

ECOP 2619: Development in Emerging Economies

Week 1: The idea of development - History, institutions and ideology

- Analytical approaches to the study of international development

1. Development as continuity and change: an open ended and dialectical process. ideology and myth busting, the role of empirical data.
2. Development as a social science: A human process more than a technical intervention, a contested process, a complex and uneven process, and uncertain process.
3. Development and poverty alleviation: Language of trickle down and trade offs, economic efficiency, growth and inequality.
4. Development and self-determination: the politics of trade and development, resistance and dissent, alternative visions of well-being, livelihood and sustainability.

- Historical development of a field ideology and institutions:

1. The construction and meanings of development
2. Current dynamics - the Asian century
3. Development actors: states, international financial institutions, UN system, civil society.
4. Changing scale
5. The language of development - beyond we and them, west and third world, developed and developing.

	Hegemony	Theoretical explanation	Development thinking
19 th century	British Empire	Colonial anthropology, social Darwinism	Progress, evolutionism
1890-1930s	Later colonialists	Classical political economy	Catching up
Postwar boom 1948 ff	US	Growth theory	Modernization
Decolonization 1960s ff	Third World nationalism	Neo-marxism	Dependency theory
1980s	new globalisation	neoliberalism	Structural adjustment
1990s	Rise of Asia and BRIC economies	Capabilities, the developmental state	Human development
2000-2015	'deep' globalisation	MDGs	Structural reform - governance
2016-2030	Post crisis world	SDGs	Global agenda: integrate three dimensions of sustainable development—economic, social and environmental.

Week 1 Readings:

- **“Dimensions, Meanings and Measurements of poverty and well being” - Flavio common (2015)**
- Criticises the Millennium Development Goals from a Latin American perspective, given three main structural features of Latin American Development: inequality, conflict and low state capacity. Proposes a post-2015 agenda (GDA) with informed evidence on the debates, be more inclusive in the use of evidence with more in depth analysis
- MDG were set through a top down mechanism and their constitution involved arbitrary processes and a donor centric view of development that represented the interests and priorities of developing countries, this led to fragmented targets and lack of national and civil society ownership -> the nature of participation in defining a post- 2015 needs to be addressed.
- The MDG are fragmented not only in their implementation but also in the underlying conceptualisations of development and overlapping of means and ends. MDG combine arguments that are compatible with different development paradigms, based on economic growth or basic needs, human development, human rights or environmental sustainability without unifying and coordinating conceptual basis, this could potentially expose the framework to dysfunctional process and contradictory outcomes -> need a clear concept of development and corresponding standards to be adopted.
- The definition of targets through a top-down assembly on independent agents was not successful, the targets assembled in a sector specific and fragmented way with goals narrowly defined. The MDG framework was organised toward the measurement of outcomes rather than on an evaluation of international rules, practices and relationships that is intrinsically important. The targets were narrow in the sense that they follow standards that are too basic, promoting a minimalistic view of development concerned with feasible strategies that are not necessarily the ones necessary for making a difference to people's lives, they also simplify the underlying causes and mechanisms that promote development. The ad hoc assembling of different MDG goals can often be called dysfunctional to the extent that promotes sectoral policies that are not well coordinated or that ignore potential synergies. The use of narrow MDG targets crowded out broader development targets, they arise from immediate donor conditions and underlying political economy causes - a new framework for a GDA should align its incentive structure with the use of non-distorting targets.
- The architecture of a next GDA should design of inclusive institutions and priority-setting mechanisms in order to maintain the integrity of development processes.
- Inequality in Latin America is high, persistent and it is reproduced in a context of low socioeconomic mobility. Inequality in Latin America is linked to state-capture on the part of predatory elites, capital market imperfections, inequality of opportunities (in particular in terms of access to high-quality education) labour market segmentation, and discrimination against women and non-whites. - Lustig, Lopez and Juarez (2012).
- Inequality per se has not received much attention within the MDG framework and that the majority of causal factors related to it have not been part of the MDG list.
- Origins of the structural inequality and instability in Latin America, Engerman and Skoloff *(2002) argue that Latin American economic development depended on the various types of economic activities that colonisers engaged in; Acemogly, Johnson and Robinson (2002) claim that colonisation led to a reversal

fortunes, because the places where incentives were higher for extractive states, did not receive inclusive political and economic institutions that would provide strategic for their future development.

- The colonisation legacy meant that economic and social inequalities re-enacted post independence of Latin American countries. Inequality affects effective of the democratic regimes, attitudes towards public expenditure and redistributive struggles, perceptions of distributive fairness and citizen distrust in the state.
- **Bringing Politics Back into Poverty Analysis - Harris, John (2009):**
- Two ways of understanding poverty: in the view of professionals (social scientists and development practitioners)- where the poor who are deprived, mostly in terms of income and consumption, which are most readily measured- or with the perceptions of poor people themselves - we should think about poverty in terms of different dimensions that are all relevant to poor people themselves (multidimensional character of poverty).
- Chambers (1998, 3) argues that the poverty line is not concerned with wealth or material possession, nor with aspects of deprivation relating to access to water, shelter, health services, education, or transport, nor with debt, dependence, isolation, migration, vulnerability, powerlessness, physical weakness or disability, high mortality or short life expectancy, nor with social disadvantage, status or self respect. - many aspects of deprivation are left out of the conventional poverty measurement and that's the reason that poverty has come to be equated to what can most readily be measured.
- The main limitation to Chamber's analysis of the conceptualisation of poverty and poverty research is that his account of poverty, it remains a characteristic of individuals or of households (it is individuals or households that lack income, security and self-respect) and the effects of poverty are sometimes represented as causes.
- In the mainstream research of poverty, poverty is not seen as the consequence of social relations or of the categories through which people classify and act upon the social world. The way in which poverty is conceptualised separates it from the social processes of the accumulation and distribution of wealth, which depoliticises it, poverty is then threatened as a kind of social aberration rather than as an aspect of the way in which the modern state and a market society function.
- O Connor refers to the role of research funding agencies in bringing about a preoccupation with measurement that has abstracted poverty from its context in a way in which a particular capitalist economy is functioning.
- Shifting from explanation of individual deprivation to explanation of inequalities in the distribution of power, wealth, and opportunity.
- Recognising that studying poverty is not equal to studying the poor.
- Getting away from the research industry model
- Challenging the privilege attached to hypothesis testing models of enquiry.
- Recognising that the ideas of value free social science and of finding scientific cures for social problems are chimeras.
- Assets approach it fails to examine the social and political- economic relationships that bring about the effect of poverty.

- **“Assessing Global Poverty and Inequality: income, resources capabilities”- Robins Ingrid (2006):**

- Assessing measures of poverty. given the World Bank’s low poverty line and its reliability into measuring poverty in real terms.

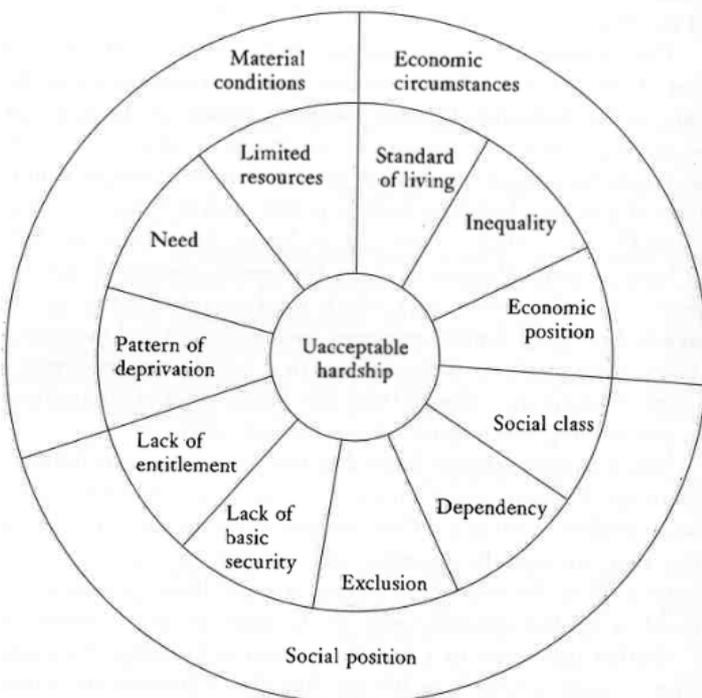
- **Definitions of poverty: twelve clusters of meaning” - Paul Spiker (2006):**

- Poverty does not have a single meaning, but the importance lies on the nature of the problem.
- Poverty as a material concept: people are poor because they do not have something they need, or because they lack the resources to get the things they need. - lack of material goods ad services - Vic George, 1988 : poverty consists of a core of basic necessities as well as a list of other necessities that change over time and place. - absolute or relative terms of poverty? -> deprivation over a period of time (deprivation patterns)
- Booth 1971: pore when means are insufficient for a good standard of life in their respective country.
- poverty as the last of money to afford basic needs.
- UN 1995: : poverty as a condition characterised by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to services.
- Poverty as economic circumstances: in therms of income (low standard of living)

International Labour Organisation (1995): At the simplest level, individuals or families are considered poor when their level of living, measured in terms of income or consumption, is below a certain standard”.

- Inequality- people may be held to be poor because they are disadvantaged by comparison with other in society, but reducing the resources of the better off does not necessarily equals a reduction of poverty.
- Social circumstances:economic position and socio-economic status - Simmer 1908 “ The poor person, sociologically speaking, is the individual who receives assistance because of lack of means.
- Lack of entitlements - famine is not from he lack of food, but from the inability of people to buy the food that exists.

FAMILY RESEMBLANCES BETWEEN DIFFERENT CONCEPTS OF POVERTY



-Social exclusion leads to the resurgence of homelessness, urban crisis, ethnic tension, rising long term unemployment, persistent high levels of poverty. - exclusion resisting from limited resources.

-Poverty as moral judgement:people are held to be poor when their material circumstances are deemed to be morally unacceptable

Week 2: Measuring poverty & well being: key concepts, data, trends and controversies:

- Official Approaches and Measurement:

- 1. Development as a measure of income - An input- based approach:** GNI/ capita, World Bank (high, upper middle, lower middle and low income country divisions)
 - 2. Development as a human phenomenon - reflected in measures of human capability for well-being (An outcome based approach) - United nations development programme (human development indicator - HDI, composite index: longevity measured by life expectancy at birth, educational attainment measured by a combination of adult literacy and primary, secondary and tertiary enrolment ratios, standard of living, measures by real GDP/ capita).**
- * Including gender dimensions: 1995 gender and Development indicator (GDI), HDI adjusted for gender; gender empowerment measure (GEM) - measure of agency, 2010 gender inequality index - improved on GDI and GEM.

-> Gender Inequality index:

- * Health: maternal mortality ration and the adolescent fertility rate (measured against 0)
 - * Empowerment: share of parliamentary seats held by each sex, and secondary and higher education attainment levels.
 - * Labour: women's participation in the work force.
 - * GII measures the % loss in human development due to inequality between female and male achievements in these three dimensions, the GII ranges form 0-1 (a score 0 indicates that women and men are fairly equal, and a score 1 indicates that women fare as poorly as possible in all measured dimensions).
- * Does poverty, inequality, well-being matter? -> social justice and the moral imperative, economic efficiency, political legitimacy.

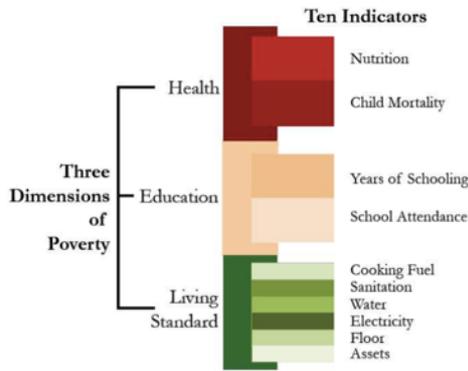
- Dominant approaches to measuring poverty:

- 1. The international poverty line and national poverty lines (\$1.90/ day approach and th \$3.10/ day approach) -> problems with methodology and meaning**
- 2. A global ethical poverty line**
- 3. Rights based poverty line (NEF)**
- 4. UNDP - the human poverty index (HPI) - the multidimensional poverty index (MPI)**
- 5. Development goals - Millennium development goals 2000-2015 and sustainable development goals 2015-2030**

- Multinational poverty index:

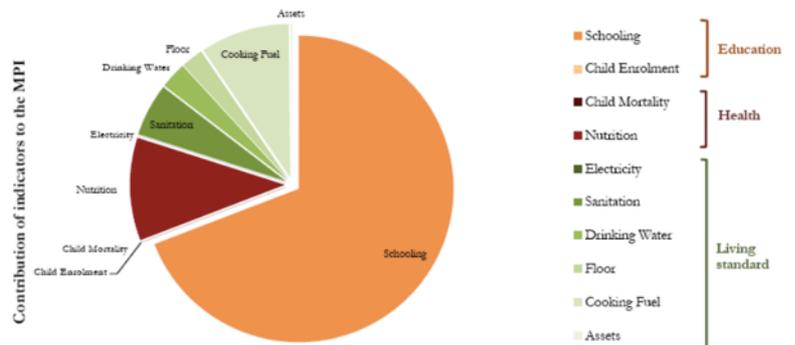
- A rich multinational picture of drivers of poverty
- Disaggregated analysis of the MPI in available for 962 sub-national regions, by rural- urban areas for nearly all countries, as we as by age.

MPI dynamics



-2016 global MPI data shows: A total of 1.6 billion people are living in multidimensional poverty - about 30% of people in the countries analysed. There are 50% more MPI poor people in the countries analysed that there are income poor people using the \$1.90 a day poverty line. Almost one third of MPI poor people live in Sub-Saharan Africa (32%), 53% in South Asia and 9% in East Asia. Three quarters of MPI poor people live in middle income countries. Nearly half of all MPI poor people are destitute - 768 million - and 91% of destitute people live in South Asia and Sub-Saharan Africa. -> policy implications.

MPI Brazil



-> Millennium Developmental Goals 2000-2015:



- Poverty = actions + targets

-Part of the UN Millennium declaration

-Time bound and measurable targets accompanied by indicators for monitoring progress.

- Sustainable Development Goals: 2015-2030

- Post 2015 development agenda - 17 sustainable Development Goals Differences: universal +comprehensive + inclusive?

THE GLOBAL GOALS

For Sustainable Development



Global trends

Region	Historical			Headline 2012	Projection 2015*
	1990	1999	2011		
Share of population below \$1.9 a day (2011 PPP)					
East Asia and Pacific	60.8	37.5	8.5	7.2	4.1
Europe and Central Asia	1.9	7.8	2.7	2.5	1.7
Latin America and the Caribbean	17.7	14.1	6.5	6.2	5.6
Middle East and North Africa**	-	-	-	-	-
South Asia	50.6	41.2	22.2	18.8	13.5
Sub-Saharan Africa	56	58.1	44.3	42.6	35.2
Developing world	44.3	34.2	16.6	15.0	11.9
World	37.1	29.0	14.2	12.8	9.6
	Historical			Headline 2012	Projection 2015*
	1990	1999	2011		
Millions of people below \$1.9 a day (2011 PPP)					
East Asia and Pacific	999.3	689.7	173.1	147.2	82.6
Europe and Central Asia	9.0	36.6	12.7	12.0	4.4
Latin America and the Caribbean	78.0	72.2	37.7	37.1	29.7
Middle East and North Africa**	-	-	-	-	-
South Asia	574.5	560.1	362.3	309.2	231.3
Sub-Saharan Africa	284.0	375.4	393.5	388.5	347.1
World	1958.5	1746.6	987.4	902.0	702.1

-> **Global trends:** If poverty is defined by living on less than \$1.90/day then -> The % of the population living below \$1.90 per day was more than halved from 44% (1981) to 12.7% (2012). The number of poor fell by billion, from 1.99 billion (1981) to 896 million (2012).

-> Less progress for those living under \$3.10/day -> the poverty rate by this higher standard has fallen from 71% (1981) to 35% (2012). Over 2.1 billion people lived on less than 3.10/day on 2012. Shift from extreme to moderately poor.

-Divergence between regions:

-Economic growth has accelerated in Asia. Asia's growth has been critical to the overall decline in global poverty.

- Slowed in Latin America
- Came to a halt in Sub-Saharan Africa - although new story of renewed growth post early 2010.
- Expectation for future - concentration in crisis parts of SSA. Niger and South Sudan.
- **Why has Asia done so well and sub-Saharan Africa so poorly?**
- **Asia:** Industrial revolution and the significant growth in manufacturing that has boosted economic growth. Between 1980 and 2000, the East Asia and Pacific region saw its manufacturing sector grow by 10.2% per year and its manufactured exports increase by the very high rate of 13.2% annually. South Asia experiences high rates of growth of manufacturing and manufactured goods.

- Latin America's manufacturing sector as a whole grew slowly, in the Middle East and North Africa and in Sub-Saharan Africa both the manufacturing sector and manufactured exports lagged seriously behind that of the other regions.
- **Sub-Saharan Africa:** Too poor to grow? Caught in a vicious cycle of low savings and capital shortage. Average gross national savings for sub-saharan Africa were just 16% of GDP in 2003 whereas in East Asia they were 42%. The region is uniquely bounded by disease: in 2003 Africans made up 85% of global deaths from malaria and 75% of the global deaths due to HIV/AIDS. The number of people dying from disease have very significant implications for both the current labour force, but also human capital formation for the next generations of workers. BUT CHANGE IS AFOOT! -> Poverty rates are 30% lower than they were in 1995. 6 of the world's fastest growing economies in the past decade are in Sub-Saharan Africa and this is expected to grow in the next 5 years. The main need is infrastructure. Conflict is a burden. Growing integration in the world economy. China is now main trading partner as trade relationships diversity.

-> The Development Record:

- Globally, most countries have made significant advances both in GNI/ capita and in Human Development Index measures.
- Two major criticisms:
 1. The benefits of development have been distributed unevenly. The number of extremely poor and malnourished people has remained high, and in some cases increased, even as a global middle class has achieved relative affluence.
 2. There have been major negative impacts of development on the environment and on existing social structures.

Wee2 Readings:

- **Rostow (1997): "The Five Stages of Growth":**
- The Traditional Society: structure is developed within limited production functions, based on pre-newtonian science, technology and attitudes towards the physical world (the external world was subject to a few knowable laws and was systematically capable of productive manipulation). The traditional society was not static (ex productive innovations and technology) BUT a ceiling existed on the level of attainable output per head, this ceiling resulted from the fact that the potentialities which flow from modern science and technology were either not available or not regularly and systematically applied. These societies, because of limitation on productivity, had to devote a very high proportion of their resources to agriculture with an hierarchical social structure with relatively narrow scope for vertical mobility. The value system of these societies was geared by long-run fatalism (same range of possibilities across generations). Central political rule existed, transcending the relatively self-sufficient regions (most power held by regional land owners) - EX: dynasties in China, Medieval Europe, Middle East. (all shared a ceiling on the productivity of their economic techniques)
- The preconditions for Take-off: process of transition, where modern science was translated into new production functions in agriculture and industry in late 17th and early 18th century in Western Europe (ex: Britain) - importance of exogenous influence of more advanced societies. New developments in al

areas, but at a limited pace within an economy and a society still mainly characterised by traditional low-productivity methods, by the old social structure and values, and by the regionally based political institutions that developed in conjunction with them. politically - the building of an effective centralised central state on the basis of coalitions touched with a new nationalism, in opposition to the traditional landed regional interests, the colonial power.

- The take-off: forces manage for economic progress and growth and the emergence of a political power prepared to regard the modernisation of the economy as serious, high order political business, rise of effective savings and investment, expansion of new industries and urban areas, changes no agricultural productivity, steady state of growth can be sustained (ex: Britain after 1783)
- The drive to maturity: long interval of sustained fluctuating progress as the now regularly growing economy drives to extent order technology over the whole front of its economic activity, investment permits output to regularly outstrip the increase in population, technique improve, new industries accelerate and old industries level off, modern efficient production placed in the international economy - approximately 60 years after take off. Maturity is the stage in which an economy demonstrates the capacity to move beyond the origin industries which powered its take-off and to absorb and to apply efficiently over a very wide range of its resources the most advanced fruits of the then modern technology. This is the stage in which an economy demonstrates that it has the technological and entrepreneurial skills to produce not everything, but anything that it chooses to produce, it may lack the era material or other supply conditions required to produce a given type of output economically, but its dependence is matter of economic choice or political priority rather than a technological or institutional necessity.
- The age of mass consumption: increased income = increased consumption, increased resources allocated to social welfare and security - current stage of developed nations
- Beyond consumption - unpredictable
- **Andre Frank (1977): "The development of underdevelopment":**
- Since the current theory focuses not the developed metropolitan countries, they widely differ from the historical experience of the colonial and underdeveloped countries. The past of the now developed countries is not the same as what the developing countries face, leading to misconceptions of underdevelopment and development. Furthermore, most studies of development and underdevelopment fails to take into account the economic and other relations between the metropolis and its economic and other relations between the metropolis and its economic colonies through the history of the world wide expansion and development of the mercantilist and capitalist system.
- The now developed countries were never underdeveloped, they were undeveloped.
- Historical research demonstrates that contemporary underdevelopment is in large part the historical product of past and continuing economic and other relations between the satellite underdeveloped and the now developed metropolitan countries - these relations are an essential part of the structure and development of these underdeveloped countries.
- Historical perspective based on the underdeveloped countries past experience suggests that on the contrary in the underdeveloped countries economic development can now occur only independently of most of these relations of diffusion of values.

- Evident inequalities of income and differences in culture have led to many observers to see dual societies and economies in the underdeveloped countries., each of them with its own history, structure and contemporary dynamic largely independent of the other. Where one part of the society has developed more due to its proximity to the core and the other isolated from such relations and more underdeveloped. -> policy recommendation to dual societies theory will only intensify and perpetuate the very conditions of underdevelopment they are supposedly designed to remedy..
- He believes instead that the expansion of the capitalist system over the past centuries effectively penetrated even the apparently most isolated sectors of the underdeveloped world. The economic, political, social and cultural institutions and relations we now observe are the products of the historical development of the capitalist system
- Latin American centre of research: the privileged position of the city has its origins in the colonial period, the regional city was an instrument of conquest and it is still today an instrument of domination” -> These metropolis- satellite relations are not limited to the imperial or international level, but penetrate and structure the very economic, political and social life of the Latin American Colonies, each national and local metropolis serves to impose and maintain the monopolistic structure and exploitative relationship of this system as long as it serves the interests of the metropolises which take advantage of this global, national and local structure to promote their own development and their enrichment of their ruling class.
- The present underdevelopment of Latin America is the result of its centuries long participation in the process of world capitalist development.
- EX: In Brazil the expansion of the world economy since the beginning of the 16th century successfully converted the Northeast, The North and Center-South into export economies and incorporated them into the structure and development of the world capitalist system, each of these regions experiences economic development during their respective golden age, but it was a satellite development which was neither self generating nor self perpetuating, as the market or the productivity of the three regions declined, foreign and domestic economic interest in them waned, and they were left to develop the underdevelopment they live today. The development of industry in Sao Paulo has not brought greater riches to the other regions of Brasil, instead, it converted them into internal colonial satellites, de-capitalised them further,, and consolidated or even deepened their underdevelopment. The development of Sao Paulo is restricted by the satellite cycle where its further development is increasingly restricted.
- Underdevelopment is not due to the survival of anarchic institutions and the existence of capital shortage in regions that have remained isolated from the stream of world history, on the contrary, underdevelopment was and still is generated by the very same historical process which also generated economic development: the development of capitalism itself.
- IN the metropolis- satellite structure the metropolises tend to develop and the satellites to underdeveloped. Where the development of the world metropolis was no one's satellite, in contrast to the now developing countries.
- The satellites experience their greatest economic development, and also the classic capitalist industrial development if and when their ties to their metropolises are the weakest (ex: in latin America it was characterised by the European depression of the 17th century, Napoleonic wars, first world war, depression of the 1930s and second world war) - after loosening trade and investment ties during these periods, the satellites initiated marked autonomous industrialisation and growth BUT when the metropolis recovers from its crisis and re-established the trade and investment ties which fully

reincorporate the satellites into the system, or when the metropolis expands to incorporate previously isolated regions into the world wide system, the previous development and industrialisation of these regions is chocked off or channeled into directions which are not self-perpetuating and promising.

- The metropolis-satellite structure in the regions which are the most underdeveloped and feudal seeming today are the ones which had the closest ties to the metropolis in the past. They are the regions which were the greatest exporters of primary products to and the biggest sources of capital for the world metropolis and which were abandoned by the metropolis when for one reason or another business fell off.
- Latifundium, plantation or hacienda was typically born as a commercial enterprise which created for itself the institutions which permitted it to respond to increased demand in the world or national market by expanding the amount of its land, capital and labour and to increase the supply of its products.

Latifundia which appear isolated, subsistence based today, and semi-feudal saw demand for their products or their productive capacity decline.

- **Shiva Vandaa (1989): “Development, ecology and Women”:**

- Development as the improved well being for all was equated with the westernisation of economic categories (needs of productivity and growth emerged in a context of industrialisation and capitalist growth in a centre of colonial power- universal applicability of the basic needs satisfaction for the people of the newly independent third world countries.
- Rosa Luxemburg: early development in western Europe necessitated the permanent occupation of the colonies by the colonial powers and the destruction of the local natural economies, colonialism is a constant necessity condition for capitalist growth - without colonies, capital accumulation would grind to halt. Development as capital accumulation and the commercialisation of the economy for the generation of surplus and profits thus involved the reproduction not merely of a particular form of creation of wealth, but also of the associated creation of poverty and disposition.
- The replication of economic development based on commercialisation of resource use for commodity production in the newly independent countries created internal colonies, development was thus reduced to a continuation of the process of colonisation based on exploitation of women, degradation of nature and erosion of other cultures.
- The insufficient and inadequate participation in development was not the cause of women increasing underdevelopment, it was rather their enforced but asymmetric participation in it, by which they bore the costs but were excluded from the benefits.
- Economic growth was anew colonialism, draining resources away from those who needed it the most.
- Argue that what is called development is instead maldevelopment, based on the domination of men over nature and women. Nature and women are turned into passive objects, to be used and exploited for the uncontrolled and uncontrollable desires of alienated men.
- The problem with GNP is that it measures some costs as benefits, such as pollution control, and fails to measure other costs completely, ex: ecological devastation, as GNP rises, it does not necessarily mean that either wealth or welfare increase proportionately.
- In the capitalist market economy, the organising principle for natural resource use is the maximisation of profits and capital accumulation.

- View of substance living as poverty (ex: home grown to supermarket products superiority). Mistaken identification of the culturally perceived poverty with real material poverty, and the mistaken identification of the growth of commodity production as better satisfaction of basic needs.
- The nature and women impoverishment lies in the fact that the resources which supported their survival were absorbed into the market economy while they themselves were excluded and displaced by it.

- Mary Robinson (2015): “What rights can add to good development practice”:

- Not all have profited from the open markets, free movement of capital, new technologies and globalisation
- 3 main criticisms of the human rights approach are made by those who work in the field of development:
 - Human rights are political: they are overly focused on the state, and use adversarial and judgemental techniques to monitor state performance that politicise the development process unhelpful. They also argue that by appealing to international standards, human rights advocates diminish the notion national sovereignty, irritating national governments and undermining the efforts to make them nationally responsible. - focus on the responsibilities of the states, but the international dimension is important in order to establish an agreed objective and minimum standards to ensure that all people are protected in key areas of their lives, so there is a benchmark for for state to attain, where the end goal is the creation of a government and a society that protects rights because both governments and members of the society are adequately accountable.
 - Human rights are unrealistic: critics argue that human rights reformers overstate the importance of law and presume the state has a capacity that it often does not have , they are accused of failing to take proper account of underlying social and cultural causes of underdevelopment and failing to understand that development is necessarily a long-term process, extending over several generations, they are accused of ignoring the fact that successful reform process must cope with numerous failures and political backsliding.
 - Human rights are abstract and cannot be applied practically since decision makers must choose one good outcome at the expense of another because there is not enough money to go round, such real world constraints are not addressed in reality, they claim too much but they refuse to trade and address the problem of resource limits. BUT its ambitious aim has been to develop a body of principles that, taken together, provide points of reference for all cases where issues of rights arise and it is the systemic nature of human rights which explains why advocates of rights often speak of their universality and indivisibility, it highlights the belief that respect for any right cannot be achieved in the absence of respect for other rights. As a result, rights advocates find it difficult to bargain- to set aside protection of one right in favour of protecting another.
 - Human rights cannot cope with time: it assumes that progress must be continuous and never go backwards to reassess the damage from a specific policy.
 - Law and poor don't mix: in general, protection of human rights is mostly easy and successfully achieved when governments are well resourced, responsible and respectful of the rule of law. Equally, individual protection is more easily achieved where those whose rights are threatened are well educated, well-connected and all off. The worst violations tend to occur where governments are unskilled and lack resources and where those at risk are in the same position. Governments find it difficult to adequately

fulfil their obligations towards the very poor, and those who are most alienated and marginalised. - To create conditions in which the human rights of very poor or marginalised communities can be protected, governments will need to find new ways of reaching into and serving such communities, and human rights organisations will need to find new ways of winning their trust, and it can be done by building alliances with organisations that have a long-term presence in such communities - religious organisations, community groups, NGOs.

- Where human rights adds value: key values and operational terms are: inclusion and non-discrimination, national and local ownership, accountability and transparency, participation and empowerment.
- A rights-based approach is a conceptual framework for the process of human development that is normatively based on international human rights standards and operationally directed to promoting and protecting human rights. The rights-based approach integrates the norms, standards and principles of the international human rights system into the plans, policies and processes of development. The norms and standards are those contained in the wealth of international treaties and declarations and the principles of participation, empowerment, accountability, non-discrimination, and express linkages to international human rights norms and standards, but it should be emphasised that at the heart of a human rights approach must be the legal character of the international treaties that creates rights and duties.
- Human rights approach provides: enhanced accountability, high levels of citizens empowerment, ownership and free, meaningful and active participation, great normative clarity and detail, easier consensus and increased transparency in national development process, a more complete and rational development framework, integrated safeguards against unintentional harm by development projects, more effective and complete analysis and a more authoritative basis for advocacy.
- Empowerment is the people's ability to act on their own behalf and on behalf of others, people empowered can demand respect for their dignity when it is violated.

Week 3: Development Theory

-> Development theories: from liberal growth to rights-based development

- Theorising development: liberal growth theory, underdevelopment theory and neoliberalism.
- Dominant modes of economic growth and development
- Recent critiques: post-development theory and rights-based development
- * Who are the players? Who sets the rules? What are the rules? What are the likely/ unlikely consequences? What payoffs are involved? Who benefits/ loses from this?

1. Liberal Growth Theory: 'Our subject matter is growth, and not distribution' - Lewis, 1995

- Analytical approach: language of trickle down and trade offs. Focus on economic efficiency and growth.
- National development: linear stages + assumes a non-conflictual process.
- Development failures = endogenous factors.

-> The stages of Economic Growth: A non-communist Manifesto - Rostow, 1960

Stage 1: Traditional/ Subsistence agrarian society

Stage 2: The pre-conditions for take-off

Stage 3: take off

Stage 4: The drive to maturity

Stage 5: Era of high mass consumption

* **Limitations:** unilinear, euro-centric, one size fits all, growth or development?

- Model of Industrial Growth:

1. Import Substitution Industrialisation:

-> **Aim:** Generate rapid and self-sustaining growth, promote economic diversity, start foreign capital and investment, absorb surplus labour, decrease external dependency and reduce balance of payments.

-> **How?** : Fiscal incentives (ex: low interest rate loans, tax concessions), protection from foreign competition (ex: tariffs and quotas, licensing and exchange controls).

-> **Problems with the Import Substitution Industrialisation (ISI):**

- ISI often proved to be highly dependent on imports sometimes with a net outward flow of capital towards the capitalist core.
- ISI strategies concentrated on highly capital intensive industries for which technologies were borrowed from the North
- ISI limited by demand restrictions resulting from extreme inequalities
- Excessive state intervention and protectionist policies that limited growth over the longer term.

-> **Shifting theoretical gears:**

- **OUT with** Keynesian driven policies of demand stimulation (eg. import substitution, state intervention and centralised development planning)

- **IN with** emphasis on supply-side factors, private initiative, market led growth and outward oriented development. Export oriented growth models became the new orthodoxy.

- **Export Oriented Industrial Development: Rationale for export oriented growth**

1. Low levels of domestic demand in most developing countries hampered growth. Perhaps growth was reliant upon gaining access to global markets.
2. Expectation that by developing foreign trade markets, the opportunity to expand local employment and production would be maximised -> Growth
3. Earning from exports would foster macro-economic stability by contributing to a favourable balance of trade and external accounts which would in turn deliver a higher credit rating in international financial markets and thus easier access to foreign loans and investment capital.
4. Foreign trade would earn FX with which imports could be bought.

- **Common characteristics of the East Asian Tigers: Taiwan, South Korea, Hong Kong and Singapore.**

- Focused on exports to richer industrialised nations
- Run a trade surplus with trading partners
- Sustained rate of double-digit growth for decades.
- Non-democratic and relatively authoritarian political systems during the early years.
- High tariffs on imports
- Undervalued currencies. This enhanced the attractiveness of goods on international markets (eg. China today).
- High level of US treasury bond holdings
- High saving rate.

- **The not so illusive state:**

- * Critique of the Export Oriented Industrial Development offered by Alice Amsden, Walden Bello and Robert Wade. Development success in the East Asian economies was not simply the result of free market policies. The state played an important role.

* **Key Features of EOI success in East Asia:**

- * A highly interventionist state intent on producing a political, cultural and economic environment in which fast rates of growth were possible.
- * Government policies enhanced cooperation between government and industry, the exchange of information and ultimately economic efficiency.
- * Bello (1990): "The technocratic state elite determined the direction of economic policy and did not hesitate to employ subsidies, preferential access to credit, investment incentives and other market-violating administrative measures to achieve the targets they set.
- * Amsden (1992): Government discipline and support. - The Taiwan government had to intervene with diverse subsidies deliberately to get relative prices 'wrong', or to set prices that deviated from the free market equilibrium, in order to stimulate investment and export.

-> The model of the developmental state, if carefully applied, is too useful to banish from the permissible approaches to economic development - Amsden 1990

- **Pro-poor growth:**

- "A pace and pattern of growth that enhances the ability of poor women and men to participate in, contribute to and benefit from growth" - OECD, DAC 2007. - EX: opportunities the anti-poverty drive by Mexico's government since 1997. It provides cash transfers to rural and urban households, but links them to requirements, such as regular school attendance, health clinic visits and nutritional programs for children.

- **Composition Matter:**