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This thesis rests on the basic premise that any type of inflow of external capital beyond an optimal level is detrimental to the growth of the capital importing country. The Jhabvala theoretical model, empirically tested on the historical data of seven developing countries, lends support to this economic philosophy. After realizing the enslaving power of the external capital on poor countries, one is left to ponder over the great old quote from Shakespeare “Neither a borrower nor a lender be; For loan oft loses both itself and friend.” Shakespeare, Hamlet (1600), 1.3.75.

However, I am daunted with one big contradiction - a contradiction between this economic philosophy and the part of my life, lived in full measure in Villahermosa, during my stay at the Centro de Estudios de Investigacion del Sureste, A.C. I was provided with all the external capital I could wish for to enjoy a more than comfortable life. In principle, I agree that any type of external borrowing, beyond a limit, enslaves a country or a person. The existential reality is that Dr. Firdaus Jhabvala’s support for me went beyond the optimum level. This more than optimum support ranges from the sharing of knowledge, time and energy, to providing research facilities, constant guidance, rich counsel and emotional support. That has made me personally indebted to Dr. Firdaus Jhabvala. In the absence of these, perhaps this research work would have continued for some more years. Hence my contradiction gains credence: if external help was not forthcoming, as happened in my case, I would have met with a stunted growth. After having experienced external help, and its capabilities
in acquiring knowledge, it is, indeed, difficult for me to proclaim that external help hinders growth, even if only in terms of knowledge. However, Dr. Firdaus, with his roots in India and personal interest in my work, made me feel that there is a very thin line which divides the external borrowings from domestic support.

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