

**Apostles of Growth:  
The Peregrinations of “Growthsmanship” in South Asia**

David C. Engerman, Yale University

For History of Recent Social Science Conference, June 2023

PLEASE DO NOT CITE OR CIRCULATE

In one of his last publications, the founder of the *Human Development Report* Mahbub ul Haq narrated the history of development through his own experience. Educated in the “citadels of Western learning,” Haq wrote, he had been “armed with the firm neoclassical conviction that the real purpose of development was to increase national incomes – and all it required was an increase in saving and investment.” Over the subsequent decades, though, he came to see the weakness of this approach: “experience in many countries... taught us that economic growth does not automatically translate into” improved conditions.<sup>1</sup> The path to what he called human development, he suggested, came from forgetting the lessons he had learned in his undergraduate years at Cambridge, his doctoral work at Yale, and his postdoctoral fellowship at Harvard; instead he had to learn how development actually worked. This powerful self-narration of adopting and then rejecting foreign ideas, however, ignores the extent to which Haq came by his interest in growth in the same way that many of his fellow South Asian economists did: in response to the pressing problems of poverty and inequality that surrounded them.

This paper follows Haq and his friend and Cambridge classmate, the Indian economist Amartya Sen, to show how ideas about development emerged not from western theories as

---

<sup>1</sup> Haq, Foreword,” to Haq, *Human Development in South Asia, 1997* (Karachi: Oxford University Press, 1997), iii.

much as from local conditions – or, perhaps, from the intersection of local conditions and western theories. The peripatetic careers of Haq and Sen took them away from Pakistan and India in the 1970s and beyond, but even from a distance South Asia remained a touchstone for their work. This paper traces the evolution of their ideas from their first education in economics until their work together on the much-lauded *Human Development Report*.

Haq and Sen first met in autumn 1953 as they rushed to one of their first classes at Cambridge, Joan Robinson's lecture course on "Money."<sup>2</sup> Within days they were deep in conversation about just what their Cambridge economics education might be good for. "We must learn" Cambridge economics, Haq asserted provocatively, "but not use it much." After all, "*who* really needs to know what determines the price of toothpaste?" If it wasn't worth much, Sen countered, then what was the point of learning it? Haq had a ready answer: "you will get nowhere, no one will listen to you, if you did not know all this stuff very well."<sup>3</sup> Cambridge could credential students like Haq and Sen – but would not necessarily educate them.

Indeed, both Haq and Sen entered Cambridge's famed Economics Tripos only after earning their undergraduate degrees on the subject at two of the most prestigious and intellectually rich universities that British India bequeathed to the successor states of Pakistan and India. While this paper begins as Haq and Sen entered university in the years of optimism and excitement following independence in 1947 – though of course the institutions they

---

<sup>2</sup> Lecture List, 1953-54, E.A.G. Robinson Papers (Marshall Library, University of Cambridge), 3/1/10.

<sup>3</sup> Amartya Sen, "Mahbub Ul Haq: The Courage and Creativity of His Ideas," *Journal of Asian Economics* 10, no. 1 (Spring 1999): 2.

attended reflected decades of deep and lively discussion about the region's past, present, and future.<sup>4</sup>

## Learning Economics

Haq, whose family came to Pakistan in the bloody Partition of 1947, enrolled at venerable Government College in Lahore.<sup>5</sup> The Partition sent this storied, century-old institution reeling. With the abrupt departure of its Hindu faculty members only a small remnant of an Economics faculty remained; it shrank by more than half and was easily outmatched by the burgeoning Physical Education department.<sup>6</sup> The faculty slowly rebuilt but not as quickly as the student body; refugees from Partition flooded the grand college quadrangle, and they flocked in particular to the study of Economics.<sup>7</sup>

The Economics curriculum required two papers on economic theory as well as – unusually for its time – two that dealt substantially with the region's economy.<sup>8</sup> One of the few holdovers from the pre-Partition years was an economic historian who had authored the only

---

<sup>4</sup> On the nationalist implications of colonial Indian economic thought, see Manu Goswami, *Producing India: From Colonial Economy to National Space* (Chicago: University of Chicago Press, 2004); on recent efforts to map the broader terrain of colonial economic thought in British India, see Sharmin Khodaiji, "From Classical Political Economy to 'Indian Economics': A Case of Contestation and Adaptation in Universities in Colonial India," *History of Education Review* 51, no. 2 (January 2022): 168–84; and K.T. Ranmohan and Abitha Ramakrishnan, "The Making of Economics as a Discipline in India: Universal Theory and Local Tensions," *Orissa Economic Journal* 52, no. 2 (2020): 4–28.

<sup>5</sup> Conversation with Farhan Haq, 13 March 2021.

<sup>6</sup> University of the Panjab, *The Calendar of the University of the Panjab for the Year 1954-55*, vol. 2 (Lahore: University of the Panjab, 1955), 359.

<sup>7</sup> H. L. O. Garrett and Abdul Hamid, *A History of Government College, Lahore, 1864-1964* (Lahore: Government College, 1964), chaps. 13–14.

<sup>8</sup> University of the Panjab, *Calendar of the University of the Panjab (1954-55)*, 2:681, 690, 750–52.

textbook on Pakistan's economy.<sup>9</sup> That textbook offered a cross between old and new; it called on the one hand for intensification of agricultural production but also noted, quaintly how Pakistan was "very anxious to give its economy an 'industrial bias.'" He thus celebrated the debut of Pakistan's Industrial Policy that called for rapid industrialization through the joint work of the government and the private sector.<sup>10</sup> Haq excelled in his studies (perhaps one classmate suggests, at the cost of missing out on nonacademic collegiate life); he earned first-class honors and topped the list of Economics students – and was offered admission to the MA program.<sup>11</sup>

Haq's seriousness and intelligence were similarly evident as he blazed through the MA program, housed at the University of Punjab (of which Government College was a part). His MA subjects were a quite conventional mix of theory and international trade; the emphasis on economic development ("with special reference to Pakistan") distinguished the MA program from similar ones at Cambridge and elsewhere.<sup>12</sup> The MA students gravitated to topics of immediate relevance to them, almost all of them conducting research on issues tied directly to Pakistan's economy.<sup>13</sup> Haq repeated his first-class honors, as well as his place at the very best student in Economics that year. This achievement earned him an internship at the State Bank of Pakistan, a prestigious program that attracted the top young Pakistani economists.<sup>14</sup>

---

<sup>9</sup> S. M. Akhtar, *Economics of Pakistan*, New ed. (Lahore: Publishers United, 1954); Hasan, *My Life My Country*, 55–56; Werner Schuder, *Minerva: Jahrbuch der gelehrten Welt*, vol. 34 pt 2 (Berlin: W. de Gruyter, 1956), 821–22. Conversation with Khalid Ikram, 9 February 2021.

<sup>10</sup> S Akhtar M., *Economics of Pakistan*, 2nd edition (Lahore: Publishers United, 1951), chaps. 14–15.

<sup>11</sup> Parvez Hasan, *My Life My Country: Memoirs of a Pakistani Economist* (Lahore: Ferozsons, 2011), 55–56.

<sup>12</sup> Werner Schuder, *Minerva: Jahrbuch der gelehrten Welt*, vol. 34 pt 2 (Berlin: W. de Gruyter, 1956), 821–22. Conversation with Khalid Ikram, 9 February 2021.

<sup>13</sup> University of the Panjab, *Calendar of the University of the Panjab (1954-55)*, 2:782–83, 797–806, 882.

<sup>14</sup> Moin Baqai, "Overview," in *Employment, Distribution, and Basic Needs in Pakistan: Essays in Honour of Jawaid Azfar*, ed. Mahbub ul Haq and Moin Baqai (Lahore: Progressive Publishers, 1986), i; Hasan, *My Life My Country*, 83; Nadeem Ul Haque, Mahmood Hasan Khan, and A. R. Kemal, "The Economics Profession in Pakistan: A Historical Analysis [with Comments]," *The Pakistan Development Review* 37, no. 4 (1998): 435–36.

What Haq learned in Pakistan differed from Sen's work in India in ways that reflected their different institutions, intellectual traditions, and national contexts. Amartya Sen's experience at the oldest college in independent India – Presidency College in Calcutta – was shaped by the college's pronounced leftward tilt, a sharp contrast with Government College's establishmentarian ethos.

Originally planning to study physics and mathematics, Sen soon switched to economics because, he recalled, he hoped it would help him imagine and bring about “a different India... free of poverty, discrimination, and injustice.”<sup>15</sup> Sen addressed these big questions by diving into the endless stream of formal and informal debates on campus. Taking place in the rows of crammed book kiosks lining College Street or the storied high-ceilinged Coffee House, debates covered everything from the finer points of Marx and Lenin to the broadest vision of the Indian future. The Coffee House, a workers' cooperative, offered an alternative curriculum that was no less demanding, and certainly more contentious, than the official one taught in the classrooms across the street.<sup>16</sup> Indeed, one contemporary recalls that Sen was better-known around campus for his debates at the Coffee House than for his performance in Economics classes (which was, for the record, excellent).<sup>17</sup> Sen was particularly attracted to the discussions about Marx that took place in the Coffee House as well as the classroom; two close friends date his lifelong interest in Marxism to this period.<sup>18</sup> Sen steered clear of formal

---

<sup>15</sup> Sen, “‘রাজনৈতিক আগ্রহই আমাকে অর্থনীতিতে নিয়ে এসেছিল’ (Rajanaitika agrahai amake athanitite niye esechila).”

<sup>16</sup> Tapan Raychaudhuri, *The World in Our Time: A Memoir* (New Delhi: HarperCollins India, 2011), 154.

<sup>17</sup> Conversation with Pranab Bardhan, 6 November 2020.

<sup>18</sup> Devaki Jain, *The Brass Notebook: A Memoir* (New Delhi: Speaking Tiger Books, 2020), 74–75; Meghnad Desai, “Amartya Sen,” *Prospect Magazine*, July 20, 2000.

political affiliations, ultimately preferring to express his views from the sidelines – the classroom, the academic seminar, or at the Coffee House – rather than the front lines.<sup>19</sup>

Sen's Presidency instructors prided themselves on theoretical sophistication; theory was "the Holy Grail," one student recalled.<sup>20</sup> Yet they also sought to apply economic theory to the problems of the day. Thus some of the teachers who most influenced Sen were active in debates about contemporary Indian politics and policy. One wrote a widely read (and frequently republished) textbook that fit right into the emerging growth paradigm that would engage Sen directly early in his academic career. The professor noted the tradeoffs between present consumption and future growth to address questions of the best mix of capital- and labor-intensity for India. The book ultimately called for an "employment approach" that – while not offered as a formal model – addressed problems of so-called "surplus labor." Ultimately, this scholar saw industrialization as the only path to lasting economic growth.<sup>21</sup> The instructor of Presidency's course on Indian Economic Problems, similarly, strongly endorsed a bold program of rapid growth through industrialization.<sup>22</sup>

In the manner of Bengal's rich traditions in economic thought, these instructors expressed their commitment to a prosperous and equitable society in passionate prose as well

---

<sup>19</sup> Simantini Dey, "Beyond Amartya Sen & Abhijit Banerjee: Why Presidency University Has Been 'a Cradle of India's Brightest Economists'," October 31, 2019, <https://www.news18.com/news/india/beyond-nobel-men-abhijit-banerjee-and-amartya-sen-why-presidency-university-brightest-economists-2365013.html>.

<sup>20</sup> Amiya Kumar Bagchi, "Commitment of a Scholar and Teacher: A Personal Tribute," *Economic and Political Weekly* 45, no. 46 (2010): 24.

<sup>21</sup> Bhabatosh Datta, *Economics of Industrialization: A Study of the Basic Problems of an Underdeveloped Economy* (Calcutta: The World Press, 1952), quoted 283; Amiya Kumar Bagchi, "Bhabatosh Datta (February 21, 1911 - January 11, 1997)," *Economic and Political Weekly* 32, no. 17 (1997): 872–75.

<sup>22</sup> Dhires Bhattacharyya, *India's Five Year Plans, an Economic Analysis* (Calcutta: Udayan Granthagar, 1956); Dhires Bhattacharyya, *Understanding India's Economy: A Course of Analysis* (Calcutta: Progressive Publishers, 1959), chap. 14.

as formal economic models. Their politics tilted left, but focused on equity and independence, not on dogma or even doctrine. This fit Sen and many of classmates well. What Sen wrote about his close friend Sukhomoy Chakravarty applied to him as well; both had “an enormously affirmative belief in the power of intellectual arguments and enlightened thinking.” But unlike Chakravarty or Haq, Sen exercised that belief in the form of oral and written argument rather than direct action or activism.<sup>23</sup>

Well before their arrival in Cambridge, the first of Haq’s “western citadels of learning,” then, Haq and Sen had each learned versions of growth-oriented development. Their teachers at Government and Presidency colleges promoted visions of modern nations that could solve poverty by economic growth, and in turn aimed to effect economic growth through industrialization.

## **Cambridge**

Arriving at Cambridge – “coming up to Cambridge,” in the local argot – Haq and Sen were in a small minority of students from the former (or present) colonies. Of the 250 or so who studied Economics at Cambridge in the mid-1950s, for instance, only six were from South Asia. They got few direct lessons on the economic issues facing them or other developing countries. One of their most influential instructors, Joan Robinson, feared as much. “Trudging through these arid lands,” she wrote about a later trip to India, “the serious student still hopes to learn something about development, planning, inflation, and all that concerns the burning questions

---

<sup>23</sup> Amartya Sen, “Sukhomoy Chakravarty: An Appreciation,” in *Capital, Investment, and Development: Essays in Memory of Sukhamoy Chakravarty*, ed. Kaushik Basu, Mukul Majumdar, and Tapan Mitra (Oxford: Blackwell, 1993), xix.

of India today.” And yet her Economics faculty had little to offer besides “indoctrinat[ion] with notions soaked in a prejudice for *laissez-faire*.”<sup>24</sup>

Robinson’s worries were confirmed by the reading lists for Cambridge’s famed Economics Tripos. Extant reading lists include no exam fields on Asia or on development economics. The few discussions of international trade covered exclusively trade within Europe or across the Atlantic – with the notable exception some regrettable discussions of trade within the British Empire that bristled with racial tropes.<sup>25</sup>

Robinson, however, exaggerated the prominence of *laissez-faire* economics at Cambridge. The Economics faculty still lived under the shadow of John Maynard Keynes, whose 1930s writings had made a compelling case that market failures necessitated direct government intervention in the economy. Many of his students – including those who became Haq and Sen’s teachers – sought to adapt Keynesian insights to solve the problems of their day; if, as Joseph Schumpeter wisely wrote, Keynes’s economics were efforts to solve British economic problems in the Great Depression, post-Keynesians wanted to formulate theories for their own times.<sup>26</sup> Yet they did so while keeping their teacher’s ideas firmly in view; even two decades after Keynes’s death, one student recalled that his instructors spoke of him “as if he were still alive and about to attend our proceedings.”<sup>27</sup> But Robinson’s larger point still rang true: they

---

<sup>24</sup> Robinson “Teaching Economics” (1960), in Joan Robinson, *Collected Economic Papers* (Oxford: Blackwell, 1975), 3:2-3.

<sup>25</sup> Dennis H. Robertson, *Britain in the World Economy* (London: Taylor & Francis, 2003/1954), 38–39.

<sup>26</sup> Joseph A. Schumpeter, “John Maynard Keynes 1883-1946,” *The American Economic Review* 36, no. 4 (1946): 505.

<sup>27</sup> Meghnad Desai, *Rebellious Lord* (Chennai: Westland, 2020), 130; Elizabeth S. Johnson and Harry G. Johnson, *The Shadow of Keynes: Understanding Keynes, Cambridge, and Keynesian Economics* (Oxford: Blackwell, 1978), 163.



Tripas curriculum was oriented almost exclusively to the economic problems of the industrialized world of the North Atlantic.

Joan Robinson offered the closest thing to development economics at Cambridge in the 1950s. For instance, in a gloss on her major work of those years, *The Accumulation of Capital*, Robinson identified capital accumulation as the central goal of an economy. She praised in particular socialist governments as better at the task in the underdeveloped world.<sup>28</sup> Hence writing in regards to China, she concluded that “squeezing the surplus out of an undernourished peasantry” would not be an easy task but remained essential. And she argued against building a welfare state in advance of substantial economic growth, for instance criticizing the government of Ceylon for “tast[ing] the fruit before she has planted the tree.”<sup>29</sup>

Of course Robinson was hardly alone in the economics profession. Most accounts of development – and there were many even if they never appeared on Cambridge reading lists – promoted economic growth as the core solution to poverty and inequality. The Estonian-American economist Ragnar Nurkse called for suppressing consumption and limiting population growth in order to maximize the “mobilization of domestic saving potentials.”<sup>30</sup> St. Lucian W. Arthur Lewis, teaching in the UK, put capital accumulation at the core of his analysis of economic development; he framed distributional questions primarily in terms of their implications for economic growth.<sup>31</sup> A group of Global South economists convened by the

---

<sup>28</sup> Joan Robinson, *The Accumulation of Capital* (London: Macmillan, 1956). Robinson, “Notes on the Theory of Economic Development” (1957), CEP 2:98, 106.

<sup>29</sup> Robinson, “China, 1963: The Communes” (1964), CEP 3:192-196. Pervez Tahir, *Making Sense of Joan Robinson on China* (London: Palgrave Macmillan, 2019); Joan Robinson, “Economic Possibilities of Ceylon,” in *Papers by Visiting Economists*, ed. GOC. National Planning Council (Colombo: Planning Secretariat, 1959), 41.

<sup>30</sup> Ragnar Nurkse, *Problems of Capital Formation in Underdeveloped Countries* (Oxford: Blackwell, 1955), 48. Original edition appeared in 1953.

<sup>31</sup> W. Arthur Lewis, *The Theory of Economic Growth* (Homewood, Ill.: Richard D. Irwin, 1955), 5, 224.

United Nations concluded that the most important problem of the day was to increase the rate of capital accumulation, in part by curtailing domestic consumption.<sup>32</sup> And most famous was Walt Rostow's discussion of the "take-off into self-sustained growth," powered entirely by the investment rates, which in turn took place through limiting consumption in order to bolster domestic savings.<sup>33</sup> Yet these messages only reinforced ideas – or, more cynically, offered a new language – for ideas that Haq and Sen had long heard from the first Economics instruction in South Asia.

### Advanced Study

Sen and Haq parted ways after completing their degrees, each with First-Class Honors, in 1955. Sen stayed on at Cambridge for his doctorate, so turned immediately to dissertation research with no further coursework. In his important dissertation-cum-first book, *The Choice of Techniques* (1960), Sen concerned himself with a question that was especially pressing for nations like India with "surplus labor" (meaning a substantial portion of labor had a marginal product below the level necessary for survival); Lewis, for instance, had identified this "unlimited supplies of labor" as a core aspect of underdevelopment.<sup>34</sup> While one strand of economic theory argued that such countries should focus on labor-intensive growth – after all, they had plenty of labor to spare – a number of economic planners in India and elsewhere

---

<sup>32</sup> UN, *Measures for the Economic Development of Under-Developed Countries: Report by a Group of Experts Appointed by the Secretary-General of the United Nations*, E/1986 ST/ECA/10 (New York: United Nations, 1951), 35, 37–39. The expert group consisted of Alberto Baltra Cortez (Chile), D.R. Gadgil (India), George Hakim (Lebanon-chair), W. Arthur Lewis (St. Lucia/England); and Theodore W. Schultz (US).

<sup>33</sup> W. W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (Cambridge: Cambridge University Press, 1960), 20.

<sup>34</sup> W. Arthur Lewis, "Economic Development with Unlimited Supplies of Labour," *Manchester School* 22, no. 2 (1954): 139–91.

made the opposite case: the only way to grow sufficiently to improve conditions would be in capital-intensive sectors. The choice of technique in Sen's title addressed this dispute. As would become typical for Sen, he did not directly enter the fray but only set out the economic terms of it; his book was, as one reviewer aptly noted, not a "manual" for decision making but a general "inquiry into the economic principles that would govern such a manual."<sup>35</sup> Yet elsewhere he had no objection to advocating a particular economic policy; in fact, he considered it his "duty" to make that case publicly.<sup>36</sup> Weighing present vs. future benefit, he asserted, was "one of the most important aspects of technological choice."<sup>37</sup> And here he favored capital-intensive over labor-intensive strategies, conceding (in uncharacteristically simplistic language) that unemployment was "horrible now" but focusing on increasing employment today would lead to lower output in the future.<sup>38</sup>

Haq, meanwhile, won a Ford Foundation fellowship to study Economics at Yale. His courses there, however, did not meaningfully expand the horizons of his economic thinking. Haq had originally sought to study at Yale to gain exposure to a wider range of technical economics and formal modeling, subjects assiduously avoided by the math-phobic Cambridge faculty.<sup>39</sup> Yet there were no serious offerings at Yale on economic development, or on the

---

<sup>35</sup> Murray C. Kemp, review of *Review of Choice of Techniques: An Aspect of the Theory of Planned Economic Development*, by Amartya Kumar Sen, *The Canadian Journal of Economics and Political Science / Revue Canadienne d'Economie et de Science Politique* 28, no. 1 (1962): 181.

<sup>36</sup> Amartya Kumar Sen, "Choice of Techniques: A Reply," *Indian Economic Review* 6, no. 2 (1962): 169–70, 173–74.

<sup>37</sup> Amartya Sen, *Choice of Techniques: An Aspect of the Theory of Planned Economic Development* (Oxford: B. Blackwell, 1960), 88–89; Joan V. Robinson, "Review of R.L. Hall, *The Economic System in a Socialist State*," *Cambridge Review* 58, no. 1425 (February 26, 1937): 289–90.

<sup>38</sup> See Sen's replies to Hollis Chenery and Walter Ellis CHECKTHIS in Amartya Kumar Sen, "Choice of Techniques of Production: With Special Reference to East Asia," in *Economic Development with Special Reference to East Asia: Proceedings of a Conference Held by the International Economic Association*, ed. Kenneth Berrill (New York: St. Martin's Press, 1964), 401–2, 404.

<sup>39</sup> Haq Application for Admission, 12 January 1955, in Mahbub ul Haq Student File (Yale MSSA).

economies of the colonial or postcolonial world. Haq did take a course on “Underdeveloped Areas and Economic Policy” but that was focused primarily on US policy.<sup>40</sup>

Haq completed his dissertation on a topic that fit well within Pakistani discussions of economic policy (and with mainstream economic thinking): capital formation, which Haq called “the very essence of the growth process.” Haq’s direct and evocative writing put a sharp point on ideas that other economists expressed more euphemistically. He did not call for austerity or suppressed consumption but instead demanded a “puritanic” approach to government spending and called for “thrift” all across the economy; European-style welfare states, in this argument, were luxuries that poorer countries could ill afford.<sup>41</sup> These were ideas familiar to Haq from his studies at Government College and his immersion in Pakistani economic debates.

To be sure, Sen’s and especially Haq’s early writings on economic development invoked the language of western growth-oriented economics. So as Haq took up a postdoctoral fellowship at Harvard to revise his dissertation, he framed many of his ideas in the language of Walt Rostow’s “take-off into self-sustained growth.” Yet this was merely a superficial reference; his dissertation, completed before Rostow debuted the phrase in a lecture series (and later a book, *The Stages of Economic Growth* – 1960), had much the same vision of economic change, and the same policy approach that emphasized capital accumulation through domestic resources.<sup>42</sup>

---

<sup>40</sup> Haq enrollment cards 1955-56 and 1956-57 in Mahbub ul Haq Student File (Yale University Manuscripts and Archives).

<sup>41</sup> Haq Dissertation Proposal, 4 October 1956, in Mahbub ul Haq Student File (Yale MSSA) Mahbub ul Haq, “Planned Capital Formation in an Underdeveloped Economy: The Case of Pakistan” (Ph.D., Yale University, 1958), xi, vi–vii, 83.

<sup>42</sup> Rostow, *Stages of Economic Growth*; the major themes (and language) appeared first in lectures given at Cambridge shortly after Haq and Sen had left - W. W. Rostow, “The Stages of Economic Growth,” *The Economic History Review* 12, no. 1 (1959): 1–16.

Haq's ideas also jibed with those of Pakistan's Planning Board, which he joined upon returning from New England. The Board's first Five-Year Plan (1955-60), published prior to Haq's hiring, emphasized that only industrialization could "provide the means for banishing poverty, unemployment, and other social ills." The key to industrialization, in turn, was investment, which again called for increasing domestic savings by creating "deterrents to non-essential consumption."<sup>43</sup>

Haq changed little of the argument as he spent a year at Harvard revising his dissertation – though focused much more on sprucing up the prose than on altering the underlying argument. The resulting book, *The Strategy of Economic Planning* (1962) opened with apologies in advance for any "personal heresies" he committed in this book – but its only real sin was frankness. Economic growth, Haq noted on the book's first page, was a "brutal, sordid process," the essence of which amounted to "making the laborer produce more than he is allowed to consume." He argued that wage cuts were essential to capital formation; consumption limits, furthermore, were "a matter of national necessity." Social welfare was not, Haq declared repeatedly, the planner's concern at this stage since well-being could come only from "economic growth itself." He blasted planners who succumbed to the siren song of social welfare; their interest in living standards, he wrote condescendingly, was "understandable" but misguided. Pakistan and other poor countries, he concluded, "must consciously accept a philosophy of growth and shelve for the distant future all ideas of

---

<sup>43</sup> GOP. Planning Board, *The First Five Year Plan, 1955-60: Draft* (Karachi: Planning Board, 1956), 2, 147–48.

equitable distribution and a welfare state... [which] are luxuries which only developed countries can afford.”<sup>44</sup>

### **From Theory to Practice**

When Haq returned to Pakistan in 1962, he got the chance to put his ideas into practice. He played a key role in preparing Pakistan’s Third Plan (to run 1965-70); that Plan continued, and even deepened, the emphasis on capital formation for investment.<sup>45</sup> Social welfare and economic equality played second fiddle, if that, in the Third Plan. The Plan document cowered in a defensive crouch about social welfare provision, relying on revealing double-negatives and justifications. Social welfare spending (about 0.4% of projected Plan expenditure) was “by no means unambitious”; education spending (7.9%) was at the “maximum that the nation can afford... without diverting from needs which are more pressing.” Even this penurious social spending itself was justified primarily on economic grounds – to prevent “social tension and political instability” that might “impede the process of growth.”<sup>46</sup> Growth was the name of the game.

Reviewing his friend’s book in India’s leading economic periodical, Amartya Sen offered fulsome praise. He considered Haq’s call for bold planning “extremely persuasive,” quibbling only with the waning of Haq’s “radicalism” in later chapters of the book. Furthermore, Sen

---

<sup>44</sup> Mahbub ul Haq, *The Strategy of Economic Planning, a Case Study of Pakistan*. (Karachi: Oxford University Press, 1963), xi, 1, 44, 29, 53, 3, 30.

<sup>45</sup> GOP. Planning Commission, *The Third Five-Year Plan, 1965-70* (Karachi: Manager of Publications, 1967), 22, 33–35.

<sup>46</sup> GOP. Planning Commission, *Outline of the Third Five Year Plan (1965-70)* (Karachi: Government of Pakistan, 1964), vii–viii, 43, 211.

agreed with Haq's position that any consumption constraints considered in terms of their impact on long-term growth.<sup>47</sup>

Sen's views on Indian planning resonated with Haq's enthusiasm for a growth orientation, and specifically for favoring future growth over present consumption. Unlike Haq, Sen remained on the sidelines of economic policymaking – even to the point of taking pride in never advising governments or other “authorities.”<sup>48</sup> Yet he watched events in India closely and published articles related to the stages and the stakes of Indian planning.

Much like the effort in neighboring Pakistan, India's planning was in high gear as Sen and Haq completed their education. India's Second Five-Year Plan, indubitably the most important economic document in India's first decades, began in April 1956, shortly after their graduation from Cambridge. The plan was authored by Prasanta Chandra Mahalanobis, a physicist-turned-statistician-turned planner who insisted that India needed to build a capital goods sector in order to maximize the prospects for growth. Building up the capacity to produce capital goods, of course, required capital. Mahalanobis repeated the common wisdom of the day: “the long-term growth of the economy will depend on the rate of increase... of investment.”<sup>49</sup> The Plan proposed that the production of finished steel would treble over the Plan duration; aluminum and machine tools would each quadruple, and machinery for sugar and textile processing would quintuple or more. Who would pay for these extravagant aspirations was harder to discern. Resources for investment were at best vaguely allocated:

---

<sup>47</sup> Amartya Kumar Sen, “Planning and Growth in Pakistan,” *Economic Weekly*, March 27, 1965, 556.

<sup>48</sup> Amartya Sen, *Development as Freedom* (Oxford: Oxford University Press, 1999), xv.

<sup>49</sup> GOI. Planning Commission, *Second Five Year Plan* (Delhi: Planning Commission, 1956), 17.

50% would come from domestic resources, 25% deficit spending, 17% from external aid (which was far from certain), and an ill-explained gap of 8% would be sorted out later.<sup>50</sup>

As the Second Plan unfolded (and, thanks to a foreign-exchange crisis, almost immediately unraveled), Sen joined with the socialist economist K.N. Raj to work out a growth theory appropriate for Indian circumstances. Their joint work built on their critiques of India's Second Five-Year. Raj considered the Plan's emphasis on employment mistaken; such a short-run focus "may conflict with the more rapid advance of welfare in the long run."<sup>51</sup> Sen offered a similar critique of Mahalanobis – a family friend on whose shoulders Sen had ridden as a child – for starting with "a priori goals of income and employment." Such an approach, Sen warned, had put "the celebrated cart before the horse."<sup>52</sup>

The model that Raj and Sen formulated together offered a reformulation of Mahalanobis's Second Plan that suggested a different starting point for analysis but a similar conclusion. Raj and Sen placed economic growth at the center of their framework – not employment, as Mahalanobis had done. Employment levels would follow from growth trajectories, they argued, not vice versa. Evaluating a range of options, Raj and Sen concluded that only a heavy emphasis on capital goods could allow "the economy [to] launch itself in the path of what may be called [referring to W.W. Rostow] self-sustained growth." Spurred by the chronic foreign-exchange crisis then threatening the Second Plan, they focused on how to

---

<sup>50</sup> GOI. Planning Commission, 17, 58–61, 51–52, 77–78.

<sup>51</sup> K. N. Raj, *Employment Aspects of Planning in Under-Developed Economies*, National Bank of Egypt Fiftieth Anniversary Commemoration Lectures (Cairo: National Bank of Egypt, 1957), 2–3.

<sup>52</sup> Amartya Kumar Sen, "A Note on the Mahalanobis Model of Sectoral Planning," *Arthaniti* 1, no. 2 (May 1958): 32–33.



spend existing foreign exchange rather than how to increase foreign exchange reserves.<sup>53</sup>

While quibbling with Mahalanobis's methods, they endorsed his solution: it was "not difficult to prove" that his heavy-industry first policy was correct.<sup>54</sup>

Succinctly if indirectly, the Raj-Sen model made the same kind of claim as Haq had done with more dramatic language: prioritizing growth meant reducing current consumption. Consumption, in other words, might win over the population in the short term but capital goods would better provide for stronger growth in the long term. Future growth was worth present unemployment.<sup>55</sup>

While his article with Raj abjured any explicitly political declaration, Sen was more forthcoming in a contemporaneous article for a high-brow Indian intellectual journal. There, Sen made an explicit case for socialist planning. Based on his assessment of Soviet planning, Sen concluded that "direct evolution towards a socialist economy is... desirable in terms of the objective of rapid economic growth" – and had the added bonus of providing a "better" income distribution. If economic growth and rapid industrialization were the goals, then the choice for socialist planning was "not difficult to make."<sup>56</sup>

Though Raj and Sen's work came in for criticism, including a scathing attack by Sen's Cambridge classmate Jagdish Bhagwati, the authors were undaunted.<sup>57</sup> They published a slightly touched-up version of the model in a British journal, invoking the latest theory about

---

<sup>53</sup> K. N. Raj and A. K. Sen, "Alternative Patterns of Growth under Conditions of Stagnant Export Earnings," *Oxford Economic Papers* 13, no. 1 (1961): 43–52.

<sup>54</sup> K. N. Raj and Amartya K. Sen, "Sectoral Models for Development Planning," *Arthaniti* 2, no. 2 (May 1959): 181, 182.

<sup>55</sup> See Sen's replies to Hollis Chenery and Howard Ellis in Sen, "Choice of Techniques of Production: With Special Reference to East Asia," 401–2, 404; Raj and Sen, "Sectoral Models for Development Planning," 180.

<sup>56</sup> Amartya K. Sen, "Why Planning?," *Seminar*, no. 3 (November 1959): esp. 16.

<sup>57</sup> Jagdish Bhagwati, "The Theory of International Trade," *Indian Economic Journal* 8, no. 1 (July 1960): 1–17.

trade and development by Ragnar Nurkse. They cited especially on Nurkse's pessimism about the opportunities for poor countries to expand their trade.<sup>58</sup> But Nurkse did not so much shape Raj and Sen's ideas as buttress their arguments. The obeisance paid to Nurkse was one of the few differences between the 1961 Oxford version and the 1959 Calcutta one; the underlying model was in fact a pre-word-processor version of "cut and paste."<sup>59</sup>

These academic discussions of growth models had no direct effect on Indian planning. Instead, the Raj-Sen model was more a response to (even a defense of) the Second Plan rather than a basis for the Third Plan. That Plan (running 1961-66) continued in the same mold as the Second. Also formulated by Mahalanobis, it too aimed for rapid industrialization for the purposes of import substitution; it argued for extensive investments in heavy industry to be own in the expanding public sector, and for limits on consumption. And it too faced perennial shortages of foreign exchange. The Raj-Sen Model was an abstraction that played little role in Indian economic policy though it did express (and support) a commonly held view among Indian policy-makers.

The early growth theories put forward by both Mahbub ul Haq and Amartya Sen were expressed in terms of western ideas – Rostow and Nurkse, respectively – but actually emerged earlier, and in line with the general thrust of economic thought in their respective countries. Haq's exhortations to suppress consumption used blunter language than Raj and Sen, but they both employed similar logic: high growth required industrialization, which in turn required

---

<sup>58</sup> Ragnar Nurkse, *Patterns of Trade and Development* (Stockholm: Almqvist & Wiksell, 1959), esp. 37-39.

<sup>59</sup> Raj and Sen, "Alternative Patterns of Growth."

capital investment, the resources for which would come from limits on present-day consumption.

Even as Pakistan and India nursed an intense and violent rivalry, both Haq's and Sen's instructors promoted a similar vision of rapid industrialization that favored investment (and therefore saving) over consumption. Their experiences in Cambridge only built upon this South Asian foundation.<sup>60</sup>

### **Rethinking Growth**

While Haq remained focused on growth, he began to hear more and more about inequality from his wife, the former Khadija Khanam. Khanam had earned a BA at the University of Manchester's distinguished department before joining the Pakistan Institute for Development Economics (PIDE); they met when he was assigned to mentor her. Khadija Khanam/Haq was a trailblazer at PIDE on two counts: she was one of the only female economists there (though she told me she "wasn't really a woman student" since she was so "outspoken and liberal"). And she was also one of the only economists in Pakistan studying vertical inequality in the 1960s.<sup>61</sup> Her work trying to measure distribution of income using tax records appeared in PIDE's house journal – to much criticism from American advisors at the institute.<sup>62</sup> And she began gathering data on the ownership of the companies listed on the Karachi stock exchange in an effort to measure concentration of wealth.

---

<sup>60</sup> The Indian and Pakistani plans differed sharply in other dimensions, including the role of international trade, the need for government regulation, and the place of the private sector in development.

<sup>61</sup> Conversation with Khadija Haq, 2 November 2018.

<sup>62</sup> Khadija Haq, "A Measurement of Inequality in Urban Personal Income Distribution in Pakistan," *The Pakistan Development Review* 4, no. 4 (1964): 623–64. "A lot of rot" - Tomas Hexner to Gustav Papanek, 25 March 1969, HIID Records (Harvard University Archives) UAV 462.5010.5, box 8.

While Khadija Haq never published her findings on the distribution of wealth, they nevertheless garnered tremendous attention. When her husband Mahbub launched a public attack on Pakistani planning (even while he still held the post of the Planning Commission's chief economist), he relied on her research. Speaking at the annual meeting of the West Pakistan Management Association in Karachi in April 1968, Haq noted the failure of Pakistani planning to address fundamental issues of equity. He had in mind not the raging debate over the disparity between Punjabi-dominated West Pakistan and Bengali East Pakistan but instead focused on the accelerating "concentration of wealth and power" in a small elite. Haq cited his wife's calculations (with the bizarre jest that he hoped that depending on her findings would not call into question his own reliability) to the effect that the top twenty industrial families in Pakistan controlled 2/3 of the nation's industrial assets and an even higher share of its assets in financial services firms.<sup>63</sup>

In the moment, this talk by a mid-level government official to a group of middle managers in a dark and claustrophobic hotel ballroom hardly seemed to be a hinge point in Pakistan's history; indeed at least one major newspaper neglected even to mention Haq in its report on the proceedings of the West Pakistan Management Association.<sup>64</sup> And such complaints about wealth were hardly new. In fact, there were at least two other people named

---

<sup>63</sup> Mahbub ul Haq, "A Critical Review of the Third Five-Year Plan," in *Management and National Growth: Proceedings of the Second Management Convention Held at Karachi April 24 and 25, 1968*, ed. M. Akram Khan (Karachi: West Pakistan Management Association, 1968), 26–28. A historian recently located the speech text, which had never been cited in historical work - Ehsan Masood, *The Great Invention: The Story of GDP and the Making and Unmaking of the Modern World* (New York: Pegasus Books, 2016), 48–50.

<sup>64</sup> "Formulation of the Fourth Five-Year Plan," *Dawn*, 25 April 1968, p. 11.

Haq who had called attention to the wealth and power held by twenty-some Pakistan families before the 1968 speech by the economist that garnered so much attention.<sup>65</sup>

Ultimately the historic meaning of Haq's speech did not come from its novelty, or from scholarly debates over Khadija's data but instead from the streets of Pakistan's largest cities. Dissatisfied with the fruits of dictator Muhammad Ayub Khan's economic policies, massing groups of citizens protested food shortages and other broken economic promises. Shouting "Ayub must go," they insisted, as Haq had, that the system was rigged against them. Somewhere along the way, Haq's original count of 20 families increased by 10% in six months after Haq's speech – roughly matching the inflation rate over that period. At that new inflated level, the term "22 Families" quickly became touchstone in the growing (and ultimately successful) agitation against Ayub Khan, and even decades later remains a shorthand for interlocking political and economic power.

While Haq had very publicly criticized Pakistani policy and called for new attention to economic inequality, his private expressions toed the party line. He told one British diplomat, for instance, that the government's newfound attention to consumer goods was merely a temporary expedient to calm the political clamor of the moment.<sup>66</sup>

Haq must have been relieved to flee the turmoil of Pakistan in 1969. General Ayub Khan's replacement proved incapable of holding together a country still reeling from the protests over economic inequality. And the government's actions in East Pakistan – a deadly

---

<sup>65</sup> Rashid Amjad, *Private Industrial Investment in Pakistan, 1960-1970* (Cambridge: Cambridge University Press, 1982), 44–46. Conversation with Rashid Amjad (Lahore, May 2019). For examples, see Mahbub ul Haq in National Assembly Debates, 1 August 1963 and Huhamma Abdul Haque in National Assembly Debates, 21 January 1965 - at <https://na.gov.pk/en/debates.php> (accessed 2 October 2019).

<sup>66</sup> C.W. Fogarty to A. Mackay, 22 July 1969, FCO Records (UKNA), FCO 37/511.

combination of double-dealing and repression – only fed the ongoing insurgency there, leading in 1971 to a civil war and ultimately the creation of independent Bangladesh. As Haq recalled later, the experience of watching the development programs he formulated “collapsing in front of [his] eyes” shattered his “idealism.”<sup>67</sup>

Only upon leaving Pakistan could he see a larger picture: “development had become very warped,” he came to realize, in its pursuit of growth and not equality.<sup>68</sup> And what better place to straighten things out than the World Bank, then the largest funder of development projects? Haq took a job advising the World Bank’s hard-charging new president, former US Defense Secretary Robert S. McNamara, to steer the World Bank in a new direction. The two did penance for their activities in the 1960s – Haq’s enthusiasm for growth-first economic planning and McNamara’s hawkish pursuit of victory in the Vietnam War despite misgivings that he admitted to only decades later.<sup>69</sup> Joining the World Bank gave McNamara a new way to relate to the postcolonial world, so he immediately devoted his prodigious energies to promoting development. The Bank would give Haq a chance to atone for what he would call his “sins of development planning.”<sup>70</sup>

Haq, for his part, began to speak of his increasing skepticism about a growth-first approach but came to this position unevenly and in fits and starts. For instance, when speaking at a small US workshop on “economic growth and redistributive justice in Pakistan” in 1971, he

---

<sup>67</sup> Mahbub ul Haq Oral History (WBGA, 1982), 2.

<sup>68</sup> Barbara Ward, J. D. Runnalls, and Lenore D’Anjou, eds., *The Widening Gap: Development in the 1970’s* (New York: Columbia University Press, 1971), 354, Conversation with Pranab Bardhan, 6 November 2020. Haq Oral History (WBGA, 1982), 1-2.

<sup>69</sup> Patrick Allan Sharma, *Robert McNamara’s Other War: The World Bank and International Development* (Philadelphia: University of Pennsylvania Press, 2017), chap. 1; Aurélie Basha i Novosejt, *“I Made Mistakes”: Robert McNamara’s Vietnam War Policy, 1960-1968* (Cambridge: Cambridge University Press, 2019).

<sup>70</sup> Mahbub ul Haq, *The Poverty Curtain: Choices for the Third World* (New York: Columbia University Press, 1976), 8.

doubled down on the model he had promoted in that country for much of the 1960s. He asked rhetorically whether a more equal income distribution was even possible before dismissing the whole question as “rather naïve.” Haq praised the deposed Ayub Khan for not “weakening”; rather than caving to the protestors, Ayub Khan – Haq argued approvingly – ignored the growing protests over income maldistribution and stayed the course on the drive for growth. Haq ultimately concluded that the growth-first policies provoked opposition not because they moved too quickly but the opposite: he and his Planning Commission colleagues underestimated the “impatience of the masses,” so should have moved all the faster.<sup>71</sup>

Haq drew much different conclusions, though, when speaking to international audiences. In one presentation to development experts, he unveiled a sharp critique of their (and his) enterprise. He acknowledged Pakistan’s “healthy” 7% growth rate but pointed to its darker side: greater unemployment, regional disparities, and the concentration of wealth. For too long, he wrote in a third-person self-criticism, planners told themselves that if they “took care of [their] GNP” then “poverty will take care of itself.” Since the approach failed in Pakistan, he demanded a “basic re-examination of existing theories and practices of development.” He closed the paper by wrapping himself in the mantle of the Keynesian Revolution he learned at Cambridge. Just as Keynes had responded to the European economic crisis of the 1930s with an entirely new approach to economic theory, Haq exhorted, the global conditions of the 1960s made it high time to “stand economic theory on its head.” And who better to overturn

---

<sup>71</sup> Haq, “Mismanagement of Pakistan’s Economy and Choices for the 1970s” (1971), in Mahbub ul Haq, *Economic Growth with Social Justice: Collected Writings of Mahbub Ul Haq*, ed. Khadija Haq (New Delhi: Oxford University Press, 2018), 106–7.

economic ideas, he asked rhetorically in an act of self-nomination, than economists from the Global South “seeking a fresh way to look at their problems”?<sup>72</sup>

Haq followed up this critique with some fresh ideas about poverty alleviation, and with McNamara’s support began to implement them at the World Bank. To keep the focus on the world’s poor, Haq outlined a set of “basic needs” (also termed “basic human needs”) that deserved the highest priority, worth pursuing even if they came at the cost of lower growth rates. He picked up on the logic of basic needs, which had appeared first in the work of the International Labour Organisation, and with his usual passion and flair called for improving the lives of those whom McNamara called “the poorest of the poor.”<sup>73</sup> With the publication of his widely read book *The Poverty Curtain* (1976), Haq confessed to planners’ “seven sins” and called for a “direct attack on mass poverty” that he would spearhead from the Bank’s executive suite.<sup>74</sup>

Together with a team of economists he assembled from in and beyond the World Bank, Haq formulated the World Bank’s Basic Needs approach. They enumerated a roster of necessities including safe drinking water, health, and shelter. Tellingly they included elementary education as a basic need; their criteria for what constituted a basic need included anything what might “increase the productivity of the poor.”<sup>75</sup> Much as intended, the focus on “assist[ing] the poor to become more productive” resonated with McNamara.<sup>76</sup>

---

<sup>72</sup> Haq, “Development, Employment, and Income Distribution” (1971), in Haq, 116, 114, 115, 118.

<sup>73</sup> ILO, *Employment, Growth and Basic Needs: A One-World Problem* (Geneva: International Labour Office, 1976).

<sup>74</sup> Haq, *Poverty Curtain*, chaps. 1, 4.

<sup>75</sup> Mahbub ul Haq, “Foreword,” in *First Things First: Meeting Basic Human Needs in Developing Countries*, by Paul Streeten et al. (Oxford: Oxford University Press, 1981), viii.

<sup>76</sup> Mahbub ul Haq, “Meeting Basic Needs Is Not beyond Our Reach,” *Convergence* 11, no. 2 (1978): 35; Robert Ayres quotes this report (without attribution) in Robert L. Ayres, *Banking on the Poor: The World Bank and World*



The success of the Basic Needs concept at the Bank rested on the ability to hold recipients and lending programs to quantitative standards. If nothing else, the growth-first strategy had a single, simple, and readily available metric: GDP per capita. Basic Needs forced a more complete reckoning with the lives of the extremely poor: their economic and health precariousness, their constrained housing and transportation options, and so on. Haq acknowledged that income per capita would play a role in assessing Basic Needs but would on its own be “inadequate.”<sup>77</sup> The Basic Needs study group that Haq convened considered various social indicators: life expectancy, housing, school enrollment, energy consumption, etc.; they sought but did not find a single composite indicator that would reflect the extent that a given country was meeting its population’s needs.<sup>78</sup> Their efforts culminated in a book, *First Things First* (1981) – and accelerated an effort to develop a metric for Basic Needs that would allow comparisons over time and between countries.<sup>79</sup>

Haq stayed at the World Bank until Robert McNamara announced his departure. He quickly realized that McNamara’s successor held a different view of development – and of the freedom of employees to maintain the insider/outsider status that Haq had relished.<sup>80</sup> He left

---

*Poverty* (Cambridge, Mass.: MIT Press, 1984), 86. “Basic Needs: A Progress Report,” 10 August 1977, in WBGA, folder 30134148. .

<sup>77</sup> Paul Streeten and Shahid Javed Burki, “Basic Needs: Some Issues,” *World Development* 6, no. 3 (March 1978): 74–75. On “redistributing poverty”: McNamara used it in a 1973 Board meeting - see Devesh Kapur, John Prior Lewis, and Richard Charles Webb, *The World Bank: Its First Half Century* (Washington: Brookings Institution, 1997), 1:314; Mahbub ul Haq, “From Dialogue to Action,” in *Human Development, Adjustment and Growth*, ed. Khadija Haq and Üner Kirdar (Islamabad: North-South Round Table, 1986), GETPAGE.

<sup>78</sup> Paul Streeten et al., *First Things First: Meeting Basic Human Needs in Developing Countries* (Oxford: Oxford University Press, 1981), chap. 3.

<sup>79</sup> Norman Hicks and Paul Streeten, “Indicators of Development: The Search for a Basic Needs Yardstick,” *World Development* 7, no. 6 (June 1979): 567–80. Paul Streeten and Shahid Javed Burki, “Basic Needs: An Issues Paper,” 21 March 1977 (Folder 30134148, WBGA), page 5.

<sup>80</sup> Haq Oral History (WBGA, 1982), 15-16, 19.

the World Bank with as much fanfare as he could muster, harshly criticizing its new direction and its new leadership.<sup>81</sup>

Haq's next job would tarnish his liberal reputation, at least among his compatriots: he moved back to Pakistan to join the Cabinet of General Zia ul Haq, who had deposed his predecessor in a coup. As Minister of Development and Planning, Haq's major responsibility was of course development plans – specifically the Sixth Five Year Plan scheduled to start in spring 1983. That plan did devote substantially more resources to social welfare spending than the Plans of the 1960s; social welfare spending, broadly defined, went from 9% of projected outlay in the aborted plan of the late 1960s to almost 12% in the 1980s.<sup>82</sup> Even with these increased levels of social spending, Haq still favored growth over redistribution; as he cleverly put it, without growth, “we can only redistribute poverty.”<sup>83</sup>

In an article that epitomized his work in the 1980s, Haq asked quoted T.S. Eliot (“Do We Dare?”) to make a case for a new approach to development. It spoke to two different audiences simultaneously, calling for a bold new approach to development in a way that might appeal to western liberals, while at the same time calling on fellow Pakistanis to accommodate themselves to externally imposed austerity.<sup>84</sup> When General Zia ul Haq died in an airline crash, Haq (by then already unceremoniously returned to civilian life) offered his successor an unsolicited memorandum that sounded little like the well-known agitator for progressive

---

<sup>81</sup> “Senior Policy Official Leaves World Bank ‘Disturbed’ about Its Future,” International Press service, 4 March 1982 – Khadija and Mahbub ul Haq Papers (in Khadija Haq's possession). See also Rosemary Righter, “World Bank betrays the poor, says official,” *Sunday Times* (London), 7 March 1982, 10.

<sup>82</sup> GOP. Planning Commission, *The Sixth Five Year Plan, 1983-88* (Islamabad: Planning Commission, 1983), 446, 494.

<sup>83</sup> GOP. Planning Commission, 9.

<sup>84</sup> Haq, “Do We Dare?”, 8 October 1985, Haq Papers (LUMS), folder 2. UNIDO, *Pakistan: Towards Industrial Liberalization and Revitalization* (Oxford: Basil Blackwell, 1990), 6–8; S. Akbar Zaidi, *Issues in Pakistan's Economy: A Political Economy Perspective*, 3rd ed. (Karachi: Oxford University Press, 2015), 140–42.

causes in New York and Washington. He called for deregulation and fiscal “austerity” and even suggested some underhanded pseudo-populist gestures – publicly cutting some prices, for instance, but then following up with stealth reductions in subsidies soon thereafter.<sup>85</sup> As a sign of just how effectively Haq could compartmentalize his thinking, he drafted this growth- and adjustment-oriented memorandum while he had already started working for the UNDP on Human Development.

### **Towards Human Development**

Haq had joined the UNDP by a stroke of good luck. Having lost his Cabinet position, Mahbub ul Haq followed Khadija to New York, where she had just taken up a senior post at the UN Children’s Fund (UNICEF). He visited William H. Draper III, the former hedge fund manager whom President Ronald Reagan named to lead the UN Development Programme. This unlikely pair bonded over the need for a new measure for development; as Draper enthused, “I just love good data.”<sup>86</sup> To formulate such a measure Haq convened a team that reunited a few veterans from the Basic Needs project at the World Bank.

Sen’s path to Human Development took place in a series of influential academic articles and books, in which he considered poverty in relation to inequality on the one hand and individual needs and preferences on the other. He had already, with his concept of “entitlements,” distinguished between resources (inputs) and welfare. He came to the concept in reflecting on the Bengal Famine of 1943, during which millions of Bengalis died even as the

---

<sup>85</sup> Haq, “Economic Agenda of the New Government: 10 Point Action Programme,” 6 November 1990, Haq Papers (LUMS), folder 10.

<sup>86</sup> Conversation with William H. Draper III, 27 January 2022.

Indian state exported food; as he famously opened the book, “Starvation is the characteristic of some people not *having* enough food to eat. It is not the characteristic of there *being* not enough food to eat.” The presence of food was not sufficient to feed starving Bengalis; they need to have an entitlement to gain access to that food. Entitlements could come in different forms, including high wages (allowing purchase in the market) or government programs.<sup>87</sup>

Sen also sought to account for individual differences in calculating and seeking their own welfare. He used the term “capabilities” to refer to this ability to control one’s destiny and make one’s own decisions about what was needed and how to obtain it. What, Sen asked, could given resources do for a given individual? Economics, including welfare economics, had been being too “concerned with good things”; his capability approach, in contrast, shifted attention to “what these good things do to [for?] human beings.”<sup>88</sup>

Sen applied these ideas from Bengal in the 1940s and India in the 1960s to the 1970s and beyond. He argued that the fundamental goal of development should be to expand human capabilities; increasing GDP per capita was necessary to achieve this goal but it was insufficient. Sen criticized the usual national-income scorecards for too often “treat[ing] people as the means through which the productive process is brought about” rather than “seeing the lives of people as the ultimate concern.” He was well aware that higher national income made possible improvements that bettered human lives – health and education first and foremost. But he insisted that money alone was not an adequate measure of well-being; it did not account for gaining access to food, shelter and other elementary needs. And even for those who could buy

---

<sup>87</sup> Amartya Sen, *Poverty and Famines: An Essay on Entitlement and Deprivation* (Oxford: Clarendon Press, 1981), 1.

<sup>88</sup> Sen, “Inequality of What?,” 368. Richa Saxena, *Amartya Sen: A Biography* (Delhi: Rajpal & Sons, 2011), 67.

their necessities, wealth could not account for individual preferences.<sup>89</sup> “Commodity command,” he reiterated, “is a *means* to the end of well-being but can scarcely be the end itself,” so “a person’s well-being is not really a matter of how rich he or she is.”<sup>90</sup> Sen attempted to formulate a measure of well-being that reflected his capability approach. He included GNP per capita alongside measures of health (life expectancy, infant mortality, etc.) and education (adult literacy rates, opportunities for higher education).<sup>91</sup> Sen termed these measures “‘human development’ indicators,” with quotation marks suggesting the novelty of the term in this particular sense.<sup>92</sup>

To pursue a way of measuring capabilities, Sen worked with a group of Latin American economists who received UNDP funding to formulate a Social Progress Index. Taking to heart Sen’s central distinction between resources and welfare, this group conceptualized a social progress index in two dimensions: the “opportunity set” (what resources were available for social welfare) and “achievement set” (how well those resources were deployed for social welfare).<sup>93</sup> The group met in New York in the summer 1989, trying to work out the formulas for each dimension of the index.<sup>94</sup>

---

<sup>89</sup> Amartya Sen, “Development as Capability Expansion,” ed. Keith Griffin and John Knight, *Journal of Development Planning*, no. 19 (1989): 41, 51.

<sup>90</sup> Amartya Sen, *Commodities and Capabilities* (Amsterdam: North-Holland, 1985), 28.

<sup>91</sup> Sen, 28, Appendix A.

<sup>92</sup> Amartya Sen, *The Standard of Living*, ed. Geoffrey Hawthorn (Cambridge: Cambridge University Press, 1987), 104, 43. Sen here is replying to commentary by John Muellbauer that introduced the term.

<sup>93</sup> Julio Boltvinik, “Poverty Measurement and Alternative Indicators of Development,” in *Poverty Monitoring: An International Concern*, ed. Rolph van der Hoeven and Richard Anker (London: Macmillan, 1994), 57–83. Sen’s work on that project culminated in an article – Amartya Kumar Sen, “Progress and Social Deficit: Some Methodological Issues,” in *Social Progress Index: A Proposal*, ed. Julio Boltvinik, Regional Project to Overcome Poverty in Latin America and the Caribbean (RLA/86/004) (New York: UNDP, 1992), 19–29.

<sup>94</sup> Sen’s work eventually appeared as Sen, “Progress and Social Deficit: Some Methodological Issues.” Also Conversation with Julio Boltvinik, 11 February 2021.

Haq's separate Human Development group happened to be meeting at UNDP headquarters at the very same time. When Haq learned that Sen was also in the building, he began a months-long effort to recruit his reluctant friend to join. Sen eventually agreed, joining the collective effort that produced the first *Human Development Report*. The two old friends, coming together almost forty years after they first met, formed a potent team: Sen's intellectual sophistication and Haq's knack for publicity helped make Human Development a touchstone that remains influential to this day.<sup>95</sup>

Human Development also cemented Haq's and Sen's reputations as progressive thinkers on questions of development. As Haq in particular narrated his own intellectual biography, he framed the turn towards Human Development as a reversal of what he had been taught at some of the world's leading economics departments. Yet such an account gives short shrift to the ways that both he and Sen followed in rich veins of economic thinking in British India and its successor states, and the ways that Haq and Sen were shaped by local conditions and local conditions.

---

<sup>95</sup> For insightful reflections on the place of Human Development in the UN, see especially Mary S. Morgan and Maria Bach, "Measuring Development—from the UN's Perspective," *History of Political Economy* 50, no. S1 (December 2018): 193–210.