# THE LEWIS MODEL AND DEVELOPMENT THEORY*

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When, in May 1954, *The Manchester School* published "Economic Development with Unlimited Supplies of Labour" by Arthur Lewis, development economics was in its infancy. The twenty-five years of experience by the "less developed countries" since then have been accompanied by a massive growth of the subject, at least in volume terms. During that period the Lewis model has retained its place in the literature, in spite of the many attacks which have been made on it. A listing of the criticisms themselves would make an interesting essay in the history of economic thought, mirroring as they have done the varied standpoints of scholars critical of development economics, as well as the changing preoccupations of those working within it. They have ranged from arguments based on a neo-classical position at one extreme to those based on neo-Marxism at another. They have often exhibited the conflation of the policy-prescriptive with the historical-analytical which is widespread within development economics. However, progress in the subject has not been such that the Lewis model has ever dropped out of discussion, nor has it quite been elevated to the status of respected, but superseded, founding contribution—though it sometimes seems to have suffered the fate of such contributions in being read only in secondary and not always accurate accounts.

## THE MODEL

Lewis drew on the historical experience of Western industrialized countries and on the ideas of the classical economists to derive a very general picture of the development process.[1] A "capitalist" sector develops by drawing labour from a non-capitalist "subsistence" sector. In a variant of the model there is trade between the two sectors as well. In many, though not all, countries, Lewis argues, there are, at an early stage of development, ample supplies of labour in the subsistence

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[1]The argument of the original, 1954, article was further developed in Lewis (1958).

economy, so that the supply to the capitalist sector will exceed demand at a wage which can thus remain constant during a prolonged phase of labour transfer. This wage will be determined by the alternative available to those entering capitalist employment, i.e., the standard of living in the subsistence sector. In practice the wage will be above that minimum by a margin which is partly real, necessary to induce labour transfer, and possibly also representing the attainment of a higher conventional standard of living by capitalist sector workers, and partly illusory, to compensate for additional costs of living in capitalist sector employment.

Inside the capitalist sector, as growth proceeds, the share of profits might vary over time, depending on the nature of technical change: given the constant wage it will almost certainly rise. But even if it stays constant the growth of the capitalist sector relative to the subsistence sector will mean a growing share of profits in national income. Since a larger part of profit income is saved and invested than is the case with other forms of income, the savings ratio will rise and with it the capital accumulation on which economic development depends. This phase comes to an end when the labour surplus has been absorbed and wages rise. In certain circumstances, however, the wage level might rise and eat into the capitalist surplus while surplus labour still exists. Thus rising living standards in the subsistence sector might exercise an effect on the real wage minimum. Where trade between the sectors exists and the capitalist sector buys wage-goods from the subsistence sector, worsened terms of trade might cause even a constant real wage to take a larger share of the capitalist product. Again, workers in the capitalist sector might, by trade union action or otherwise, manage to widen the gap between their wage and subsistence sector standards.

## Criticisms of the Model[2]

Some of the early critics focussed on Lewis's suggestion that such could be the extent of surplus labour that the marginal product in the subsistence sector might be zero, so that labour transfer could take

[2]A list of many, though not all, of the earlier critical writings, is contained in Lewis (1972). Amongst those not listed, but of interest as a general evaluation, is Bauer (1956). Attacks on "dual economy" models from the "development of underdevelopment" standpoint have been a more recent concern. Comprehensive references to this literature (not by any means all focussing on "dual economy" models) are given in Palma (1978). A very relevant article not, however, included is Arrighi (1970). The Lewis model still, of course, receives evaluative treatment in textbooks on development. Two recent examples are Meier (1974) and Todaro (1977). Criticism of Lewis in the latter reflects the current concern in the literature with urban unemployment, migration, and the size of the gap between urban wages and farmers' incomes.

place without loss of output. This seemed to have unacceptable implications as to the mode of economic behaviour in the subsistence sector. And if the marginal product rose as labour transferred then so ought the wage schedule to rise too. For others, even the acceptance of Lewis's assumption that it is the average and not the marginal product in the subsistence sector which determines the sectoral living standard and, hence, the capitalist wage, left the model with a flaw. Even, or especially, if marginal product is zero or low, labour transfer would result in a rising average income amongst the remaining sectoral members, and hence the logic of the model ought to indicate a rising labour supply price right from the start.

It has been said that the Lewis model portrays a smooth process of transfer of labour from underemployment in rural areas to full employment in a growing modern industrial urban sector, whereas in fact there is massive un- and underemployment in urban areas and very little surplus labour in the countryside. Moreover the facts belie the supposed link between rural incomes and industrial wages, since the gap has widened enormously. Whilst high urban wages are a major factor in attracting migrants from the countryside, the nature of technical change has been such that very little additional industrial employment is on offer.

It has further been argued that Lewis assumed that there was no problem of the creation of a capitalist class in a backward society, that capitalists would automatically re-invest all their profits, and that no problem of demand for capitalist sector output existed.

To some critics the policy implications of the Lewis model appeared to be that industrialization could, and should, be accomplished without the need to pump extra resources into agriculture, that development via private capitalism is both necessary and desirable, and that rising inequalities are inevitable in the process. They urged that, on the contrary, priority should be given to agricultural and small-scale enterprise, thus leading to greater equality and the more speedy eradication of poverty. So far from the traditional sector being

FOOTNOTE 2 *continued*

The mode of presentation of his model by Lewis has often meant that critics, in search of a more precise target, have linked it with other, more rigorously formulated, models and the differences between them have not always been noted. Thus Todaro and others refer to the "Lewis-Fei-Ranis" model in discussing the industry-agriculture, urban-rural distinctions. Griffin (1969) lists Lewis with the neo-classical, Jorgenson, model in discussing dual-economy models in general. Arrighi attacks more specifically the agricultural underemployment assumptions of Barber (1970).

It is also fair to say that Lewis's answer to his critics (Lewis, 1970) contained changes of emphasis and additional points, some of which could be said to be concessions to the critics.

necessarily stagnant and economically irrational there are great possibilities of increasing rural output if farmers are given cheap inputs, better prices for output and appropriate institutional reforms.

These criticisms, based on policy considerations, have certain affinities with others stemming from different considerations. "Dual economy" models, of which Lewis's is one well-known example, are held to imply a false picture of the nature of the historical process of change in underdeveloped countries. The prospect before these countries is not to be conjured up by a picture of a modern sector rising out of a primordial, stagnant, untouched traditional economy, with the implication that all countries can pass through stages of growth which replicate those through which the present day "advanced" countries went. On the contrary, the development of the capitalist world has entailed for a very long time the disruption and restructuring of the economies of the present day underdeveloped countries. So far from the traditional economy being isolated it has for centuries been the victim of exploitative relations with the metropolitan countries.

As for the emerging, so-called "modern", sector this represents neither development of a kind similar to that of the metropoles nor true development by any normative criterion. Such is the structure of international relations that the underdeveloped countries are unable to generate a process of independent capitalist development but are restricted to a warped, dependent, comprador form of relationship benefitting only a minority in each country, and increasingly unable to provide employment for, and generate development from, the numbers of job seekers piling up in the cities. The Lewis process does not operate and the Third World masses are excluded from participation in capitalist world growth.

Some of these criticisms could be, and were, answered by Lewis simply by asking his critics to read his original articles more carefully.[3] His two sectors were the "capitalist" and the "subsistence" sectors, not the industrial and the agricultural, nor the urban and the rural. The urban poor were not assumed away but were specifically listed amongst the groupings from which the labour supply comes. Thus the model must be construed to mean that rural to urban migration which does not result in capitalist sector employment is merely a process of moving around inside the composite subsistence sector. Lewis was not assuming that the process of capitalist sector growth is in private capitalist hands. Accumulation in state hands as in the U.S.S.R. would fit just as well. And the process applies just as much

[3]Lewis (1972).

to capitalist agriculture, mining or plantations as to industry. The model does not necessarily involve a widening of the existing distribution of income since rising capitalist incomes can go alongside a declining share going to the landowning class. And, as Lewis argues, the model is not normative, it describes what has happened. He himself is fully in favour of devoting resources to improving the lot of the peasants and has written extensively about the need for this, and about the fact that industrial revolutions have often depended on a simultaneous or prior agrarian revolution. It must nevertheless be said that, in spite of Lewis's qualifications, the persuasive force of the model, so far as policy is concerned, is along the lines asserted by the critics.

As for the marginal product in agriculture or in other subsistence sector occupations, Lewis had in mind that the marginal product per man could be zero whilst that per man-hour is positive. When a member leaves the family farm the remaining farmers could maintain output by working harder or longer, and there were, in his judgement, many situations in which they would do this for no greater reward than the addition to their individual incomes of a share in the departing member's consumption. But in any case the model does not depend on the marginal product being zero, merely that it should be less than the industrial wage. To those who pointed to the model's requirement that there should be a link between rising average subsistence sector incomes and the wage, as labour transfer proceeds, Lewis replied, firstly, that population growth in the subsistence sector helps to negate the rise in incomes, and, secondly, that the link between subsistence income and the capitalist sector wage is flexible, so that a small rise in the former need not automatically cause an upward movement in the latter.

Thus Lewis declares himself in favour of realism as against precision in the formulation of his model. If the wage link is weakened too drastically however there might not be much of the model left. If the insensitivity of the wage to changes in rural income arises because the gap is very large then it will be trite to say that there will always be a ready supply of labour at the going wage rate, over a wide range of variation in the average (or marginal) product in the subsistence sector.

Although, as Lewis says, the marginal product in the subsistence sector may not be of importance for the wage function when the sectors do not trade with one another, it certainly is of significance when trade does take place. If the subsistence sector sells wage-goods, especially food, to the capitalist sector, then a fall in subsistence

sector output consequent upon labour transfer will be one factor tending to worsen the capitalist terms of trade and tending to enforce a rise in the wage as a fraction of output per man, and thus to reduce accumulation. Put in other words, it forces the capitalist sector to devote more resources to consumption goods to sell to subsistence sector members (they are assumed not to buy investment goods) in order to obtain the necessary food for the workers, and hence reduces the resources available for production of capital goods.

Lewis might here have made more use of the composite nature of his subsistence sector. If the entrants to industry come from the urban section of the subsistence sector then, although other kinds of (not necessarily traded) output may be reduced, food output will not suffer. The population growth which tends to offset any rise in subsistence sector incomes will also tend to maintain the work force and thus prevent output from falling—though it may also maintain sectoral consumption, and thus militate against the release of a marketed surplus of wage-goods to accompany the labour transfer.

### Transformation of the Subsistence Sector

But the question arises: why leave the matter there? The Lewis model is concerned with the broad sweep of historical change over a prolonged period. During such a period many changes, all of which have been discussed by writers in this field, will occur in the subsistence sector besides population growth. Many of those changes will be causally related to the process of labour transfer. Whether output is, or is not, maintained when labour transfer occurs depends on so many factors as to render the definition and measurement of marginal product very problematic. In the rural part of the subsistence sector these factors include the balance between migration and population growth and its effect on the age-sex composition; whether non-farming subsistence sector members leave their other tasks, involving non-traded products or products of less significance than food, to help in the harvest; whether labour transfer leads to neglect of long-term maintenance; whether migration is accompanied by reorganization of work as well as longer hours; whether links with the capitalist sector increase receptivity to new ideas; whether the arrival of capitalist sector consumption goods gives an incentive to increase output for the market. Any outcome is possible when labour leaves the sector, including a rise in output, i.e., the output curve might appear to demonstrate negative marginal product, a possibility mentioned by Lewis. In due course what is here termed the subsistence sector is transformed by capital accumulation (not all of it utilizing investment

goods purchased from industry but partially self-generated), accompanied by technical change. The scope for labour-shedding without loss of output becomes very large.

As for the question of subsistence sector living standards and their relationship to the capitalist wage, not only does population growth tend to offset any rise but the process of labour transfer is intimately connected with forces tending to lead to social differentiation within the sector. Even if the model is confined to the assumption that the subsistence sector is made up solely of peasant family farms, the migration process, not being uniform across families, may involve a widening gap between the richer and the poorer. Luck and the varying effects of population growth may have the same effect. The concept of the average is in this case, as in others, misleading. Average income may rise but there may still be a lower stratum for whom the constant minimum wage is sufficient incentive to transfer.

Differentiation also often involves the polarization of the rural population into employers and labourers, or landlords and tenants. In the former case, by analogy with Lewis's over-populated peasant farming regime, it is possible to envisage employers relying on a mixture of full-time (family) labour and a reservoir of casual labour, so that as some workers migrate the others are offered longer hours of employment. But the additional work need not be offered proportionately to all workers. There might be a move towards greater reliance on full-time workers (especially if technology is becoming more capital-using) and the casuals might not benefit. The employer has a perfectly rational reason for the retention in the village of this reservoir of part-time labour since there are periods of peak demand. But we may still finish up with some farm workers living better than some independent peasants; and others, for whom casual work can no longer support life, heading for the town.

The landlord-tenant regime may differ little from the independent peasant regime at one extreme where rents are fixed by custom. But where the landlord is in a position to increase rents when incomes rise (if industrial workers can notice this so can he) then the tenants' incomes need not rise. The process will be intimately linked with migration if it occurs as a result of the re-negotiation of rents when plots are vacated by eviction or otherwise.

Under any of these regimes—peasant ownership, employer-labourer, or landlord-tenant—a situation could exist in which, even with unchanging techniques, labour could migrate without loss of output, and in which, even if average village incomes rose, there would be a ready supply of labour to the capitalist sector at a constant

wage. These phenomena can be explained all the more readily if there is in progress a transition from a peasant regime to a mixture of the other two—though there may be different implications for, say, total output, depending on which one comes to predominate. Moreover the situation portrayed by Krishna Bharadwaj in this issue, in which one man may be employer, landlord, money-lender, merchant (and one might add magistrate as well), is a likely state of affairs. In all his roles he gains economic bargaining power and political control (important in legal questions to do with land tenure, and in labour discipline) from an over-populated village. There must be many cases where we hardly need "the code of ethical behaviour" by which Lewis explains the employer's practice of employing more labourers than the minimum needed. In practice, of course, the transition would not take place with unchanging techniques, but would be accompanied by capital accumulation and technical change, often of a labour-saving character, making the maintenance and even increase of output the more likely, and the position of the landless labourers the more precarious.

The differentiation of the rural subsistence economy along these lines helps also to explain why a rise in average rural incomes, if it occurred, need not generate such a rise in rural food consumption as to impede capitalist sector expansion. Probably Lewis's qualification that population growth negates the rise in average incomes in many areas is correct and labour transfer simply prevents incomes from falling as fast as they otherwise might. The differentiation process is relevant in this case in explaining how a rise in rural food consumption consequent on population growth does not occur, and thus threaten the marketed surplus. For poor families population growth means less food per head—accompanied again no doubt by differentiation within the family. It might be noted that the increase in the marketed surplus, consequent upon the changes of regime just described, need not necessarily mean better terms of trade for industry if the change of regime involves a change from sales by peasants to sales by employer-landlord-merchants with their greater bargaining power.

What of the situation outside agriculture but still inside the subsistence sector? One aspect of the differentiation process is the location of increasing numbers of subsistence sector personnel in urban rather than rural areas. This distinction touches on so many matters of vital importance for a study of Third World economies that there is general agreement that it is quite inadequate to proceed with analysis based simply on one composite subsistence sector. The urban members are nowadays commonly accorded the privilege of having a sector of

their own—the Urban "Informal" Sector. But, as Martin Godfrey argues in this issue, discussion of the Informal Sector does not entail the abandonment of the Lewis model. Analysis of the role of the subsistence sector can be carried out very satisfactorily within the Lewis framework. The Informal Sector contains the labour reservoir willing to work for low pay. It provides cheap non-food wage goods and services for the modern sector. Its capacity to maintain output of services, when members leave to enter capitalist sector employment is even more marked than is that of agriculture. Amongst the sector's relationships with the capitalist and the rural agricultural sectors which are of importance is the question of the balance between the number of migrants from agriculture to informal sector status and the numbers entering capitalist sector jobs. If the former exceeds the latter then a food surplus, adequate for capitalist sector needs, would open up, even if workers consume more food than peasants, provided that the urban poor consume less food than they would have done as peasants.

## The Capitalist Wage

The problem of the link, and the gap, between the industrial wage and subsistence sector incomes has always been a major difficulty for the Lewis model. The great size of the gap in some countries in the face of large numbers of job seekers—one of the "pull" factors encouraging migration, in addition to the "push" factors discussed above—is a phenomenon on which Lewis (in this issue) agrees that his model shed little light. Yet the model did make an important contribution in its time to the classical notion of the conventional wage—that it was not based directly on subsistence needs but rather on the alternative standard of living available in the subsistence sector. To see the whole process in historical perspective we ought perhaps to note not only the present day tendency for the wage to be well above subsistence sector standards, but also the occasions when the reverse might have been true, when workers in mines and plantations continued to live in their subsistence sector homes and to derive many of their "wage goods" from the family provision. In this situation wages did not need to provide for the full maintenance of the labourer and yet might, though low, be acceptable as a net addition to the family income. Even when the worker is located in an urban area his family might still be living in the village and be maintained out of subsistence sector output. One whole dimension of the development process is the way in which, by migration and urbanization, the worker and his family become incorporated into modern sector living.

They become separated from their subsistence sector origins and become dependent on modern sector consumption goods. Indeed the subsistence sector alternative to modern consumer goods may cease to exist. In Lewis's words the workers "may imitate the capitalist way of life"—nowadays increasingly an internationally diffused way of life. The process, still under way even in advanced industrial countries, involves a rise over time in the wage schedule.

It may be that, just as it is relevant to study the structure of rural incomes created by the differentiation process (of which one schema is outlined by Martin Godfrey in his paper), so a study of the segmented labour markets in the cities and the concept of non-competing groups discussed by Lewis here is the way to a resolution of the problem of the gap. The original model was intended to apply to the wages of unskilled workers for whom subsistence sector occupations were the alternatives. What are the alternatives for other sections? In some cases the great growth of government employment has provided the alternative. Maybe the minority who have attained an international standard of living have established a gulf between themselves and the subsistence economy which is inexplicable in a Lewis model context. But it may also be the case that the Lewis model in its original form applies perfectly well to the incipient capitalist development going on in the Informal Sector.

## Dual Economy Models

Lewis defined his "subsistence sector" as "all that part of the economy which is not using reproducible capital". The term is not very satisfactory, even if we only consider that one variant of the model includes trade between the sectors. Its meaning is strained even further if we go on to envisage the sector as being in a state of transformation, and encompassing peasants, labourers, landlords, employers, merchants. The temptation is great to adopt the alternative, agricultural-industrial, sectoral distinction.[4] But while this may be vital for some purposes it does not call attention to the process which Lewis was discussing. We can, of course, in a formal way, regard as parts of the capitalist sector those bits of the subsistence sector which

[4]Lewis's original discussion was based on a peasant farmer regime. He did make one reference to landlords and rent (Lewis, 1954, p. 149). Ranis & Fei couch their model in terms of landlord-employers and utilize this mechanism to prevent the incomes of the rural labour force from rising. Later, Lewis brought in agricultural workers as well as independent farmers. He also, in his discussion of inter-sectoral trade, went along with the Ranis-Fei division of sectors into agriculture and industry (Lewis, 1972, pp. 88–92). In the present issue of this journal Lewis has moved to yet another terminology, referring now to the two sectors as the "modern" and the "traditional".

come to accord with Lewis's definition. But the process of transformation of the "subsistence" sector is gradual and piecemeal. The mixture of regimes within it modifies the functioning even of its "capitalist" units. Whatever it is called, there is value in conjuring up as a starting point for analysis a residual sector, which, in all its variety and change, does not yet possess all the characteristics of a fully operating capitalist economy, and which provides some at least of the resources on which the growth of the capitalist sector depends.

At any rate the Lewis model can probably be absolved from the strictures made against "dual economy" models that they present a false picture both of historical reality in the subsistence sector and of the future prospects for development in a capitalist sector. There is nothing in the nature of Lewis's version of the subsistence sector that requires that it be in a primeval state. The characteristics of the sector required for the operation of the model could have been generated by a prior history of relationships with the metropoles. The initial conditions of surplus labour and low incomes have been generated by a variety of historical circumstances—including monopoly of land by large landowners, domination of rural markets by merchants, lack of opportunities for investment, education and technical advance—which themselves might well have been the product of colonial and non-colonial relationships with the capitalist countries. These are a very relevant topic of investigation but they do not prevent the operation of the model.

The mechanisms outlined in the model form, in fact, a useful framework for the discussion of how some of the phenomena of "the development of underdevelopment" arose. The interests of landowners and mine-owners in preserving rural poverty; the use of force and taxation by colonial governments to keep incomes down, and to generate a labour force and a food surplus;[5] the role of the terms of trade in extracting a surplus from peasants; the way in which low peasant incomes are linked with poor international terms of trade for tropical produce (a low wage on plantations is one alternative for poor farmers and, in some circumstances, peasant production of export crops at low prices is another), are all illuminated by the framework of the model, and Lewis has himself written extensively on them.[6]

[5]Arrighi's discussion provides an example of how Lewis's two variants (the one involving trade between the sectors; the other simply involving labour transfer) may not just be alternatives, applying in different circumstances, but may be different phases of the growth of the capitalist sector, with capitalist agriculture rendering peasant sales unprofitable and enforcing greater reliance on the sale of labour by peasant families.

[6]E.g., Lewis (1978).

Nor does the model necessarily require an unimpeded and rapid progress of indigenous capitalism. The capitalist sector could be in foreign ownership—as Lewis says, most countries initially import their capitalists. It is not required that all profits be invested. The growth of indigenous capitalism may well meet obstacles whose analysis requires an investigation of the relationship between it and the landowning class, the state, and the international centres of capitalism. These obstacles may include an inadequate level of internal or external demand for capitalist sector products, though it is apparent that capitalist development can proceed quite a long way without being held up by the low incomes of poor farmers.

It may be that one focus should be on the drama being enacted in the Informal Sector where, on the one hand, the seeds of indigenous capitalism are sown and, on the other hand, destruction or frustration of indigenous activities, by competition from products stemming from international trade, ownership and technology, are experienced. Another focus needs to be on the contradictory but ever present economic activities of the state in the Third World countries. It is true that if no capitalist development is in prospect then the Lewis mechanism is irrelevant. But it would be a very extreme version of the underdevelopment thesis which would assert that this is currently the case.

Nor is it necessary for observers to like what they see happening. Some of the literature generates confusion because we use normative concepts of "development". The word is reserved for processes which we consider desirable and if the reality is unpleasant, generating unemployment, worsening the distribution of income, etc., then we tend to deny that development is taking place. Whether or not we need a separate term to describe the process of social and economic change which is actually taking place in the Third World—a combined process of the growth of capitalism, the enlargement of State activity, the impact of the metropoles, and the dissolution of the pre-capitalist and pre-statist social order—clarity demands that we keep the study of this process separate from the discussion of what is desirable from a policy point of view.

## Policy Models

For policy purposes models cannot assume the whole gamut of historical change (though they would make fewer mistakes if they were more aware of it), but must specify certain variables whilst holding all else constant. It was by this test that some commentators found the Lewis model wanting, for instance in the discussion of the

marginal product in agriculture. It could, however, be argued that the Lewis model is a perfectly satisfactory framework for discussion of many policy issues. It does not necessarily induce the conclusion that industrialization without attention to agriculture is unproblematic, but can be used to draw out circumstances in which there will be difficulties both in commencing a process of industrialization and in sustaining it. It could be applied to non-industrial development, for instance to the rural development schemes discussed at about the same time as the Lewis model appeared, by Nurkse (1953) and by Vakil and Bramanand (1956),[7] or for that matter to the investment process going on in a Chinese commune. It must be noted, however, that many policy models assume state control of the direction of the economy. It would be of interest to discuss in a Lewis context the prospects for private capitalist development in the circumstances of rising peasant incomes. (In one reference to this Lewis agrees that, unless peasant incomes rise in every poor country simultaneously, capital would leave the countries whose peasants were benefitting.)

## The Model and Historical Analysis

However the Lewis model was mainly intended to shed light on historical change. As such of course it faces problems. The model is specified in terms of a limited number of variables, whilst in reality there are many. We have to call upon history to explain the model as much as we call upon the model to explain history. We can do two things with a model in this situation. We can formulate it rigorously and reject it if we find it wanting against the test of fact. Or we can regard it as a useful framework within which to discuss reality, not taking the homogeneity of its sectors literally but looking behind this to the internal structure of each, designating new sectors where significant relationships are thereby revealed. It is clear that the contributors to this issue of *The Manchester School* are all thinking along the lines of the importance of the structural heterogeneity of the economy in determining its working. This applies to policy-based discussion as well as to historical analysis, as demonstrated for instance by the "basic needs" approach taken in the paper by Griffin and James. This approach has itself stemmed from a rejection of the homogeneity of the one sector models which seek simply to maximize GNP.

Lewis himself gave the lead in this direction by his descriptive reminders of the heterogeneity of the sectors, by his refusal to formulate the model precisely and mathematically, and by his emphasis

[7]Lewis refers to these schemes in his "Further Notes" (Lewis, 1958, pp. 4–7).

on the structural differences between the sectors. Consequently his model is still a very illuminating framework within which to discuss the process of development. Possibly if those who sought to annihilate it, and one another, in the course of the evolution of development economics had instead built on it the discipline would not now, twenty-five years on, be so characterized by the mutual incomprehension by each school of thought of the work of the other.

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