that we talk largely in terms of \( n \) Achievement because we know most about it and not because we believe it to be the exclusive ingredient in the energetic behavior of the idealized entrepreneur we have been talking about.

Incidentally there is fairly good historical evidence that few cultures who use slaves to rear children have been able to maintain a high level of \( n \) Achievement for long. For example, it is interesting to note that the marked decline in \( n \) Achievement in ancient Greece shown in Figure 1 actually corresponded to the time when economic prosperity had made it possible even for middle class Greek citizens to buy at least two slaves for each child, one to nurse him and the other to go to school with him (the pedagogue). If the child has slaves to do things for him, it is not easy for him to develop strong motives to do things for himself and to do them well.

(2) Basic motivational characteristics like \( n \) Achievement are acquired very early in life and are progressively harder to change with age. The evidence for this proposition is still somewhat indirect although few propositions are currently more widely held among psychologists, probably largely because of the influence of Freud and the psychoanalytic tradition which has depended heavily for its success on this assumption. But there are other reasons for subscribing to it also. It is parents who stress achievement and self-reliance early who develop sons of higher \( n \) Achievement, and not those who stress the same things later on. In other words in an achievement-oriented culture like ours, nearly all parents stress achievement at some time or other, but those who wait until later (after the age of eight, for example) seem to develop children who value achievement highly but who do not show the same kind of irrational internalized \( n \) Achievement
that we have been talking about. These people often say that they are very much concerned with achievement but their imaginative productions do not show any evidence of this concern nor does their actual behavior, unless there is a strong external incentive to do well. Furthermore we know that differences in achievement exist among children as early as age five and that these differences appear to be produced by differences in parental attitudes, yet we have as yet no comparable data showing that such differences can be produced later in life at so fundamental a level by various educational experiences. Finally there are the key studies of entrepreneurs in underdeveloped countries who have been educated in the West. Many of them seem to understand fully at the conscious level what kind of business behavior is desirable, yet their actual behavior often falls short of what we would expect from a person driven by an irrational, unconscious need for Achievement and related motives. From the psychological point of view, their education in the West came too late. They may learn to value achievement but not to be driven by the need for it.

IMPLICATION OF OUR ANALYSIS FOR CURRENT PROGRAMS OF COMMUNITY DEVELOPMENT

The objectives of community development programs are nearly everywhere the same. They may be summarized briefly as follows with quotations taken from a number of different sources to illustrate the similarity of most plans.

(1) "To raise rapidly the productive output and real income of the villagers".*

(2) "To multiply community services" so as to contribute to the health, education, and welfare of the villagers.

(3) To enlist "participation by the people themselves in efforts to improve their level of living".* To provide assistance in a way which "creates a spirit of self-help, initiative, leadership and cooperation among the villagers".*
(4) To set up administrative arrangements which "assure a coordinated rather than a segmented approach to the interrelated problems of a community", so as to avoid inefficiency in the allocation of scarce resources for village aid.***


**Community Development and Related Services, UN-Economic and Social Council Document E/2931 of 18 October, 1956.

***The Community Development Guidelines of the International Cooperation Administration, sent to ICA Missions, October 27, 1956.

Comment: These objectives are obviously of different orders of importance, although the order is not ordinarily spelled out in planning documents. The first objective is basic to all the others. Certainly productivity must be increased if better community services are to be paid for internally. It is sometimes argued that improved welfare - better health and nutrition - must precede increased productivity on the ground that if people are sick or undernourished, they cannot work very hard (4,p. 30). While this may be true in extreme instances, by and large it is a gross oversimplification to argue that there is any connection between nutrition and health and how hard people will work except at the extremes. One need only think of the efficiency of the German worker after World War II when nutrition levels were certainly inadequate or of the English workers in the 18th and 19th centuries when conditions for public health were anything but good to be reminded that nutrition and health have only a most tangential connection with productivity. What is related to how hard people will work is their character - their motives and values - in particular the level of their achievement. And character is a product of quite other variables than what people eat or how healthy they are.

The third objective recognizes the importance of what we would call achievement. All planners agree that continuous imposition of goals from without provides a hopeless prospect. Individuals must internalize the desire to improve
their lot and must work for progress without continual prodding from outside.

The fourth objective concerns something which is obviously desirable, although it could easily become dangerous if overstressed. That is, the desire to plan, to avoid inefficiency, may lead to a disproportionate growth of bureaucracy which at one and the same time withdraws needed funds for other objectives and stifles the spirit of self-help and initiative that is essential.

The methods of achieving these objectives are also pretty well agreed on by most planners and are more open to objections in the light of our analysis. The primary method to be used is what we will call "group problem solving", the principles for which are borrowed from the progressive education and social work movements in the United States. So important is this method of approach that the U. S. International Cooperation Administration in a memorandum to its Operations Missions dated October 27, 1956, actually defines community development in these terms: "Community Development is a process of social action in which people of a community organize themselves for planning and action." A more complete description of the technique of group problem solving involves bringing the villagers together,

"A. To organize themselves for planning and action.

B. To define their common and individual acknowledged needs and problems.

C. To make group and individual plans to meet their needs and solve their problems.

D. To execute these plans with a maximum of reliance upon village sources.

E. To supplement village resources when necessary by securing services and material from the development agencies of government." (10, p. 3).

It is further recognized in most such plans, like the extensive ones developed by India and Pakistan, that some person will have to be introduced at the village level to be responsible for helping the villagers organize themselves to solve
their problems in this way. These village level workers consult on agriculture, health, education, and all sorts of community projects.

Comment: Why has everyone agreed that group problem solving is not only the right method of achieving the objectives of community development but perhaps even a definition of community development itself? For two reasons, if I read the record correctly: (1) because it is considered the best method of motivating people to help themselves and (2) because it is regarded as the only democratic way to behave. Let us consider each of these reasons in turn. The first proposition certainly sounds plausible enough. "Governments have learned that when local people have a chance to decide how they can better their own local conditions, better sanitation, greater literacy, and other desirable improvements are more easily introduced and have a more lasting effect." (30,p.1) "Success in community development programs demands that the people emotionally identify themselves with these programs." (29,p.3). The problem with such statements is again not that they are untrue, but that they give only part of the story. In the first statement, for example, there is talk of improvements being "more easily introduced" and one has a right to ask "by whom?" Is it an accident that the sentence is written in the passive form and that the second statement starts off by talking about "success" without mentioning who is going to produce the success? In brief, there are two possible meanings of such statements. The first is that it is easier to introduce improvements if people understand and consent to what is going on. With this interpretation of the proposition, no one, it seems to me, can quarrel. The second interpretation is that if people meet together they can decide what their needs are, and will work out plans for meeting their needs that individuals will then successfully and energetically execute. This is quite a different interpretation from the first one and as our previous analysis has shown, there is no reason at all for accepting
it is self-evident. The reason why so many people do accept it as self-evident is in part the result of the "rational" model of human nature discussed earlier in which men will "execute plans" which are eminently reasonable and in part the result of widespread experience with this approach in the West where it often works pretty well. The reason it works in the West is because there the people generally have a high level of n Achievement and may in fact carry out energetically plans set for them by groups, although our research evidence suggests that the person with high n Achievement prefers to set his own goals. If the central problem of community development is an increase in productivity and entrepreneurial behavior, these are functions which cannot be taken over by a group. In the end it is always the individual who acts.

One can argue even further that the objectives identified by a group are often not the right ones. The American Friend Service Committee in a sober evaluation of this approach (1) has pointed out that in its experience, villagers often can only identify a general need (such as better health) but it is the job of someone else to make it specific (by pointing out the need for puro drinking water). Furthermore, a "wrong" need may be "felt" by the traditional elders of the village who have always run things in a conservative way.

But quite aside from such objections, group action simply does not hit at the heart of the problem - namely getting more people to work harder and in an entrepreneurial fashion. It remains an external rather than internal method of setting objectives. Its chief value is to reduce friction, to prepare people for changes, but not to motivate them to greater action.

But is it not the only democratic approach? One of the deepest convictions of most sensitive Americans is that they must not impose their values and their institutions on other peoples. We are deeply committed to non-manipulative,
non-authoritarian approaches to helping other people and it is in part for this reason that we are so devoted to the doctrine of "felt-needs" and the method of group problem solving. To some extent we are on moral grounds here into which considerations of effectiveness do not enter, but the following considerations may be helpful. It can be argued that we believe so firmly in the democratic doctrine of self-determination because we are ourselves a high \( n \) Achievement people and learn to value self-determination at our mother's knee. We are, in a sense, then adopting our mother's attitude toward us in trying to develop self-reliance and \( n \) Achievement in underdeveloped countries. The motive is laudable and almost certainly politically wise, but we must not deceive ourselves into thinking that it is likely to be successful in producing more \( n \) Achievement in poor countries. It is their mothers that have to behave in the same way that ours did and our attitude toward them as adults is not likely to create new motivations in them, although it may help create the value climate that produces \( n \) Achievement in their next generation.

So far as the group method of identifying needs is concerned, we should, perhaps, remind ourselves of our own past history. Was it in fact in this way that we developed? Did villages in New England and Pennsylvania get together and identify felt-needs, make plans for solving them, and delegate individuals to carry them out? To a certain extent, of course, the New England Town Meeting did exactly this, but with an important difference from the way in which village development programs are conceived today. In the developing West the initiative came from within, from the villagers themselves; it was not the village meeting which produced the motivation in the individuals. Rather the town meeting served as a means of coordinating the activities of a lot of energetic people. In effect, then, group planning, even government itself, grew up as a response to the need for controlling and disciplining independent
sources of initiative and action rather than as the means of stimulating and
accelerating action.

It is probably more effective and certainly more honest to face the fact
that many backward people will not feel the needs they should if they are to
develop, or they would have developed long ago. Setting group goals at best
bears a very remote connection with individual action and initiative. And it
is not peculiarly democratic since the democratic countries of the West did
not develop by this technique. Group discussion can, of course, be extremely
useful in removing sources of tension and gaining the consent of the governed.
But it cannot be relied on to motivate individuals.

While most planners stress the central importance of groups discovering
their own needs, it is surprising how often villagers come up with the same
ones. Nearly all assistance programs have in fact focused on four main object-
ives. Planners have known well enough what needs will be "felt" to make out
their budgets in advance! Assistance agencies have a fair idea of what they
consider "desirable improvements" before the villagers are called together so
that the "democratic" character of group problem solving seems to be somewhat
exaggerated in any case. It is hard to imagine any of the agencies carrying
democracy to the point of thinking it was all right for villagers to decide they
would rather spend their meager resources on building a memorial to dead rela-
tives rather than improving the drinking water!(1, p. 67). In point of fact,
democratic procedures or no, nearly all community development programs center
in the following areas:

1. Agriculture (Improved seeds, fertilizers, insecticides, etc.
   Livestock breeding and treatment).

2. Health Services (such as improving drinking water, sanitation,
   providing some form of medical care).
3. Public Overhead (roads, irrigation, credit facilities, etc.)

4. Education (Literacy and technical training in the upkeep of machinery, for improving the skills of village partisans, of farmers, and of housewives for food preservation, sewing, etc.)

Comment: Again we may well ask why is it that there has been such universal agreement among national, international, and private agencies that the way to produce economic development is by concentrating aid in these four areas roughly in the order of priority in which they are listed. The reasons are not difficult to find. In the first place "felt-needs" if one is committed to that approach, are very likely to occur in these areas. People very generally want to eat better, and to feel better (have better health). It is also easy for them to see the need for better communication if they cannot get their goods to market because of lack of roads or better irrigation if they are subject to droughts. Secondly those who are interested in helping under-developed countries or backward peoples are often primarily motivated by welfare considerations and from their point of view improved food production and health services are the two primary means of helping people who are suffering and poor. It is obvious to all that people are sick and need medicine that they could easily produce more food if they had better seed, improved fertilizer, or perhaps a breed of cow that would produce more milk.

Difficult as it is to deny the importance of such obvious humanitarian considerations, they have tended to warp aid programs in the direction of helping people as they are, rather than changing them so that they can help themselves eventually. In fact, one can make a case for the fact that by concentrating aid on agriculture, health, and public overhead capital, the plans are least likely to affect those values and institutions which must be changed if development is ever to be self-sustaining. The family is the key institution which carries cultural values and sees to it that the next generation is brought up to share
the values of its elders. To produce real cultural change, one must get at the family, one must for example change the attitudes of parents toward achievement and self-reliance in their children. The agricultural family is normally the most conservative in the culture and the hardest to influence. Yet how is introduction of improved seed, a better breed of chicken, a new road, or inoculations for smallpox likely to change the values of rural families particularly toward such key institutions as child rearing?

To be even more specific, one of the values which a culture probably must acquire if there is to be any significant increase in entrepreneurial behavior is a belief in the importance of "achieved" status. People must be judged in terms of what they can do or achieve rather than in terms of who they are. It would probably do no good to increase the achievement level of a culture, for example if large numbers of individuals in the culture could not then achieve because of caste, race, or other restrictions on what they were allowed to do. The status of women is as symptomatic of values in this area as any other. In many if not most underdeveloped countries, they have a status which is ascribed to them because of their sex and are severely restricted as to what they can do or achieve. How specifically is aid to agriculture and to health likely to improve the status of women? Improved welfare of rural families may even strengthen the conservative, traditional elements in the community by reducing the discontent which may be an important source of social change. Obviously most planners would like certain values to change, and aid to agriculture and health could be given in ways which might, rather awkwardly, speed up the process of change, but there is little evidence that they recognize value change is essential, not just desirable, and administer their programs accordingly.

Another basic weakness in current aid plans is that they are essentially centered on the short rather than the long run. The point can perhaps best be
made by an analogy. Social psychological studies of disasters have demonstrated that there is a basic weakness in the way people try to help victims of the disaster. Let us call it the "doctor's fallacy" for lack of a better name. What doctors do, it has been demonstrated, when a great many people are injured in a disaster is to work first on the most serious cases, on those people who are most likely to die if they are not helped right away. Yet, if there is not enough help to go around, a little reflection shows that this is a highly inefficient way to behave. If the doctor's objective is to save as many lives as possible, he should not let ten not-so-injured people die while he is spending all his time trying to save the life of one very difficult case. Yet, it is almost impossible to get doctors to be calculating about such matters. By ethical choice and by long training they help the sickest people first and choose whom they help "randomly" in terms of whom they come in contact with first rather than in terms of such rational considerations as who is most likely to benefit from what little help they can give.

By putting "felt-needs" and welfare considerations first, planners almost inevitably fall into the "doctors' fallacy". They help those who need help most and in so doing may injure more people in the long run. A very particular weakness of concentrating on food production and health is that they both contribute to population growth so that, far from improving the lot of the villagers, they may actually make it worse by spreading scarce resources over an even larger population base. Taking the long run view - putting first priority on changing the values and motives of people to increase their productivity and second priority on their immediate health and welfare - is extremely difficult, if not impossible, for democratic governments and agencies responsible for assistance yet it appears to be the only efficient way to bring about the self-sustained improvement in welfare which everyone wants.
Yet it is certainly not welfare considerations alone that have led so many aid programs to concentrate on agriculture, health, technical training, and public overhead capital. Economists have also argued quite persuasively that aid in these areas is most likely to increase the productivity that they fully recognize is essential to self-sustained economic growth. Some economists have argued (incorrectly, we believe except in extreme cases) that better health is necessary for increased productivity and that certainly public overhead capital (e.g., improved communication) is an essential part of the apparatus needed by even the most energetic entrepreneur to get his business going. But their strongest arguments have to do with aid to agriculture and technical training. They see aid to agriculture (and to a lesser extent technical training) as the easiest way to increase the real income of the largest number of people. And to an economist higher real income means higher saving which permits higher investment in capital improvements which increases income and so on in a beneficent cycle. The sequence of events may be briefly summarized in the following diagram:

![Diagram]

(From Heier and Baldwin, pp. 319-320)
For example, improved seed (or more technical knowledge about how to plant crops) enables the farmer to produce more. When he sells his crop he then has more income which may enable him to save a little and if farmers everywhere can save, then banks and entrepreneurs have an increase in "real income" to invest in new businesses or the farmer perhaps can buy a tractor which again improves his productivity starting the beneficent cycle on a second round. Or if he doesn't save his money he may want to spend it on consumer goods which should stimulate investment in the industries that produce those goods and thus start a second beneficent cycle. Agriculture is the easiest place to produce capital improvement because such things as improved seed can have relatively large effects with the least disruption of the farmer's normal way of doing things, which makes it easier to get him to accept the change. Aid to agriculture affects the largest number of people because by far the largest number of workers in underdeveloped countries are primary producing (in agriculture) and because capital improvements in agriculture are relatively cheap (as compared with building a steel mill for example) and can therefore be made available by assistance agencies to the maximum number of people.

The argument is so persuasive it is easy to see why, when combined with welfare considerations, it has led nearly everyone in the West to believe that development should focus on agriculture, health, public overhead capital, and technical training. Yet it contains a very simple but fundamental flaw which economists interested in poor countries themselves fully recognize. The beneficent cycle diagramed is not a simple, automatic chain reaction. It requires individuals who decide to do things at every point in the cycle. The farmer, for example, must not decide to produce less after he has the improved seed because he can now get what he always had with less work. If he produces more, the middleman to whom he sells it must not give him less for it because there
is now a greater abundance (which apparently actually happened when the pro-
duction of Malayan fishermen was increased by capital improvements,7). If he has
an increase in real income he must not spend it in relatively non-productive
ways such as buying extra land to lie idle or luxury items for his family. If
he does want to invest in productive equipment such as a tractor or put his
money in a savings bank, there must be effective business entrepreneurs who
can use the extra savings productively to supply the equipment he wants or to
build other industries. And so forth. At every point the operation of the chain
of events depends on the values and motives of the individuals in the culture.
Classical economic theorists could be satisfied with such a model because they
could assume that the people they know in the countries of the West, would act
on the average in the ways required as opportunities presented themselves. But
the precise problem of most underdeveloped countries is that they do not have
the character structure, especially the motivational structure, which would lead
them to act in the ways required. So the model is like a combustion engine with-
out the gas to make it go.

Our critique of the "standard" plan for achieving the objectives of community
development has been fairly severe. By focusing on felt needs and welfare con-
siderations, it has given higher priority to short run than long run objectives
and may succeed in increasing population faster than productivity. By identify-
ing democracy with group planning and action, it misreads the economic history
of the democratic nations of the West, and confuses the valid objective of ob-
taining the understanding and consent of the governed with the ineffective one
of motivating the governed. By concentrating on agriculture and health, it
strengthens the most conservative part of the culture, making essential changes
in values and institutions even harder to introduce. But above all the standard
plan is likely to be ineffective because it is not consciously organized around
what must be the primary objective of any successful plan for community development—namely changing people, in particular their values and motives.

**PROPOSALS FOR A DIFFERENT APPROACH TO COMMUNITY DEVELOPMENT**

It is easy to be critical although apparently not for community development planners since there is practically no disagreement in the literature over what plans are most likely to succeed. Criticism as such is of little value. It may only raise doubts about the effectiveness of one’s program without suggesting alternatives that are better. In fact it would be quite possible to accept many or even most of the objections just raised to the usual plan for promoting community development and still believe that it is the only practical plan (e.g., politically and financially feasible) that has even an outside chance of being successful. But before being reduced to such a faint hope, let us see whether an alternative plan might be constructed based on our analysis of the psychological requirements for economic development.

It may be helpful to review our argument up to this point. (1) The problem of poor countries is simple in economic terms. It is “to push the production frontier outwards” (2, p. 336), so that people produce and invest more than they consume (for welfare or any other purposes). (2) They have not done so to date largely because the values and motives necessary for real development have been in low supply—particularly the motive complex, including achievement, which is essential for successful entrepreneurial behavior. (3) Present plans to help countries develop will not be conspicuously successful because they fail to recognize and act on this fact and instead assume that changes in social and economic opportunity are sufficient to spark the take-off into sustained growth. (4) A different approach to community development would focus primarily on
changing people, in particular on developing the motives needed for entrepreneurial behavior — or on producing a better allocation of existing scarce resources of such motives. Reduced to its barest essentials like this, the argument appears simple enough but is perhaps not very "alive" or convincing. An actual case study may therefore be helpful before going on to new proposals.

Let us consider the economic problems of a cottage industry in India. They are in many ways typical of problems reported in other case studies from underdeveloped countries. In the province of Orissa, India, there is a tradition of handloom weaving which at its best produces textiles for which there is considerable demand. However the demand cannot usually be satisfied because the supply is poor: quality is erratic, standards of production are low, contact with the market is not well organized. Prices are variable and stores cannot be certain what they will have to pay for a consignment of goods or of what quality it will be when they get it. The weavers themselves lead a marginal existence in which they are always in debt and barely able to provide subsistence for their families. Generally they work on a "share-cropping" system in which money lenders or middlemen provide them with orders, enough yarn to

1The argument to be presented in the following pages deals with countries assumed to be low in the motives and values needed for development. While the assumption is certainly valid for many, *not most*, underdeveloped countries, it does not apply to two types of countries: (a) those which, like Japan in the mid-nineteenth century, have the necessary values and motives and await only the opportunity to develop and (b) those which present evidence would indicate are fast developing the motives and values needed and do not need outside help in this area. When the research mentioned earlier is completed, it should be possible to estimate which countries are in need of what kind of help. For simplicity it is assumed in what follows that all the underdeveloped countries are alike in needing help to change values and motives, although it is already evident they cannot all be grouped together like this and treated alike.

2This case summary is based on a mimeographed interim report by the American Friends Service Committee of its Social and Technical Assistance program in India, 1956, and in particular on an article appearing in the Appendix of that report entitled "Organizing handloom weaving — a year's experience in Orissa" by Shrimati Haimanti Chakravarty which originally appeared in the Economic Weekly, Bombay, December 17, 1955.
fill them, and a cash advance to live on in the meantime. When they deliver
the finished product, the middleman credits them with so much on account against
the loan after charging a high rate of interest (around 30%), and the whole
process is repeated again. The accounting is often so complicated that the
weaver cannot understand it and the likelihood that he will get more and more
in debt is very great. The money lender is primarily interested in the in-
terest he can earn on his loans rather than in the production and sale of
goods. The weaver is primarily interested in filling the order as fast as
possible often at the expense of quality so that he can get another cash ad-
vance to live on. Obviously a vicious cycle is set up in which both the pro-
ducer and consumer lose and the only person who may gain is the middleman.
What is to be done under such circumstances?

Looked at from the economic point of view it is easy to single out the
money lender and his exorbitant rate of interest as the villain and to argue
that capital improvement in the form of some cheaper way to get materials for
weaving would be most likely to increase the weavers' income. In fact, an
attempt was made to do just that by the establishment of a co-operative weavers' organization, managed and supported by the workers themselves. But according to
Chakravarty the attempt was not very successful.

The experience in this field has been rather tragic in the
area where several weaving cooperatives had been organized. The villagers, now as then, look upon such an organization
as a means of borrowing and after having exhausted their
shares of loans, they conveniently forget all about it. To
them it is a new kind of Mahajan or money lender to whom one
pays interest which is low, not the usual thirty-six percent,
and who keeps the principal outstanding. This illusion would
have persisted had it not been for the cooperative bank which
collects its funds and many a weaver has been dispossessed
of home and loom and had them sold to pay his dues. As long
as the functions of any obligations toward a cooperative union
are not fully grasped the creation of a cooperative society
will have no meaning and the society will have no chance of
survival or of achieving what it is meant for.
Another obvious way to improve the situation is to find some kind of an entrepreneur who could operate between the producers and consumers to insure a more regular supply of goods. One group of weavers elected one of their number to spend his time delivering goods and bringing orders for further production. They paid him a percentage of their earnings to perform this function. He was also charged with the responsibility of maintaining quality of production since this was one of the key factors in insuring a steady demand. If he delivered something which was not acceptable, he was supposed to bear the losses out of his earnings. In other words, he was supposed to act like a small-time businessman. Instead he refused to reject inferior material, tried to sell it, and when he failed simply returned it to the producer without assuming any financial responsibility for his loss. In other words, despite being thrust into the role of a business entrepreneur, he did not behave like one and ultimately the whole scheme fell to the ground.

What is clear in both of these attempts to improve the economic set-up of the weavers is that it is the values and motives of the people which prevented particular schemes from working. Standards of excellence and of financial obligation simply were not powerful enough to outweigh other considerations such as the desire to get money for one's work even though it was obviously of inferior quality. It may be argued that the social situation does not make it reasonable for people to maintain high standards of excellence or consider a long range relationship to a lesser more important than immediate gains. But as has been pointed out earlier, it is only if people are to some extent irrational in their concern over standards of excellence that they ever get out of the vicious cycle of poor demand and poor supply. As a matter of fact, in this particular case, it was demonstrated that the weavers could increase their real income considerably but primarily through the action of Westerners who did
insist on standards of quality, on fixed prices, and long range relationships to customers. The ironical fact is that these western "entrepreneurs" were not businessmen, but social and technical assistance workers who were able to operate successfully like businessmen even without the experience because they had the values and motives necessary for successful business enterprise.

The case illustrates the main point repeatedly made previously. Institutional re-arrangements will not be effective unless people's motives and values are changed. In the present instance either the weavers generally must have a higher "irrational" concern with excellence (e.g. higher n Achievement) or with cooperative obligations or some method must be found of selecting those relatively scarce Indians who have the necessary motive combination to serve as entrepreneurs in such cases. To begin with the first alternative how might one go about changing people's values and motives? Roughly speaking, there are three possibilities: by persuasion or education, by introducing changes in the social system that promote new motives and values, and by early character training (that is, by introducing the new values before the traditional ones have been acquired). To some extent all of these methods should be followed: some change can be produced by any of them. The first two need to be examined especially critically because they have been relied on so exclusively by social scientists not particularly sensitive to recent findings in the psychology of motivation.

The method of persuasion has some major "successes" to its credit in the form of mass religious conversions in the past, although it can be questioned whether there was very much change in basic personality structure after the conversion. Most psychologists believe, as we have already argued, that persuasion can change fairly superficial attitudes but that such stable personality characteristics as the entrepreneurial motive complex cannot be altered by normal educational means in adulthood. Motives like n Achievement are irrational, laid
down early in life, and difficult to change later, although one's attitudes toward the importance of achievement can certainly be changed. Rightly or wrongly there are few psychologists who would have much faith in an adult educational program designed to change the moral character of the Indian weavers so that they could learn to live by new standards and thus make new institutional arrangements successful.

Changes in the social system may provide more subtly effective ways of altering motives and values. For example, repeal of laws favoring discrimination on the joint family may release a certain amount of individualism normally held in check. Setting up new channels of upward mobility through the growth of political parties may have the same effect. Investments may be restricted to institutions promoting the values needed for change. The possibilities are almost limitless: what is needed is a clear understanding that new values are essential and not simply accidental and perhaps unwanted characteristics of developed societies.

To return again to the case of the Indian weavers, if it were clearly recognized that one of the purposes of institutional change was value change, then different ways of trying to help the weavers become apparent. The cooperative associations formed did not start with the objective of teaching the weavers anything, were abused as a cheap source of credit, and brought home a moral lesson only when the banks foreclosed - a lesson largely useless to those so ruined and probably incomprehensible to others. It might be supposed that the success of the Western "entrepreneurs" in raising their incomes would also teach the value of high standards and sticking to impersonal obligations to the "market", but even here institutional change was not introduced in ways which would have the maximum desired effects on values and motives. The life of the weavers in the village was largely left undisturbed: they were permitted to live as they
always had under the influence of many traditions inimical to change. Suppose instead that the entrepreneur had decided to take the next step - to bring the weavers out of their homes to work in one place. In this way he would have been able to exercise an even better control over quality and quantity of production, to have introduced economies from group production, and so forth. But quite apart from the economics of the situation, such an institutional "innovation" would permit the promotion of new values in a way impossible so long as the weavers stayed at home and worked in the old way. They could learn about limited contracts (e.g., having a limited relationship with another person as in working for him for wages), achieved status (being recognized financially in terms of excellence of work done), universalism (considering anyone regardless of caste, religion, or sex a potential candidate for a job), and other such values essential in a modern society. Such ideas would undoubtedly disrupt the even tenor of village life, but that is precisely what has to be done if progress is to become self-sustaining.

The economist tends to think of social change too narrowly in terms of the effect it will have on the profit motive. There is a special fallacy here that needs exposure. The argument runs that if the odds against failure can be reduced by various public policies, more individuals will be drawn into entrepreneurial roles and then as some of them succeed, others will "imitate" them and the ball will start rolling. The difficulty with such a plan is that it would tend to draw people into economic activity whose primary motive was the material gain now brought so nearly within reach instead of the need for genuine achievement, for doing things well, which permits plowing profits back into expansion, taking moderate risks, and the long range view. In other words there are plenty of people in every underdeveloped country who want to get rich and it is just these
people who usually charge exorbitant interest rates like the money lenders in India, and who so frequently take the short run view toward capital improvement which undermines steady economic growth. In other words, making it easier for people to make money, draws people into business activities who are interested in making money rather than those who are interested in achievement. And if our reading of the psychology of business men in the West is correct, money was the measure of success and not their primary goal. Institutional changes designed to make it easier for businessmen to make money are likely to have little effect on their character and to draw into business many more of the people with the "wrong" kinds of motives and values. This is not to argue that the effect on profitability is a completely irrelevant criterion to use in judging the value of institutional change, but it should be regarded more as a measure of the possibility of efficiency and success in the society than as the goal of human endeavor.

Sociologists think in somewhat broader terms than economists in considering the effects of institutions on personality structure. Parsons has made a persuasive case for the role of bureaucracy in underdeveloped countries as a means of introducing the values we have been arguing are necessary. It is true as he argues that the civil services present in most underdeveloped countries tend to promote many of the values of a modern society. Usually a person is appointed or promoted in terms of his actual achievements rather than in terms of who he is. Technically there is usually an aspect of universalism in recruitment: anyone is eligible to try out for a position. Also there is an attempt to make the structure of bureaucracy rational and efficient—e.g. to set up organizational structures which can best carry out a given job. Bureaucracies also stress an element of individualism so that a person has to learn for example something about the "sacredness" of a contract or an agreement he has made to do a job for an impersonal authority. Furthermore, a peculiar advantage, Parsons argues, of those bureaucrats concerned with health and
education lies in the fact that it is difficult to accuse them of pursuing selfish ends, since they are so obviously involved in welfare activities. All of these factors are certainly important in developing the kind of society in which individual achievement will be recognized and rationalizing utilitarian attitudes will be predominant, and their importance should not be underestimated. Yet there is still room for doubt that a bureaucracy as such may be the best source of desired changes in values and motives. The history of the world is full of instances of complex bureaucracies from the time of the Pharaohs to the Ottoman Empire which were not conspicuous for stressing the values just enumerated and also not for producing the kind of entrepreneurial motive complex we have argued is necessary. One answer, is, of course, that these were not bureaucracies of the "modern type." But this is exactly the point. What makes a bureaucracy of the modern type? The answer would seem to lie to a certain extent in the motives and values of the people. For example, we would predict that if the people have low $n$ Achievement they will tend to get a bureaucracy of one type; if they have high $n$ Achievement they will tend to get a bureaucracy of another type. It is significant in this respect that the civil service in places like Egypt and India which is in fact as Parsons argues likely to play a leading role in economic transformation was in part the product, not of the countries themselves, but of a high $n$ Achievement country—namely England.

There is another reason for doubting whether bureaucracies are ideal for producing the entrepreneurial motive complex. A recent psychological study has demonstrated that children of "bureaucrats" tend to react to frustration by lowering their drive achievement, while children of self-employed fathers tend to react to frustration by counterstriving. The finding is so far an isolated one, but it suggests that the motives required for success in a bureaucracy are different from those required for
the successful businessman. The lower average n Achievement score for "bureauscule" employees of a large life insurance company than for salesmen of the same company, cited earlier, supports the same point.

To the psychologist, the third method of inducing new values and motives—by character education of the very young—is by all odds the one most likely to succeed. In this way values can be built in from the very beginning, before traditional ways of looking at things have really taken hold. According to this view, aid for community development should concentrate heavily on support for nursery schools, kindergartens and the early primary grades plus the preparation of a special group of teachers for handling those grades. It is probably not feasible to do much toward changing the way the average parent brings up his child, but it certainly is practicable to select carefully a corps of specially qualified nursery and primary school teachers, to bring them to a teacher training institute, and to make them understand that primary education involves character training fully as much as it does literacy training. In other words during the time of the day when the children are away from their parents at school, they can get experience in self-reliance, in high standards of excellence for performance, in cooperative play, in performance with their hands, perhaps even in the kind of psychological discipline (e.g., "conditional love") which, as psychologists, we strongly suspect is responsible for internalizing such motives as the need for Achievement. While it may be questioned whether the influence of the teachers can outweigh that of the parents and other adults in the village, such an approach must still be regarded as the one most directly aimed at introducing the motivational changes which we have argued are crucial to sustained growth. And previous experience has strongly suggested that the school has been an extremely important element in social change even when it has not been consciously designed to produce certain changes. For example, Lewis writes as follows about the effects of a village school in a rural district in Mexico:
The school has been an extremely important agent of cultural change in the village in the past twenty years. As we have seen, enrollment soared from less than one hundred in 1926 to over seven hundred in 1948. The school has increased literacy; has taught the children new standards of personal hygiene and cleanliness; has familiarized them with toilets, running water, and showers; has introduced new games and a spirit of group play lacking before. The school has become the symbol of the new in Tepostlán; it has made for a greater identification with the nation. The school also has been a great socializing factor. It is breaking down barrio localism and is making for friendships between individuals in different parts of the village. The school has offered new outlets for emotional expression. (114, p. 444)

It should be emphasized that such a policy should focus primarily on character training, on preparation for life in the sense that the progressive education movement in the United States, itself the outgrowth of a high achievement orientation, stressed preparation for the whole of life. In many underdeveloped countries great value is already placed on higher education and on the high status it leads to by preparing one for "intellectual" occupations. If education were supported all along the line, there would be the danger that the group of "unemployed intellectuals" which is already sizable in some countries would only be increased. What is being suggested is a concentration of aid on primary education between the ages of four and eight and on lower level technical and vocational schools. The development of higher schools could proceed more slowly in response to actual need.

Such a broadly based education focused on the elementary level would not necessarily mean that all the children so affected would leave the villages, which is a common complaint against introducing better education. On the other hand, many of them would leave and, in fact, should leave if there is to be balanced economic growth in the country affecting industrial as well as agricultural sectors. It is a curious paradox that there are far more self-employed persons in poor countries than in rich countries (21, p. 508) yet it also appears to be true that to be a success in a self-employed capacity requires more of the entrepreneurial motive complex than to be a success when the person is working for someone else. So what industrialization
may mean is a better allocation of the scarce motivational resources in the society. Ideally those who have the right motive combination to run an individually-owned farm successfully should stay on the farm, whereas others may be drawn to the city to work in factories or small industries which require less unique motive combinations. The paradox is that the countries with the lowest average adult level of such motives as high Achievement have the highest level of self-employment and need most to have people drawn from rural regions to work for others. Unfortunately migration out of the villages usually works in the wrong way. The ones with the highest high Achievement tend to be most dissatisfied with traditional ways and to leave the village. They are also the ones who will be most discontented in working for others in the cities. In short, the response in the village to a change in levels of such motives as high Achievement will be by no means simple or pleasant for all concerned, but in the long run such a change should lead to a better allocation of individuals with energy and enterprise, provided especially economic aid to agriculture is not so powerful that it continues to support inefficient producers.

There will be some who will wonder whether a program consciously aimed at changing the values and motives of children before they reach the "age of consent" is morally defensible. What has become of our democratic beliefs in non-manipulative methods? Won't responsible leaders in underdeveloped countries regard this as ethnocentrism or "ideological imperialism," in which we are insisting that the values and motives which seem to have been particularly important in promoting our development are necessary for all other countries? The charge of ideological imperialism is difficult to substantiate in view of the fact that there are demonstrably cultures with a lot of the entrepreneurial motive complex that are in no sense part of the West. Japan is the most conspicuous example, but there are many smaller cultures scattered around the globe like the Yoruba in Nigeria which also show a high level of entrepreneurial activity along with its associated motives and values and which like Japan, seem to
be waiting only for the opportunity to develop very rapidly.

As for the charge of being manipulative or undemocratic, it would appear to be valid only if the program were somehow to be enacted without the full participation and consent of the leaders of the country involved. From their point of view, the policy should be regarded simply as a way of making a general need specific, to use the phraseology suggested by the American Friends Service Committee. The leaders want economic and community development and they can safely assume that most of their people do too. What this policy does is to tell them how to get it. Character education can be viewed simply as what appears to be the most effective means of accomplishing their objective. In this sense, it is like insisting that people get inoculated to avoid disease. The people want better health but may not understand why inoculation leads to it and therefore may not see the specific need of undergoing a little pain now for a long-range benefit. But public health authorities go right ahead with their work anyway. The problem is of course much graver when one begins to introduce changes in character education. Western and Eastern intellectuals both frequently observe that they sincerely hope the East can develop economically without losing the many valuable features of its existing way of life and institutions, without becoming "materialistic" like the West. To a certain extent such sentiments, while admirable in many ways, are simply incompatible with the psychological requirements for a modern society. For instance, peacefulness and calm acceptance of life as it occurs are virtues the East might well wish to maintain and the West to acquire, but it is surely nonsense to think one can maintain those values and at the same time develop a nation of hustling entrepreneurs whose vigorous efforts are absolutely essential to economic advance. Underdeveloped countries must develop a strenuous, more achievement-oriented attitude toward life whether they like it or not, if they want economic development. To be sure, a country may decide that the
game is not worth the candle, that the destruction of existing values and their replacement by others is too painful a process. That alternative is in fact being chosen by many nations today unwilling to pay the price in value change of social progress. But even such countries usually do so unintentionally and if they could be convinced that there was a way to produce material improvements, they would almost certainly try it, whatever the value cost.

Earlier we mentioned the possibility of another method of promoting economic development—namely the better allocation of scarce resources of the entrepreneurial motive complex. All cultures contain some individuals with high n Achievement and its associated values and motives. Our position is that the percentage of these individuals varies from culture to culture and our first approach argues that the proportion must get above a certain significant value to set off a chain reaction throughout the economy. Theoretically, one might have the same effect more immediately (that is, without waiting for a new generation to be produced) by careful selection and assignment of existing entrepreneurs to key spots in the social system. At one level we were suggesting this earlier in our plans for selecting as teachers for the next generation those individuals who had the right motives and values so that they could transmit them to the children. In the same vein, one might select village aid workers in terms of their motive characteristics with the thought that they can often serve as energetic middlemen in stimulating cottage industries or advising farmers on more efficient techniques or younger sons on how they can more effectively earn a living in the city than by staying on the farm.

At quite a different level one could argue that Communist governments have pushed this approach to its logical extreme. If there are not enough entrepreneurs to go around, one can at least theoretically organize the society something like an ant heap in which only a few bodgers with imagination and daring are needed at the top to make policy decisions. In the West it appears to have been thousands, perhaps even millions, of small entrepreneurs who were willing to sacrifice short run gains
for long run achievements and who therefore contributed to long range development of
Western countries. In nations like Russia, a few people at the top with these
attitudes have apparently been able to produce economic development by a rigid control
of political and economic machinery so that they could make sure that productivity
kept ahead of consumption. In the West people did not consume all they produced
either for reasons of religious asceticism because they were too much interested
in achievement. In the Communist world they did not consume because they were not
allowed to. Most economists seem to feel that the Communist system has worked at
least to some extent in producing economic development in places like Russia so that
this approach to the problem is at least theoretically workable in an underdeveloped
country with scarce entrepreneurial resources. In fact, it might have great appeal
because it would appear to get there faster than waiting for the next generation
to come along with the proper values and motives. Nevertheless, the cost, in terms
of human suffering is unnecessarily great. Furthermore, to the extent that the
bureaucratic system needed for running such a highly organized state does not produce
larger and larger numbers of people with entrepreneurial characteristics, the whole
structure may be somewhat unstable over the long run because a breakdown in the
system (such as would result from a quarrel among the few leaders at the top) would
be more serious than if the economy was firmly based on the activities of many
successful entrepreneurs. However, it must be stated that the Communist countries
have faced the psychological problem we have outlined more realistically in one
sense than the democracies have. They have acted as if they knew that the supply
of entrepreneurship was scarce and have developed a system which would work on this
assumption. The democracies have too often acted as if the supply of entrepreneurship
is as ample in an underdeveloped country as it is in the West. To the extent that
they continue to do so, they may encourage underdeveloped countries to take a fling
at the Communist "solution" which is based on a more realistic appraisal of the
human resources of many underdeveloped countries.
Rigid hierarchical organization of society is of course an extreme method of producing a better allocation of a scarce human resource like entrepreneurship. There are ways of promoting a better allocation that fall short of such rigid control and which actually may be somewhat more efficient in the long run. One could, for example, introduce taxation, financial aid, or other public policies which favor the development of fewer larger business organizations rather than many smaller ones on the assumption that there is not enough entrepreneurship in the society to man so many smaller businesses. In effect, this is happening in many underdeveloped countries which rely heavily on government enterprise for industrial development. Western democracies are sometimes suspicious of this trend on the grounds that "Socialistic" government enterprise is likely to be inefficient and that free private enterprise is what worked in the West and should work elsewhere as well. Our psychological analysis suggests a clear reply to this argument: "Free private enterprise" may be best where there are multiple sources of initiative, but a scarcity of entrepreneurship may well require a different strategy of development. However, while government enterprise may economize on scarce entrepreneurship, it also has its dangers. Two features which characterize most government bureaucracies are a diffusion of the sense of personal responsibility and a tendency to minimize risk taking and imaginative behaviour. Yet our analysis has demonstrated that both entrepreneurs and individuals with high achievement are attracted to and work best in situations in which there is a clear sense of responsibility, an opportunity for taking moderate but imaginative risks, and for finding out how effective one's decisions have been after they are taken. Nothing that has been said should be construed to mean that these characteristics are always present in private business and never present in government bureaucracies. In fact the largest modern industrial concerns are structurally similar in many ways to large government operations, as Parsons and other sociologists point out. What the psychological analysis
does suggest is that if government enterprise is used, it should be organized in such a way as to maximize a sense of personal responsibility, encourage and reward imaginative risk-taking behavior, and provide clearcut knowledge of results.

Another democratic approach to better allocation of scarce entrepreneurship is to use psychological assessment techniques to discover those individuals who have the right motive combinations and put them in strategic jobs. Obviously if there is an abundance of entrepreneurial capacity, such techniques are not so essential. But if it is really scarce, then any means of locating it promptly and assigning it to the position where it would do the most good would be of great value. Unfortunately present techniques for identifying motives like achievement in individuals (as contrasted with groups) are not very efficient, although on a mass basis they would be useful. For example, they could be employed to select the primary school teachers responsible for the character training of the next generation or the village level workers whose function might be more explicitly recognized as an entrepreneurial one.

The problem of providing a congenial environment for change. Our revised plan for facilitating economic development has so far focused exclusively on the problem of entrepreneurship, on increasing the supply in the next generation by early character training, and on better allocation of existing resources in the present adult generation. Is nothing else important? Obviously many other factors need to be considered. Entrepreneurship cannot operate in a political and economic vacuum. There must first of all be what Meier and Baldwin call "a framework of public order, stability and legal rights," (2 pp. 58). Governments must provide public overhead capital, proper credit machinery, sound fiscal and monetary policies, etc. These matters need not be discussed further here because economists and political scientists have dealt with them in detail and because many underdeveloped countries are already well advised in these areas. What is new about our approach is simply its emphasis. What our research shows is that a "congenial environment" or favorable
opportunities for entrepreneurship are not sufficient to produce an increased supply of the right kind of entrepreneurship any more than making well digging equipment available to some Arabian tribes would mean that they would use it to find and produce oil. In both cases the machinery is necessary but not sufficient. Changes in the social and economic system make development possible, but only when combined with changes in motivation do they turn the possibility into an actuality.

Another factor which needs consideration at least in a democracy, is adult education in which a conscious attempt on the part of the leaders is made to publicize and make attractive the goals and aspirations of economic development. Our research suggests that while we cannot teach people by public information programs to need achievement, we can certainly teach them to value it. As a matter of fact, one of the advantages of increased nationalism among underdeveloped countries is precisely that it sets a level of aspiration for the people which may enable them to sacrifice certain traditional values in favor of development. To be specific, great resistance might develop in many countries to sending young children to school at the age of four or five and keeping them there for three or four years. Considerable public discussion would certainly be necessary to gain the cooperation of the parents or even to get a compulsory education law passed. Subtle psychological resistance to social change, particularly of the fundamental sort we have been discussing, is likely to be very great. What we are recommending will in many cases disrupt traditional family life, and tear the fabric of social living which represents for any culture an already eminently successful adjustment to its world. The only force powerful enough to weaken the hold of traditional values is a new idealistic set of aspirations which must be widely disseminated throughout the population. In the past it has usually taken the religious zeal of missionaries, a social revolutionary movement, dictatorship, or the charismatic appeal of a leader like Magsaysay or Nehru to provide the new goals which are sufficiently powerful to wean people away from the old. Perhaps nationalism plus a missionary zeal of some individuals from the rich countries
to share the wealth plus greatly improved facilities for public communication will provide a sufficiently strong desire for change in our time in most underdeveloped countries.

A need for public acceptance of such a long range policy for development as we have been proposing suggests that it may have a fatal weakness so far as democracies are concerned. A democracy by definition is government of, by, and for the people. A government which consults its people and is really controlled by them will soon discover that what they want is largely dictated by welfare considerations. In an underdeveloped country, since most of the people are in agriculture, they will want aid to agriculture and everyone will want better health, yet we have argued, we hope cogently, that to yield entirely to those "felt needs" is to sacrifice much more important long term values to short term gains. A peasant might be willing to accept the idea that a school in the village for his children was desirable, but less important than aid to him in his daily work here and now. We have argued that in the long run character education for the next generation is likely to be much more effective than anything we can do here and now for the present generation of adults. Yet it is this generation of adults who are running the government or to whom the government in a democracy must be responsive. Are they likely to permit such wholesale sacrifice of their interests for the benefit of their children? Is such a long range policy really at all practicable for a democracy?

Only a skilled student of democratic politics can answer such a question definitively but certain considerations come to the mind even of an inexperienced observer which suggests that the conflict of interests need not present such an insoluble problem after all. For one thing, there is still a considerable difference between democracies in developed and underdeveloped countries. The latter while based on the consent of the governed, are nevertheless run by a rather small group of educated people who, because of the gap in their education and that of the masses, are in a strategic position to introduce many changes for the welfare of the people which are not clearly
understood or "wanted" by them. If this gap in understanding is not exploited for selfish or autocratic reasons, it can be employed to introduce long range policies which the electorate might reject if it fully understood the welfare alternatives. A further consideration is that experience has shown in the past that parents can be convinced, at least to a limited extent, of the importance of making better provision for their children than for themselves. Certainly many immigrants to the United States have made great personal sacrifices to enable their children to enjoy a better life than they did. Such a theme should have some propaganda value even in countries which traditionally have stressed the sacrifices that children must make for their parents.

However, when all is said and done, no democratic government can afford to or would want to ignore welfare considerations altogether, nor would there be any need to under the policy proposed here. What is required is only a shift in the relative weight given to long term and short term considerations, not elimination of short term objectives altogether. Table 4 has been prepared to show how such a change in emphasis might affect a budget for aid at the village level. The budget percentages in the first column are estimates based on the figures provided for the five-year plan for Village Aid in Pakistan. They were chosen as being fairly representative of most public and private, national and international programs for technical assistance. The first budget item in the current plan is necessary to support and coordinate the efforts of many village workers. The other budget categories represent roughly the areas in which the village level workers have money to spend to foster community development. Obviously they will devote most of their energies to agriculture, to public works, health, and adult education including literacy and technical training.

The budget figures in the second column are based on the proposed new policy for village aid. They would provide for only one half or one third as many general pur-
Table 4

Current and proposed allocation of expenditures for a typical village aid budget (Current figures from Pakistan Five Year Plan, 10)

<table>
<thead>
<tr>
<th>Category</th>
<th>A. Current</th>
<th>B. Proposed</th>
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<tbody>
<tr>
<td>Administration</td>
<td>25%</td>
<td>12%</td>
</tr>
<tr>
<td>(For support of village level workers, specialized administrative personnel, indirect costs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>23%</td>
<td>10%</td>
</tr>
<tr>
<td>(Cost of seeds, fertilizers, improved animal breeds and tools, irrigation, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Overhead Capital</td>
<td>20%</td>
<td>15%</td>
</tr>
<tr>
<td>(Roads, communications, cooperatives, credit facilities, public buildings, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>(both preventive and curative)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>10%</td>
<td>50%</td>
</tr>
<tr>
<td>(Child and adult literacy, technical training for artisans and housewives)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>8%</td>
<td>3%</td>
</tr>
</tbody>
</table>
pose village level workers and would substitute for them support for nursery and primary school teachers and the training of those teachers in special institutes to be held regionally from time to time. An even less radical suggestion would be simply to expect present village level workers to spend a significant portion of their time in primary education rather than in the other activities listed. Such practical matters would have to be worked out differently in different countries, the chief consideration being that the school teachers also be practical men and women with the "right" values and motives rather than an educational elite tending to perpetuate its kind. The proposed budget estimates are of course only crude approximations intended only to illustrate how welfare objectives in current plans need not be wholly abandoned in order to make room for the long range objective of character education.

While democratic governments in underdeveloped countries might not find it politically practicable to devote more than fifty percent of their aid resources to long range objectives, and perhaps much less, there also seems to be no compelling reason why private agencies and international ones could not devote a much higher percentage of their resources to long range objectives. In fact, the disturbing thing about current aid plans is that they are all practically the same, whatever their source. Plans developed in the U. S. International Cooperation Administration, in the U. N., in Pakistan, India, or the Philippines are nearly identical and all of them are copied by the programs of such private agencies as the Ford Foundation and the American Friends Service Committee. We have tried to explain how such unanimity has come about. Even if our critique of the "standard plan" is not completely convincing, perhaps it may at least raise sufficient doubts in some people's minds so that they will occasionally try something different. Certainly international agencies and above all private agencies are in a better position to try something that focuses on long range objectives than are democratic governments which must remain responsive
to the needs of their people. There is no reason why in one or two countries some private agency should not try concentrating all its resources on character education at the primary level to see what would happen. It would take unusual courage, foresight, and faith to do so, because results would not be apparent for a generation. Yet much of the very faith and idealism needed to execute such a program is currently going into community development programs which are likely to be much less effective in the long run, if our psychological analysis is correct. All that is needed is the focusing of the same set of values—a belief in the spirit of self-help, initiative, leadership, and cooperation—on another social institution, namely the rearing of young children. What agency will be far-sighted enough to try it—to act on the basis of the best psychological evidence we have, to put changes in people above changes in the social system, to recognize that character (motives and values) determines action rather than simple rational considerations, to stress productivity over immediate welfare, to exchange immediate gains for more permanent self-sustaining ones?
Bibliography


