Content

1. KATIE WILLIS 2005
   THEORIES AND PRACTICES OF DEVELOPMENT

2. ARTURO ESCOBAR 1995
   ENCOUNTERING DEVELOPMENT- THE MAKING AND UNMAKING OF THE THIRD WORLD

3. JONATHAN CRUSH 1995
   POWER OF DEVELOPMENT

4. CRAIG JOHNSON 2009
   ARRESTING DEVELOPMENT- THE POWER OF KNOWLEDGE FOR SOCIAL CHANGE

5. SÉVERINE DENEULIN 2006
   THE CAPABILITY APPROACH AND THE PRAXIS OF DEVELOPMENT

6. WIEBKE KUKLYS 2005
   AMARTYA SEN'S CAPABILITY APPROACH- THEORETICAL INSIGHTS AND EMPIRICAL APPLICATIONS

7. DAVID NUGENT AND JOAN VINCENT 2007
   A COMPANION TO THE ANTHROPOLOGY OF POLITICS

8. TRACEY SKELTON AND TIM ALLEN 1999
   CULTURE AND GLOBAL CHANGE
Theories and Practices of Development

Katie Willis

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1 Introduction: what do we mean by development?

- Definitions of development
- Measuring development
- Colonialism
- Development actors
- Post-development

In September 2000 the United Nations agreed to adopt a number of ‘Millennium Development Goals’ (see Box 1.1). Such clearly stated goals could suggest that defining ‘development’ is easy and that what is important is the end point to which a society gets, not how those goals are achieved.

Box 1.1

Millennium Development Goals

While these goals were adopted by the UN in 2000, they were the outcome of international conferences throughout the 1990s. There are eight goals, but for each goal there are a number of targets and indicators. The eight goals are:

1 eradicate extreme poverty and hunger;
2 achieve universal primary education;
3 promote gender equality and empower women;
4 reduce child mortality;
5 improve maternal health;
6 combat HIV/AIDS, malaria and other diseases;
7 ensure environmental sustainability;
8 develop a global partnership for development.
In this book we will be considering theories about development and how these theories inform policy formulation and practices to achieve development goals. However, before we embark on this journey, we need to consider what ‘development’ means. Despite the very bold statement about ‘development targets’, this chapter will highlight the contested nature of the term ‘development’. In particular, we will look at how ‘development’ has been defined, who has defined ‘development’ and at what scale ‘development’ has been examined.

**Modernity**

For many people, ideas of development are linked to concepts of modernity. ‘Modernity’ in its broadest sense means the condition of being modern, new or up-to-date, so ‘the idea of “modernity” situates people in time’ (Ogborn 1999: 153). Because of social, economic, political and cultural dynamism, what is ‘modern’ will change over time and also spatially. What is ‘modern’ in one place may be ‘old-fashioned’ elsewhere.

However, more specifically, ‘modernity’ has been used as a term to describe particular forms of economy and society based on the experiences of Western Europe. In economic terms, ‘modernity’ encompasses industrialization, urbanization and the increased use of technology within all sectors of the economy. This application of technology and scientific principles is also reflected within social and cultural spheres. What has been termed the ‘Enlightenment’ period in Western Europe in the late seventeenth and eighteenth centuries, involved the growing importance of rational and scientific approaches to understanding the world and progress. This was contrasted with previous understandings that were often rooted in religious explanations (Power 2003: 72–6). Approaches to medicine, the legal and political systems and economic development were all affected by this shift in perspective.

The spatial and temporal context of these ideas about modernity is important in this understanding of what ‘modern’ was, but as we shall see throughout the book, these ideas were taken out of their context and spread throughout the world (Larrain 1999). For some, this diffusion of modernity is interpreted as ‘development’ and ‘progress’, while for others it is associated with the eradication of cultural practices, the destruction of natural environments and a decline in the quality of life. All these themes, and others, will be considered in the following chapters.

**Development as an economic process**

People defining development as ‘modernity’, look at development largely in economic terms. This conception of development underpins much of the work of international organizations such as the World Bank, and also many national governments in both the Global North and Global South. The World Bank, for example, uses Gross National Product per capita (GNP p.c.) to divide the countries of the world into development categories. Low-income countries are defined as those with a GNP p.c. figure in 2001 of US$745 or less, lower-middle-income countries have US$746–2,975, upper-middle-income countries US$2,976–9,205 and high-income countries are those with GNP p.c. of US$9,206 or more (World Bank 2003b: 243) (Figure 1.1). GNP is a purely economically-based measure (Box 1.2). Because countries vary so greatly in population, the total GNP figure is divided by the number of people in the country, giving a per capita (p.c.) figure to indicate economic wealth. The use of a wealth measure to represent development is regarded as appropriate because it is assumed that with greater wealth comes other benefits such as improved health, education and quality of life.

The targets are much more specific and include:

1. between 1990 and 2015, halve the proportion of people whose income is less than US$1 a day;
2. reduce by two-thirds, between 1990 and 2015, the maternal mortality rate;
3. have, by 2015, begun to reduce the incidence of malaria and other major diseases;
4. halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.

Source: adapted from Development Goals (2003)
Human development

The GNP p.c. indicator is still widely used, but this has increasingly been in conjunction with other broader indicators of ‘development’ which have highlighted non-economic dimensions of the concept. The most frequently used of these is the Human Development Index (HDI) which was devised by the United Nations Development Programme (UNDP) in late 1980s. While the measure still has an economic aspect, there are other indicators of development relating to well-being (Box 1.3). Since 1990, the UNDP has published the Human Development Report every year. The HDI is used to divide the world’s countries into those with high, middle and low human development (Figure 1.2).

If you compare Figures 1.1 and 1.2 you can see that there are great similarities in the patterns. The countries of Western Europe, the USA and Canada, Japan, Australia and New Zealand all rank highly on both GNP p.c. and HDI figures. Similarly, most countries of Sub-Saharan Africa are categorized as having low incomes and low HDI. Does this mean that there is no real reason to use the more complex HDI measure if GNP p.c. seems to present us with the same results? There are a number of reasons why this may not be appropriate. First, there is not complete overlap. For example,
Box 1.3

**Human Development Index**

In the late 1980s increased awareness that the commonly-used economic measures of development were far too limited, led the United Nations Development Programme (UNDP) to devise the Human Development Index (HDI). This measure incorporates three dimensions of development in relation to human well-being: a long and healthy life, education and knowledge, and a decent standard of living. The UNDP selected four quantitative indicators to measure these dimensions.

### Calculation of the HDI

The indicators then have to be converted to an index from 0 to 1 to allow for equal weighting between each of the three dimensions. Once an index value has been calculated for each dimension, they are averaged and the final figure is the HDI. The higher the value the higher the level of human development.

Source: adapted from UNDP (2002: 252–3)
while Chile and Argentina are classified as ‘medium-income countries’, their HDI scores put them in the category of ‘high human development’. Using World Bank income figures, India is a ‘low-income country’, but UNDP figures place India in the ‘medium human development’ grouping. In addition to the lack of complete overlap, by using the HDI you are asserting that ‘development’ is more than just economic progress measured at a national scale.

For some, however, this discussion of appropriate measures of national status are unimportant, because they feel that such measures do not consider inequalities in either spatial terms (see below) or in social terms. It also does not encompass what the vast majority of the people feel development is, or how they would like their lives to change (if at all) (Friedmann 1992b).

The importance of scale

Development can be considered at a number of scales. These go from the individual, the local community, the regional, the national and the global (among others). How development is defined may differ by scale and, in addition, the approaches to development may be similarly scale dependent as we shall see in the next section.

Inequalities can be revealed if you look at particular spatial scales. For example, if we consider national level development figures we get no idea of whether there are differences between regions within the country. As we shall see throughout the book, spatial inequalities are a key factor in any discussion of development. Some forms of development may lead to increasing inequalities between places, while other development approaches may explicitly attempt to reduce spatial inequalities.

At the sub-national scale, it is also important to recognize distributional issues. The Gini Coefficient is a measure of inequality (see Box 1.4). At a national level, while income per capita levels and HDI may be ‘satisfactory’ according to international norms, it is important to recognise that not everyone in the country will have access to that level of income or standard of living (see Table 1.1). As this table shows, these issues of inequality are as important in the Global North as in the Global South – high levels of economic development do not necessarily mean great equality (see Box 1.5). In addition, experiences of marginalization, poverty and disadvantage are not restricted to certain parts of the world (Jones 2000).

A key sub-national pattern of spatial inequality is between rural and urban areas. If we consider indicators of economic and social well-being, there seems to be a clear trend of rural–urban inequality with rural populations generally being worse off than their urban counterparts (Table 1.2). However, such distinctions must be treated with caution (Wratten 1995). First, poverty

Box 1.4

Gini coefficient and Gini index

Both of these are measures of inequality and are named after the Italian statistician who formulated the coefficient in 1912. They measure either income inequality or inequalities in consumption between individuals, households or groups.

Gini coefficient This measure varies from 0, which means perfect equality, to 1 which represents perfect inequality. Thus, the nearer the coefficient is to 0 the more equal the income distribution. Countries with a Gini coefficient of between 0.50 and 0.70 could be described as having highly unequal income distributions, while those with Gini coefficients of 0.20 to 0.35 have relatively equitable distributions.

Gini Index This measure, used by the UNDP ranges from 0 to 100. A figure of 0 means perfect equality and 100 means perfect inequality.

Source: adapted from Todaro (2000); UNDP (2002)

Box 1.5

Inequality in the USA

With a GNP p.c. figure of US$34,870 in 2001, the USA is among the five richest nations in the world. However, these average national figures hide massive inequalities in income and very different life experiences. With a Gini index of 40.8, it is clear that not all Americans have an equal share of the nation’s riches. According to the US Census Bureau, in 1973 the top 20 per cent of earners in the US had 44 per cent of the total income. By 2000 this had increased to 50 per cent. Figures for all wealth, not just income,
show a similar pattern of inequality, with the wealthiest 1 per cent of households controlling 38 per cent of the national wealth, while the bottom 80 per cent of households only controlled 17 per cent.

This economic inequality is also apparent in social indicators. Amartya Sen in his book Development as Freedom (1999), argues that comparing some groups within the US to societies in the Global South demonstrates that Americans can be in a worse position than their counterparts in poorer countries. While African-Americans in the USA earn far more than people born in China or Kerala (SW India), they have a lower chance of reaching advanced ages. Sen also uses the results of medical research by McCord and Freeman (1990) to state ‘Bangladeshi men have a better chance of living to ages beyond forty years than African-American men from the Harlem district of the prosperous city of New York’ (1999: 23).

Sources: adapted from The Economist (2003b); Sen (1999); UNDP (2002); World Bank (2003b)

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<thead>
<tr>
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<tbody>
<tr>
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<td>United States</td>
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<td>65</td>
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<td>Ethiopia</td>
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Source: adapted from UNDP (2003: Table 13, pp. 194–7)

indicators are notoriously problematic. For example, in a rural area, monetary income may be lower than in the towns and cities, but the cost of living is lower and the availability of food from subsistence farming may help save on food costs. Second, the distinctions between rural and urban areas are never as distinct as statistics may imply. In most parts of the world, the linkages between rural and urban areas are multiple, with significant seasonal migration flows between the countryside and the city, for example (Parnwell 1993). As cities have grown, the role of the peri-urban area has also become more important. Finally, it must be remembered, that in some regions of the Global South, particularly Latin America, the population is predominantly urban (Figure 1.3). Thus, while poverty levels may be higher in rural areas, poverty is increasingly an urban phenomenon because the majority of the population is urban.

As will be discussed in much more detail in Chapter 5, inequalities are not just experienced in spatial terms, social inequalities are also very important. Throughout the world women as a group have tended to be excluded from many of the benefits which development of certain forms brings (Momsen 2004). Particular ethnic groups in regional or national contexts may also be deprived of opportunities, or may be denied decision-making power in the framing of development projects. This can lead to destructions of cultural practices and institutions, as well as a decline in self-respect and self-esteem. How to deal with social diversity is a key theme in development thought; not only in trying
to implement development practice, but in actually defining what is meant by ‘development’.

Measuring ‘development’

It is not only defining ‘development’ which is contested, the way that development, regardless of definition is measured is also problematic. Of course, this assumes that ‘development’ is something which needs to be measured or assessed. For various actors in development (see pp. 24–6) measuring development could be important. For example, policy-makers may want to find out what the social development position (as defined by the policy-makers) of a population is in order to inform policy formulation. Governments or international agencies may want to assess the impact of a particular development initiative and therefore want to have measurements from both before and after the project. Finally, campaigning organizations seeking to improve living conditions for marginalized groups, may want information about the nature of marginalization.

Measuring ‘development’ requires proxy measures to be agreed. For example, in the case of the World Bank focus on economic development, the indicator used is GNP per capita. This has now been widely adopted as an appropriate measure of economic development, but other indicators or proxies could be used, such as the contribution of non-agricultural activities to GDP. In the case of the HDI, the UNDP decided that its understanding of human development including three main features: health, education and economic status. To measure each of these the UNDP needed to choose indicators (Box 1.3). This choice of indicators is certainly not straightforward. For example, Hicks and Streeten (1979) discuss the issues around trying to find proxy measures for ‘basic needs’ (see Chapter 4). While there may be agreement on what ‘basic needs’ are, including adequate shelter, food, clothing and employment, it is much more difficult to work out how these elements are to be measured.

Another problem with measuring development is comparability. This can be over time, or between different countries. Collecting large amounts of information, for example through national censuses, requires significant resources in terms of trained personnel and technology for analysing the results. These are clearly not equally available to all national governments (Bulmer and Warwick 1993). In addition, data collection can be disrupted by political unrest or war, and some communities or groups may be excluded from surveys and other studies because they are socially, economically or geographically marginal (Chambers 1997). Finally, development measures are nearly always quantitative, i.e. they can be expressed in numerical form. This focus is understandable given the need to make comparisons across time and space, and also to deal with large amounts of information. However, by focusing on quantitative measurement, the subjective qualitative dimensions of development are excluded. This means excluding the feelings, experiences and opinions of individuals and groups. This approach also tends to reinforce outsiders’ ideas about ‘development’, rather than what local people think ‘development’ is, or should be (Chapter 4).

A good example of this debate is the definition of ‘poverty’ (McIlwaine 2002; White 2002). The Millennium Development Goals have poverty reduction at their core. The definition of poverty used in these targets is an economic one and the measurement used is a poverty line. People living on less than one US$1 per day are defined...
as being in ‘extreme poverty’ and less than US$2 per day are in ‘poverty’. It is against these targets that progress in meeting the Millennium Development Goals is assessed. However, this economic view of poverty is very limited and assumes a clear relationship between income poverty and other measures of disadvantage. Because of this, the UNDP has devised the Human Poverty Index (HPI). There are two slightly different measures; HPI-2 for 17 Organization for Economic Cooperation and Development (OECD) countries (Northern countries) and HPI-1 for 88 developing countries, but both encompass indicators of health, education and standard of living (Table 1.3). These measures of poverty tend to be applied at a national scale.

These indices of poverty still exclude any qualitative examination of experiences of poverty. McIlwaine (2002: 82) uses quotations to exemplify how poverty can be experienced and understood in different ways:

‘For me, being poor is having to wear trousers that are too big for me.’ (José, 8 years old, Guatemala City)

‘Poverty makes my children get sick and they get worse because we’re too poor to buy medicines.’ (Antonia, 30 years old, Guatemala)

‘It’s poverty that makes me drink until I fall over, and drinking until I fall over makes me poor.’ (Eduardo, 35 years old, Guatemala)

The qualitative examination of poverty puts the experiences of the people directly affected at the heart of the study. For some approaches to development this people-centred approach is key (see Chapter 4) and represents a move away from national-level considerations. Although the World Bank usually uses quantitative measures of development, in preparation for the 2000/2001 World Development Report which was on ‘Attacking Poverty’, it commissioned a large study entitled ‘Voices of Poor’ which attempted to examine the experiences of poverty throughout the world (Parnwell 2003). While the information gathered in this study was incorporated into the 2000/2001 World Development Report, there seems to have been retreat back to quantitative measures since then (Williams and McIlwaine 2003). This discussion of poverty measurements shows how even the most ‘basic’ of ‘development’ measures is difficult to assess.

### Terminology

The UNDP categorization of countries as having ‘high’, ‘middle’ or ‘low’ levels of human development based on HDI and the World Bank use of GNP per capita to place countries into one of four classes, are two examples of how the world can be divided up according to levels of ‘development’. There are, however, many other forms of classification and a range of terms to describe groups of countries. Rather than merely being a debate about terminology which has no bearing on real life issues, it is important to realize that the way that different parts of the world are described can tell us a great deal about who has the power to decide what should be valued and what denigrated.

In this book I will generally use the terms ‘Global North’ or ‘North’ to describe the countries of Europe, Japan, Australia, New Zealand, USA and Canada, and the ‘Global South’ or ‘South’ to describe the remaining countries of Africa, Asia, Latin America, the Caribbean and the Pacific. While there are clearly problems with using these terms, not least the fact that not all ‘Northern’ countries are north of the equator and not all ‘Southern’ ones south of the equator, I prefer to use these terms rather than other common distinctions discussed below. In addition, the North/South distinction was used by the Brandt Commission in its report on the nature of global development.
interdependence (Brandt Commission 1980). The Commission, also known as the Independent Commission on International Development Issues, was set up in 1977 to consider issues of global inequality and poverty. It was chaired by the ex-Chancellor of West Germany, Willy Brandt.

The term ‘Third World’ has often been used to refer to the nations of Africa, Asia, Latin America and the Caribbean. It was originally used to describe those countries which were part of the non-aligned movement, i.e. they did not officially support either the capitalist USA or the communist USSR during the cold war, instead preferring a ‘third way’. Under this interpretation the ‘First World’ consisted of the industrialized capitalist nations of Western Europe, the USA, Canada, Japan, New Zealand and Australia, while the ‘Second World’ was the communist bloc of the USSR and Eastern Europe. However, despite not originally having a sense of hierarchy, the idea of ‘First’, ‘Second’ and ‘Third’ was often interpreted as meaning the countries in the ‘Third World’ were in third place. The collapse of the ‘Second World’ in the late 1980s/early 1990s, with the transition from state-socialism, has meant that the basis for the distinction has been removed (see Chapter 3) (Friedmann 1992b).

Another popular form of constructing categories is the ‘developed’/‘developing’ binary. This was felt to be better than distinguishing between ‘developed’ and ‘undeveloped’, as the latter phase implied being unable to escape from the condition of lack of development, rather than the more positive sentiment which ‘developing’ suggests. However, for some theorists (such as Frank 1967) the concept of being ‘fixed’ or unable to escape from a position of disadvantage because of global inequalities means that the term ‘undeveloped’ or ‘underdeveloped’ is crucial (see Chapter 3). In both ‘developed’/‘developing’ and ‘developed’/‘undeveloped’ the first term remains the same and seems to imply that ‘development’ is an end point, i.e. once you reach a certain standard of living or economic position then you are ‘developed’. Again, such notions are important in some theorizing (such as modernization approaches discussed in Chapter 2). However, this fails to recognize the dynamism of all societies and the continued desire by populations for improvements (not necessarily in material goods). It also fails to consider the experiences of social exclusion that are found within supposedly ‘developed’ countries or regions (Jones 2000).

The terms ‘More Economically Developed Countries’ (MEDCs) and ‘Less Economically Developed Countries’ (LEDCs) have also gained in popularity. The explicit reference to economic development does not assume that development is automatically economic, or that economic development is necessarily associated with other forms of development. While this specificity is welcome, the emphasis on the economic, rather than other possible dimensions of development, could be regarded as implying that economic factors are the most important aspects of ‘development’. As with all the categories used, where the boundary between groupings is placed is highly contentious.

Finally, some political activists working for greater global justice, refer to Africa, Asia, Latin America and the Caribbean as the ‘Majority World’ and the rest of the world as the ‘Minority World’. The New Internationalist magazine uses this terminology, for example, to stress the fact that in population terms, the majority of the world’s population (just over 79 per cent in 2001 according to UNDP 2003: 253) lives in the nations of what I have termed the ‘South’. This is an important point to make, as it stresses the Eurocentric assumptions which underlie many terms used.

The concept of ‘Eurocentrism’ will be important throughout the discussions of development theories. It refers to the assumption that European or Western ideas are the only ideas or approaches that are important. In some cases, this is because the theorist does not see that their approach is very context specific and that in fact there could be other interpretations, but in many other cases the Eurocentrism is based on ideas of Western/Northern superiority. Of course the concept of ‘Eurocentrism’ is also based on the assumption that the ‘North’ is homogenous. This is clearly not true given the range of nations making up the ‘North’, but also because of distinctions based on gender, ethnicity, class and many other social characteristics. Eurocentrism implies having power over knowledge, and because of this is regarded as reflecting existing class, gender and ethnic power relations such that the opinions of ‘White’, middle-class or elite men in the North are privileged.

It is not only terminology which can reveal biases and assumptions, maps are also important bearers of ideas because they are representations of the world. Because we all have different views of the world, how we choose to present our world in a map can reveal a great deal about our own particular biases (Woods 1994). A map projection is a way of portraying a three-dimensional globe on a flat
Eurocentric maps, such as those drawn using the Mercator projection, place Europe at the centre of the map and represent the continents in the same shapes as they are in reality (Figure 1.4). However, because the Earth is a sphere this leads to the land masses nearer the poles appearing much larger relative to other continents nearer the equator. The Peters projection is an attempt to challenge this Eurocentric image. The Peters projection is an equal area projection, meaning that the land area represented on the map is correct in relation to other land areas. This means that Africa, Asia and Latin America are much more significant in the Peters projection, reflecting their importance in area terms in reality (Figure 1.5). Because of this, the Peters projection has often been used in development education schemes to try and counter Eurocentric bias (Vujakovic 1989). The Peters projection has, however, been criticized for making the continents appear long and thin, very unlike their shapes on the globe. In this book the world maps are drawn using the Eckert IV projection. This is an equal area projection which tries to minimize distortions to the shapes of the continents.

Colonialism

At the start of the twenty-first century there are very few colonies left in the world following widespread decolonization processes after the Second World War. Despite this, any consideration of development theories and practices needs to include a discussion of the importance and nature of colonialism. Before elaborating on these reasons, a definition of ‘colonialism’ is needed. Bernstein (2000: 242) defines colonialism as ‘the political control of peoples and territories by foreign states, whether accompanied by significant permanent settlement . . . or not’. This political control represents global power differentials and is associated with dominance in other spheres such as the economy and cultural practices.

Three main reasons for discussing colonialism in the context of development theory can be identified. First, from the middle of the sixteenth century onwards, European colonialism created more and more linkages between different parts of the world. As we shall see throughout the remainder of the book, interactions at a global scale and the bonds between different regions and countries are referred to in a range of ways in a number of development theories. While the linkages between different parts of the world cannot be solely attributed to the operation of colonialism, it was a key element in developing the basis for what we now call ‘globalization’ (see Chapter 7).

A second important reason for considering colonialism in a book on development theories is the nature of power relations embedded in colonial processes. The expansion of European political, economic and social control over other parts of the world represented the
greater power held by these nations (see pp. 21–3). In some development theories, these power inequalities between North and South help explain differential development experiences, and also continue to limit the autonomy of Southern countries and peoples to determine their own futures through processes of what has been termed ‘neo-colonialism’. This term is used to describe global relationships which reflect the dominance of the North over the South, despite legal independence. It is used, for example, in relation to the influence of transnational corporations (TNCs) over the economies of the South, or the ability of Northern governments to intervene in Southern governments’ decision-making through the workings of multilateral organizations such as the World Bank (see Chapter 2).

Finally, the colonial experience varied across the world, depending on the colonial power, pre-existing social, economic and political structures in the colony, and the timing of the colonial encounter (Bernstein 2000). Whatever the experience, it is clear that colonialism changed the social structures, political and economic systems, and cultural norms in many places. The legacy of these changes continued into independence.

While colonialism is usually considered to be a European-led phenomenon, the dominance of some societies over others dates from before European excursions into Asia, Africa, Latin America and the Caribbean. For example, the Aztec and Inca empires in Latin America were able to dominate other groups and territories and use them for resources. Similarly the Mogul empire (1526–1761) in what is now north-west India was built on the gathering of tribute and taxes from peasants (Bujra 2000). Throughout Africa there were significant empires, such as the empire of the Kush in the Nile Valley and a number of Islamic empires in West Africa (Stock 1995). The expansion of Western European influence had, however, much more widespread and long-standing effects.

The first main period of European colonial expansion was led by the Spanish and Portuguese in Latin America and the Caribbean following Columbus’ arrival in the Americas in 1492. In the eighteenth century, Spanish influence also extended northwards to what are now the southern states of the USA. During the sixteenth and seventeenth centuries, the Spanish and Portuguese used what they called the ‘New World’ as a source of raw materials, silver in particular. There was some settlement, but overall the colonial project of both these nations was focused on mercantile activities (trade).
In the latter part of the seventeenth century, the Dutch and British came to the fore. While they did have some activities in Latin America and the Caribbean, much of their activity was focused in North America and South and East Asia. While the importance of trade for these colonial endeavours was still high, in particular tobacco from North America and spices and silks from Asia, as manufacturing became more important in Britain, the provision of raw materials for these industries took on more significance. Imports of cotton from North America were transported to the burgeoning textile factories of Northern England, and tobacco and sugar were also processed. The slave trade was key in the expansion of cotton, tobacco and sugar production as slaves were the mainstay of the plantation workforce. Within Sub-Saharan Africa, European enclaves were found along the western coast where slave trading took place. For example, the British had bases in Gambia, Sierra Leone, and the French in Senegal. Europeans (British, Dutch, French and Germans) settled in South Africa in 1652 in what is now Cape Town (Stock 1995). This period of colonialism also differed from the earlier Spanish and Portuguese phase because there was greater settlement by Europeans and the colonies became important markets for European manufactured goods (Bernstein 2000).

As industrial expansion took hold in Europe in the eighteenth and nineteenth centuries, colonies became increasingly important as sources of raw materials and markets (see Chapter 3 for a discussion of Marxist interpretations of colonialism at this time). Spain and Portugal were losing their positions as key colonial powers and at the start of the nineteenth century wars of independence broke out in much of Latin America, leading to independence for many of the Latin American nations in the 1820s. Meanwhile, British and French colonies in South and East Asia continued to thrive. Within what became South Africa, the Cape was annexed by the British in 1795. This prompted what was known as the ‘Great Trek’ in the 1830s and 1840s when thousands of Boers (Dutch White settlers and descendents) moved north and established the Boer republics of Transvaal and Orange Free State (Stock 1995). European colonization of most of the African continent only really took place in the latter parts of the nineteenth century during what became known as the ‘scramble for Africa’. At the Berlin Conference 1884–5, the European powers divided up the continent, agreeing that if countries could demonstrate ‘effective control’, then they could legally claim that territory (Stock 1995). Britain and France were again the key players, but Belgium, Portugal and Germany also gained territories.

Following the Second World War, the pressure for decolonization in Africa, Asia and the Caribbean increased for a number of reasons. The war had caused major economic problems in Western Europe. The two main colonial powers, France and Britain, had to turn to the USA for assistance (see Chapter 2). In addition, the new global super-powers the USA and Soviet Union (USSR) both advocated decolonization, not least because it would provide new opportunities for the spread of their own influences. These factors external to the colonies were complemented by the increasing calls for independence from the populations of the colonies themselves. Changing economic processes and the growing power of multinational corporations (MNCs) also helped. Direct political control was no longer necessary for goods to be traded between countries (Potter et al. 2004). The combination of these factors led to a gradual process of decolonization.
Despite the achievement of political independence, the autonomy of the newly-independent states was certainly not achieved. Economic linkages, in particular, continued to keep the ex-colonies in a subservient or dependent position (see Chapter 3). It can also be argued that this process of neo-colonialism also extends to the continued representation of ‘Western’ or ‘Northern’ ways of doing things as ‘better’. This is a key concern of many development theories outlined in the book and also the concept of ‘post-development’, which is discussed at the end of this chapter.

The drawing together of different parts of the world through the political and economic processes associated with colonialism was just the start of the flows of ideas, commodities and people across the globe. This increasing interconnectedness is now referred to as ‘globalization’ (Chapter 7). However, just as during the colonial period certain countries and peoples were able to dominate others, so globalization reflects continuing power inequalities. Globalization is not experienced the same way by all the world’s peoples. For example, certain parts of the world are more ‘connected’ to other regions than others. Sub-Saharan Africa, for example, is markedly less connected to other regions through trade, investment flows and telecommunications (Dicken 2003). This, some have argued (see Chapter 7), leaves the region unable to benefit from foreign investment and industrialization which are associated with economic globalization. The relative lack of connectedness in this sense, does not mean that the governments of Sub-Saharan Africa are necessarily able to adopt the development policies they feel are appropriate for their peoples. The importance of global institutions such as the World Bank (Chapter 2) and Northern governments, especially the United States, influences decisions at a national level. The colonial period may be over in formal political terms, but the inequalities in power and influence remain.

**Actors in development**

A key theme of this book is to understand how different definitions of, and approaches to, ‘development’ are linked to particular policy approaches. While the academic debates about ‘development’ are fascinating, it is particularly important to consider how these debates link to actual policies ‘on the ground’ which affect millions of people throughout the world.

The variety of approaches involves a range of actors, with shifting emphases being placed on these actors depending on the approach adopted. The degree of agency which these actors are perceived to have will also be affected by a particular interpretation of power distributions. Having agency implies that an individual or group is able to make decisions and do things based on their own choices. The other extreme, having no agency, means that there is no free will and individual behaviour is controlled by other actors.

There are a range of actors involved in development (Table 1.4). They vary from individuals to large-scale global organizations such as

<table>
<thead>
<tr>
<th>Actor</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>Depending on income, class, gender, ethnicity, age and other social variables can have a great deal of choice and influence, or be left with very little agency</td>
</tr>
<tr>
<td>Household</td>
<td>Group of people who live together and share expenses; not always members of the same family; can operate as a unit to ensure that all household members have their basic needs met</td>
</tr>
<tr>
<td>Community</td>
<td>Group of people with shared interests in some senses; usually based on shared residential location, e.g., a village or urban district, but can also refer to a community based on shared social identity</td>
</tr>
<tr>
<td>Government</td>
<td>Operates at a range of scales from local and municipal government to national government; important in setting economic framework; can be interventionist, or can play a regulatory role in development</td>
</tr>
<tr>
<td>Non-Governmental Organizations (NGOs)</td>
<td>Organizations which are neither run by the state nor are they profit-making companies; can help local communities set up projects to provide services, create income-generating opportunities, or improve social relations; can be very small-scale organizations, or very large global organizations such as Oxfam or Médecins Sans Frontières</td>
</tr>
<tr>
<td>Private companies</td>
<td>Representatives of the market; can be very small businesses or global corporations</td>
</tr>
<tr>
<td>Multilateral organizations</td>
<td>Can set global agenda for economic policies; promote global peace; important sources of aid and technical assistance. Examples: International Monetary Fund, United Nations, World Bank</td>
</tr>
</tbody>
</table>
as the United Nations. The scale differences are apparent, but it is important not to assume that there is an increase in influence as the scale increases. For example, individuals can be incredibly influential on a large scale because of their political or economic position, but individuals can also have very little influence even within their own households. The President of the United States of America and a woman farmer on the slopes of Mount Kilimanjaro in Tanzania are both individuals, but their ability to influence events and their life choices are very different in scope.

Approaches to development

While one of the aims of this book is to highlight the complexities of the debates about ‘development’, as a starting point it is useful to have some basic framework within which to locate our discussions. Table 1.5 provides a chronology of ‘development’ approaches and understandings. The point of this table is not to suggest that theories of development have evolved in a unilinear way with no contestation or conflict. Instead, as the following chapters will demonstrate, numerous ideas about ‘development’ can co-exist, although some theories will be adopted more widely, partly because they are advocated or supported by more powerful actors.

The table only covers development theories in the period after the Second World War. This is not because there were no ideas about social and economic development before then, but because in the 1940s and 1950s there was increasing international discussion about how ‘development’, particularly in the Global South, was to take place. International organizations were set up to try and achieve ‘development’ and a number of strategies were adopted. As you will see, many of the ideas about development in the second half of the twentieth century and the start of the twenty-first had their roots in theorizing in the nineteenth century and earlier.

One feature of the chronological approach which should be highlighted is the concept of an ‘impasse’ in development theory (Schuurman 1993). In the 1980s, this idea of an impasse became increasingly common. In the 1960s and 1970s the contrasting approaches of modernization theories and dependency theories represented differing perspectives on development. However, the global economic problems of the 1980s and the awareness that in many senses existing ‘development’ theories had not been translated

<table>
<thead>
<tr>
<th>Decade</th>
<th>Main development approaches</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950s</td>
<td>Modernization theories: all countries should follow the European model</td>
</tr>
<tr>
<td></td>
<td>Structuralist theories: Southern countries needed to limit interaction with the global economy to allow for domestic economic growth</td>
</tr>
<tr>
<td>1960s</td>
<td>Modernization theories</td>
</tr>
<tr>
<td></td>
<td>Dependency theories: Southern countries poor because of exploitation by Northern countries</td>
</tr>
<tr>
<td>1970s</td>
<td>Dependency theories</td>
</tr>
<tr>
<td></td>
<td>Basic needs approaches: focus of government and aid policies should be on providing for the basic needs of the world’s poorest people</td>
</tr>
<tr>
<td></td>
<td>Neo-Malthusian theories: need to control economic growth, resource use and population growth to avoid economic and ecological disaster</td>
</tr>
<tr>
<td></td>
<td>Women and development: recognition of the ways in which development has differential effects on women and men</td>
</tr>
<tr>
<td>1980s</td>
<td>Neo-liberalism: focus on the market. Governments should retreat from direct involvement in economic activities</td>
</tr>
<tr>
<td></td>
<td>Grassroots approaches: importance of considering local context and indigenous knowledge</td>
</tr>
<tr>
<td></td>
<td>Sustainable development: need to balance needs of current generation against environmental and other concerns of future populations</td>
</tr>
<tr>
<td></td>
<td>Gender and development: greater awareness of the ways in which gender is implicated in development</td>
</tr>
<tr>
<td>1990s</td>
<td>Neo-liberalism</td>
</tr>
<tr>
<td></td>
<td>Post-development: ideas about ‘development’ represent a form of colonialism and Eurocentrism. Should be challenged from the grassroots</td>
</tr>
<tr>
<td></td>
<td>Sustainable development</td>
</tr>
<tr>
<td></td>
<td>Culture and development: increased awareness of how different social and cultural groups affected by development processes</td>
</tr>
<tr>
<td>2000s</td>
<td>Neo-liberalism: increased engagement with concepts of globalization</td>
</tr>
<tr>
<td></td>
<td>Sustainable development</td>
</tr>
<tr>
<td></td>
<td>Post-development</td>
</tr>
<tr>
<td></td>
<td>Grassroots approaches</td>
</tr>
</tbody>
</table>
into practical success, led theorists to stop and think about what development was and how it could be achieved. While neo-liberal thinking now dominates development policy-making (see Chapter 2), the post-1980s period has been associated with a recognition of much greater diversity within conceptions of development. This has included greater awareness of environmental concerns, gender equity and grassroots approaches. All these will be discussed in later chapters.

Post-development?

Alongside the debates about how ‘development’ can be achieved, since the 1990s, the concept of ‘post-development’ has come to the fore. One of the most well-known proponents of this approach is Arturo Escobar, who uses the case study of Colombia to discuss the development process. By ‘development’ he means the highly technocratic approach adopted by the World Bank, US government and other Northern institutions in the post-Second World War period (discussed in Chapter 2). His argument is that before ‘outsiders’ came into Colombia, there was no such thing as ‘poverty’ and therefore no need for ‘development’. While most people had what would be defined as low life expectancies, many children lacked access to formal education and houses lacked water and electricity, these factors were not usually regarded as problems. Escobar argues that by imposing external norms and expectations on Colombian society and economy, the country was interpreted as ‘lacking development’. This lack could only be addressed by adopting Northern forms of ‘development’; hence numerous types of intervention in the form of aid and technical assistance (Chapter 2).

What Escobar and other post-developmentalists (see Rahnema with Bawtree 1997; Sachs 1992) argue, is that the development process as it has been experienced by Southern countries is based on Eurocentric assumptions. ‘Development’ has helped incorporate large areas of the globe into a Northern-dominated economic and political system which has destroyed indigenous cultures, threatened the sustainability of natural environments and has created feelings of inferiority among people of the South (Box 1.6). Post-development theorists stress the importance of the discourse of development. This refers to the way that ‘development’ is defined and discussed. Rather than being neutral, these theorists argue that understandings of ‘development’ reflect prevailing power relations and enable some ideas of ‘development’ to be presented as ‘correct’, while others are dismissed. These ideas of post-development will be referred to throughout the book.

Box 1.6

Nanda Shrestha’s perspectives on development in Nepal

Nanda Shrestha is now an Associate Professor in the School of Business and Industry at the Florida A&M University, but he grew up in the 1940s and 1950s in Pokhara in Central Nepal. His family survived by cultivating non-irrigated crops for subsistence and selling millet liquor. Hunger was common and their small house let the rain in. According to present-day assessments, his family and the wider community would certainly be classified as very poor and disadvantaged.

However, for Shrestha, the perception of their situation was very different:

To my innocent mind, poverty looked natural, something that nobody could do anything about. I accepted poverty as a matter of fate . . . I had no idea that poverty was largely a social creation, not a bad karmic product. Despite all this, it never seemed threatening or dehumanizing. So, poor and hungry I certainly was. But underdeveloped? I never thought – nor did anybody else – that being poor meant being ‘underdeveloped’ and lacking human dignity. True, there is no comfort and glory in poverty, but the whole concept of development (or underdevelopment) was totally alien to me.

(1995: 268)

In 1951, after a change of ruler in Nepal, western-funded development projects were introduced. The concept of development in Nepali is bikas. Shrestha describes how people were ‘seduced’ by this concept and saw everything that was associated with bikas as being good and of value, and everything else which was associated with existing ways of life as being inferior. This included forms of traditional medicine, manual labour, language and education. Bikas was regarded as desirable because it bought paved roads, school buildings and technology, even though hunger persisted and self-reliance and autonomy declined. Shrestha interprets this process as a form of colonialism, where European and American ideas and cultures are presented as being superior to indigenous ways of living.

Source: adapted from Shrestha (1995)
Summary

- Development is a highly-contested concept.
- Multilateral agencies often use economic measures such as GNP per capita to assess development.
- National-level measures hide important spatial and social inequalities.
- Despite widespread decolonization, it is important to consider the role of colonialism in understanding development today.
- Development as a process is not confined to Africa, Asia, Latin America and the Caribbean.
- Development can be understood as a Eurocentric idea which has been forced on the rest of the world.

Discussion questions

1. Outline the major patterns of Human Development Indicator scores and suggest reasons for the differences between global regions.
2. In a post-colonial world, why is it important to consider colonialism in the context of development?
3. How do definitions of development vary according to scale?
4. What are the advantages and disadvantages of using quantitative measures of development?
5. Should we worry about the terminology we use to describe regions of the world?

Further reading


Useful websites

www.developmentgateway.org Development Gateway. Links to a range of development information.
www.developmentgoals.org Millennium Goals website. Details on what the goals are and what progress has been made.
www.eldis.org Portal for development-related information run by the Institute of Development Studies, University of Sussex.
www.worldbank.org/poverty/voices World Bank information and research on poverty. Includes information about the Voices of the Poor project.
This chapter deals with development theories that focus on the central role of the market in promoting economic progress.

Classical theories

While the bulk of this book focuses on post-1945 development theories and policies, it is important to recognize that these ideas did not appear in an intellectual vacuum, but rather were rooted in the tradition of economic, political and sociological theorizing which developed in Europe from the eighteenth century onwards (Martinussen 1997: Chapter 2).

One of the key theorists to influence later ideas about economic development was Adam Smith. His book, An Inquiry into the Nature and Causes of the Wealth of Nations was published in 1776 and was a response to the mercantile (trade) focus of economic policy at that time in Western Europe. In the eighteenth century, it was trade which was the major force for economic growth; merchants, and particularly the large trading companies (such as the East India Company) had great power in relation to national governments. In order to safeguard their interests, merchants supported protectionist measures which allowed them to carry out their activities without what they saw as unnecessary competition. Protectionism included high import tariffs for goods produced outside a country. This made it cheaper for customers to buy domestically-produced goods.

Adam Smith viewed this form of regulation as detrimental to the economic growth of the country and greater wealth for all citizens, rather than just the merchant classes. He argued for greater attention to be paid to production, rather than trade in economic development. In addition, he claimed that divisions of labour would help improve productivity and therefore economic growth and wealth creation. Divisions of labour describes the breaking up of the production process (for example making cloth) into a number of stages; rather than one person completing all stages, different people concentrate on one aspect of the process. They become greatly skilled at this and so more items can be produced in the same time.

The operation of the proposed system, he argued, would be regulated by the ‘invisible hand of the market’ rather than by the state (see Chapter 1 for a discussion of these actors). Smith believed that individuals would act in self-interest; thus if a product was too expensive then nobody would buy it and the seller would either reduce the prices or change to selling something else. Similarly, if wages were too low, then workers would move to other jobs. Despite writing before the turmoil and ‘economic development’ of the Industrial Revolution, Smith’s work is still very influential today because of his theorizing about the role of the market in economic development. The market-centred approach to economic development has also been termed laissez-faire economics.

Another highly influential classical economist was David Ricardo who lived in the late eighteenth to early nineteenth centuries. He was a great advocate of free trade and developed the theory of ‘comparative advantage’. According to this theory, countries should concentrate on producing and then selling the goods that they had an advantage in producing because of their assets, such as land, mineral resource, labour, technical or scientific expertise. This meant a global division of labour. Ricardo argued that it made more sense for countries to specialize in this way, rather than trying to produce everything, because through specializing, production would be more efficient, there would be greater capacity for growth and scarce resources could be used more effectively (see Figure 2.1).

Economic growth theory

Classical economists’ belief in the market as a mechanism for maximizing efficient resource use and human well-being, was
challenged in the early twentieth century by significant economic events, in particular the 1929 Wall Street Crash and the Great Depression of the 1930s in the USA. From this extreme failure of the free market to reach an equilibrium, economists began to develop new understandings of national economies. Foremost among these was the British economist John Maynard Keynes, who, in 1936 published *The General Theory of Employment, Interest and Money*. Keynes’ argument was that the free market, was not necessarily the positive force that many, following Adam Smith, believed. Keynes argued that the key to growth was real investment, i.e. investment in new (rather than replacement) infrastructure projects. This investment, he claimed, would have a positive effect on job creation and the further generation of wealth, through the multiplier effect (see Figure 2.2). This effect could, however, also work in reverse, so that declining levels of real investment would lead to a downward spiral into economic crisis.

Unlike the classical economists, Keynes saw a key role for the government in promoting economic growth. Rather than letting the market operate alone, Keynes said that governments could intervene to promote investment either through monetary policies such as changing interest rates, or directly through government expenditure. For example, if a government funds a road-building scheme, this will create jobs not only for the road builders, but also for suppliers of road-building materials and tools. The workers will spend money so supporting other people’s jobs, and companies will make profits which can be invested further in productive capital. Government expenditure was, therefore, viewed as a way of ‘taming crises’ (Preston 1996: 157). While Keynes did not write specifically on the economic conditions of Southern countries, his ideas regarding government activities were drawn on in the post-war period of development interventions.

**Post-war reconstruction**

The post-Second World War period gave Western nations the opportunity to consider the most appropriate forms of international organization and intervention to ensure that the economic crises of the 1930s could never happen again. In addition, they wanted to promote a more peaceful world where warfare could be replaced with diplomacy and negotiation. In the sphere of economics, the 1944 Bretton Woods Conference in New Hampshire, USA led to the creation of three key international institutions aimed at promoting...
stable economic growth within a capitalist system; the International Monetary Fund (IMF), the World Bank and the General Agreement on Tariffs and Trade (GATT) (see Box 2.1). There were 44 countries represented at Bretton Woods. Although decisions were made which were to influence the whole of the non-communist world, the countries represented were largely from the industrialized world. The nature of representation within global institutions will be discussed further in Chapter 7.

Box 2.1

Bretton Woods institutions

All of the organizations are part, in theory, of the United Nations system, but in practice they are autonomous.

International Monetary Fund (IMF) The aim of the IMF is to maintain currency stability and develop world trade. It does this largely through the provision of support and advice to countries in difficulty. For example, the IMF has been a key institution in the attempts to achieve economic stability after the debt crises of the 1980s and 1990s.

World Bank Group The term World Bank is usually used to imply one organization, but in fact there are five agencies within the World Bank Group. Of these, the term ‘World Bank’ is most correctly applied only to the IBRD and the IDA.

International Bank for Reconstruction and Development (IBRD) The IBRD was set up in 1945 following the Bretton Woods Conference in 1944. Its original aim was to assist in the rebuilding and development of Europe, but following the success of the Marshall Plan (see Box 2.2) the attention of the organization turned to the poorer regions of the world. The IBRD provides loans to national governments at below commercial interest rates. It now has 184 members, with the voting rights of members determined by the level of economic contributions; thus the IBRD is dominated by the world’s richer nations. It currently has 184 members and since 1945 has lent $183 billion to fund large-scale infrastructure projects to assist development.

International Development Association (IDA) For the very poorest nations, even interest rates below commercial levels are too high. The IDA was set up in 1960 and provides interest-free loans to the world’s 80 poorest countries. Countries have to pay some administration costs, but the IDA provides access to finance that would otherwise be unavailable. It currently has 164 members and has lent $142 billion since 1960.

International Finance Corporation (IFC) Since 1965 the IFC has worked with private sector companies in developing countries to help improve investment levels and business success. By providing loans, business advice and financial guarantees, the IFC helps reduce commercial risks for the private sector.

Multilateral Investment Guarantee Agency (MIGA) Investment in the world’s poorer countries is often regarded with suspicion by private sector companies, worried about political instability, restrictions on financial movements and the threat of expropriation of property by local governments. To help the flow of private investment, the MIGA provides a guarantees service. This means that if private sector companies do incur losses for non-commercial reasons, the MIGA will cover those losses. This encourages private sector investment. Since it was established in 1988 MIGA funds have guaranteed over $50 billion of investment.

The International Centre for Settlement of Investment Disputes (ICSID) The ICSID was set up in 1966 and, like the IFC and MIGA, it seeks to increase the flow of private capital into poorer countries of the world. The Centre provides arbitration in investment disputes and helps promote confidence in dealings between governments and foreign investors.

General Agreement on Tariffs and Trade (GATT) Set up in 1947, the role of GATT was to promote free trade between its members. Originally consisting of 23 members, by the time the World Trade Organization (WTO) replaced GATT in 1995 there were 124 members. GATT worked through a series of negotiations or ‘rounds’. During each round, members sought to make agreements about reducing tariffs and extending free trade to new economic sectors. There were eight rounds during the life of GATT.

Sources: Dicken (2003); IMF (2003); MIGA (2004); Potter et al. (2004); Power (2003); Thomas and Allen (2000); World Bank (2003a)

The important role of government, or in the case of the Bretton Woods institutions, multilateral organizations, in economic intervention for development was clearly reflected in the Marshall Plan, officially titled the ‘European Recovery Program’. This was a programme through which aid was channelled from the USA to fund reconstruction in Europe (see Box 2.2). The programme ran from 1948–52 and reflected Keynesian theory in that investment into infrastructure programmes was not just to recreate physical capital in Europe, it was also meant to contribute to kick-starting the national economies of the region. In addition, the US government felt that contributing to this reconstruction would reduce the possibilities of European nations ‘succumbing’ to Communism.
The role of the USA as a key actor in international reconstruction and development was also reinforced by US President Harry S. Truman in his inaugural speech in January 1949. The theme of the speech is similar to the philosophy underlying the Marshall Plan; poverty and low levels of economic development in other parts of the world are detrimental not only to people living in these conditions, but also to the peace and prosperity of the USA and other more economically developed countries. Truman argued that the USA should use its technological knowledge to assist poorer parts of the world to improve production levels and therefore the state of economic development and living conditions.

This speech is often held up as the starting point of ‘development planning’. For example, Arturo Escobar, in his influential 1995 book *Encountering Development: The Making and Unmaking of the Third World*, stresses the importance of this speech to the development of a particular discourse and policy-making aimed at the non-industrialized world. Escobar quotes Truman’s perspective:

> For the first time in history humanity possesses the knowledge and the skill to relieve the suffering of these people [the world’s poor] . . . . I believe that we should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life . . . . What we envisage is a program of development based on the concepts of democratic fair dealing . . . . Greater production is the key to prosperity and peace. And the key to greater production is a wider and more vigorous application of modern scientific and technical knowledge.

(Truman 1949 in Escobar 1995: 3)

For some, as shall be demonstrated later in this chapter, this sharing of technical know-how from North to South was part of a single path of progress to development and modernization. However, for Escobar and other post-development theorists, it represents a Eurocentric approach which fails to recognize the range of societies in the South and also the needs and requirements of the local populations.

### Linear-stages theory

In 1960, Walt Rostow published *The Stages of Economic Growth: A Non-Communist Manifesto*. Rostow wrote mainly about ‘economic growth’ rather than ‘development’ per se, but he did make distinctions between ‘more developed’ and ‘less developed’ areas (1960: 2) and his ‘stages of economic growth’ were the route to ‘more developed’ status. Under Rostow’s thinking, there was one path to ‘development’ with the final stage being termed ‘Age of High Mass Consumption’. Thus in goal terms, ‘development’ was conceived of as a state where the mass of the population could afford to spend large amounts on consumer products, the economy was largely non-agricultural and very much urban-based. Finally, the subtitle of Rostow’s book *A Non-Communist Manifesto*, stressed that development was to take place in a capitalist context, rather than a communist one. As a process, ‘development’ was defined in relation to modernity, and to a move from agricultural societies with ‘traditional’ cultural practices, to a rational, industrial and service focused economy.
In the introduction to his book, Rostow is careful to stress the heterogeneity of experiences:

I cannot emphasize too strongly at the outset, that the stages-of-growth are an arbitrary and limited way of looking at the sequence of modern history; and they are, in no absolute sense, a correct way. They are designed, in fact, to dramatize not merely the uniformities in the sequence of modernization but also – and equally – the uniqueness of each nation’s experience.

(Rostow 1960: 1)

However, despite this claim, he starts Chapter 2 with ‘It is possible to identify all societies, in their economic dimensions, as lying within one of five categories’ (1960: 4). To highlight the nature of ‘development’ as a process, Rostow used the analogy of an aeroplane moving along the runway until it reaches take-off and then soaring into the sky (see Figure 2.3). To demonstrate that this was a route that all countries could take, he provided information about when different countries of the world had reached certain stages (see Table 2.1). Rostow’s work, therefore, fitted into the conception of development as being modernity to be achieved through following western models of ‘success’. It is probably the best example of what has been termed ‘modernization theory’. The stages-of-growth model also conceived of development and policy-making taking place

![Figure 2.3 Rostow’s stages of economic growth.](image-url)
within state boundaries at a national scale, the assumption being that this was the appropriate scale at which to practise development.

**Structural change models**

The ideas of gradual shifts over time along a particular path was also found within what Todaro (2000) terms ‘structural change models’. The basic theme of these models of development was the ways in which national economies shifted from a rural, agriculture base to an urban, manufacturing one. Thus ‘development’ was conceived of as a largely economic phenomenon.

The key theorist was W. Arthur Lewis who used his experiences of growing up in the Caribbean to examine the nature of economic development. He conceived of the economy of ‘underdeveloped countries’ being dualistic, i.e. divided into two. The so-called ‘traditional’ sector consisted largely of subsistence agriculture, although some forms of urban self-employment could also come under this heading. The ‘modern’ sector, in contrast, was made up of commercial agriculture, plantations, manufacturing and mining. For Lewis, ‘development’ took place as surplus labour moved from the non-profit oriented traditional sector to the capitalist modern sector. He argued that because there was so much ‘surplus’ labour, i.e. unemployed or underemployed people, in rural areas, the wages in the modern sector would not increase until the surplus labour had been absorbed (Lewis 1964). Because of the urban basis of much ‘modern’ economic activity, the Lewis model was based on large amounts of rural–urban migration.

Lewis was concerned with how countries could begin to develop the ‘modern’ sector. In particular, how countries could raise enough money for investment when the population was saving very little because there were high levels of poverty. As a way out of this trap, he advocated foreign investment. Governments should encourage foreign companies to invest their capital into domestic industrial development through a process termed ‘industrialization by invitation’ (Lewis 1955).

Lewis’ interpretation of development has been criticized from a number of perspectives. Lal (1985) claimed that his assumptions about non-changing wage rates in situations of surplus labour were untenable, although Toye (1993: 104) uses the Indian example to demonstrate that Indian wage rates have not gone up a great deal because the continued availability of cheap labour from the ‘traditional’ sector has helped keep them low. Other criticisms levelled at Lewis have included his failure to recognize the potential contributions that the subsistence agricultural sector can make to economic development (Binns 2000; Toye 1993). His promotion of ‘industrialization by invitation’ has also been criticized because it encourages dependence (see Chapter 3).

**Spatial dimensions**

As highlighted in Chapter 1, development has not only a social, but a spatial dimension. Just as the Keynesian forms of development policy were meant to lead to a process of trickle-down to the poorest people in society, so development benefits were meant to spread to different regions. For Albert Hirschman (1958), spatially-unbalanced growth was a desirable part of the development process. Based on his own experiences in Latin America he argued that rather than attempt to achieve equal rates of growth throughout a country, it makes sense to allow economic development, particularly...
industrialization, to be spatially concentrated. His argument was that these so-called ‘growth poles’ would act as foci for economic development, but that over time, the benefits of such processes would spread and the degree of polarization would reduce. The idea of a route of progression was therefore clear in Hirschman’s work. While he recognized that conditions in poorer countries might require different forms of development approach, the underlying commitment to modernization following the Western experience was evident. ‘Behind the ideas of unbalanced growth and growth poles it is ... easy to recognise the conception of growth as a more or less natural and automatic but occasionally disturbed or interrupted process’ (Hettne 1995: 43).

The Swedish economist Gunnar Myrdal (1957) also highlighted the spatial inequalities inherent in free market economic development in his book Economic Theory and Underdeveloped Regions. However, unlike Hirschman, Myrdal did not believe that spatial polarization would automatically be reversed once economic development reached a certain level. Using the concept of cumulative causation, he argued that once a region started to grow economically, people, resources and finance would be drawn to that area so contributing to further growth. These flows would leave other areas depleted of dynamic people and resources to contribute to development; this is what Myrdal called ‘backwash effects’. He did recognize that some benefits of this spatial focus may extend to neighbouring regions through ‘spread effects’, but overall the vicious cycle of decline for areas outside the core areas would continue.

For Myrdal, the only way in which the exacerbation of spatial inequalities could be reduced was through state intervention. He argued that if state planning was efficient, there was no need for the regional variations in economic growth rates. However, he was aware that in many situations the government and state departments in many countries were not able to achieve this (Myrdal 1970). He termed such states ‘soft states’ and advocated a move to ‘strong states’ to ensure that the planning mechanisms could be implemented. However, he did not provide details on how this was to be achieved. Myrdal’s faith in planning as a solution to ‘development problems’ fits with what the post-development theorists would call a Eurocentric technocratic approach. While Myrdal clearly criticized leaving ‘development’ to the free market, he remained within a development approach that focused on economic growth.

International aid

Flows of international aid from North to South were part of the policy responses to modernization theory in relation to development in the post-war period. The poorer countries of the world were regarded as lagging behind on the path of economic development, being largely agricultural and lacking the autonomous capacity for investment and economic growth. Following this interpretation, large transfers of money, technology and expertise were expected to fill the gaps and help the economic development process. Truman’s speech about technology transfer fits within this model.

‘Aid’ can be defined in a number of ways. It usually refers to ‘a transfer of resources on concessional terms – on terms that are more generous or “softer” than loans obtainable in the world’s capital markets’ (Cassen and associates 1994: 2). These resources are usually transferred from one government to another directly (bilateral aid), or from one government through a multilateral agency or an NGO to governments or groups in poorer countries (Lancaster 1999).
Governmental transfers can be termed ‘official development assistance’ (ODA), but for the OECD to identify a resource flow as ODA, it must meet the following criteria:

- aid must be undertaken by official agencies;
- its main objectives must be ‘the promotion of economic development and welfare’;
- it must have a ‘grant element’ of at least 25%, i.e. the terms must include some net transfer of resources, rather than a loan which has to be paid back with interest.

(Cassen and associates 1994: 2)

Aid can include grants and loans, but it can also cover technical advice, transfer of resources such as equipment or food, and debt cancellation (see later in this chapter and Chapter 7). It is usual to distinguish between ‘emergency aid’ or ‘relief aid’, which is mobilized at times of natural disaster or war to meet immediate needs, and long-term development aid. It is this development aid that forms the bulk of aid flows and which has been used to promote particular forms of development practice.

In the 1950s and 1960s, in particular, aid was channelled into industrial development and projects to improve agricultural efficiency through the use of technology. There was also a focus on large-scale infrastructure projects, such as dam construction and road building. This form of ‘top-down development’ was advocated because policy-makers believed that this development path had worked in the North so could work elsewhere. It did, however, have serious social (Chapters 4 and 5) and environmental (Chapter 6) impacts. The externally-derived nature of this development approach is summed up by General Olusegun Obasango, President of Nigeria 1976–9 and 1999 to the present. He stated ‘In education and in industrialization, we have used borrowed ideas, utilized borrowed experiences and funds and engaged borrowed hands. In our development programmes and strategies, not much, if anything, is ours’ (1987 in Lancaster 1999: 3).

**Neo-liberalism**

From the previous sections it is clear that for most governments in the Global North, as well as multilateral agencies such as the World Bank and International Monetary Fund, ‘development’ in the post-war period was to be achieved through variations on Keynesian approaches. The approach was based on government intervention at a national level and foreign assistance in terms of aid on an international scale. This perspective changed during the 1970s when the role of the state was increasingly questioned.

In the 1970s, some theorists began to argue that the widespread involvement of the state in economic activities, was leading to inefficiency and slower rates of economic growth than would be achieved if the market were left to its own devices. These theorists, such as Deepak Lal (1983) and Bela Balassa (1971, 1981), were drawing on the classical economic theories of Adam Smith and others regarding the ‘invisible hand of the market’. For neo-classical or neo-liberal theorists, the route to greater economic growth and therefore greater levels of well-being for all, was through reducing state intervention and letting the market set prices and wages. It was argued that this would ensure the most efficient allocation of resources so optimizing growth rates with concomitant social benefits. In relation to aid, Bauer (1972) argued that foreign aid also contributed to the inefficiencies and that this form of intervention should be greatly reduced.

Toye (1993) describes this shift in theorizing about development as a ‘counter-revolution’. He summarizes the three main policy approaches which this counter-revolution wanted to challenge:

- the over-extension of the public sector;
- the over-emphasis of economic policies on investment in physical capital, i.e. infrastructure, rather than human capital such as education and health;
- the widespread use of economic controls, such as tariffs, subsidies and quotas, which distorted prices.

(Toye 1993: 70)

All three of these concerns focus on factors which are internal to a country. There is no consideration of external factors which might influence economic success.

For example, Balassa’s work concentrated on the liberalization of trade. Using the cases of four Latin American countries and five Asian countries, Balassa (1971) examined the role of the state in promoting economic growth through industrialization behind tariff barriers. For the period 1950–69, he argued that growth rates in Korea and Taiwan were much higher than in the other seven
countries, largely because they adopted an outward-oriented manufacturing export strategy (Figure 2.4). They were adopting the non-protectionist approach that Smith had promoted in the eighteenth century (although see later for further discussion of East Asian development).

By 1983 it was clear that the World Bank had taken on this way of thinking about economic development. In the 1983 World Development Report, there was a focus on stressing the relationship between economic growth rates and the degree of state intervention in prices. The implication was that the most rapid growth rates were found in those countries which were most outward-oriented and where states were least involved in ‘distorting the market’. However, as Toye (1993: 108) highlights, ‘only one-third (or 34 per cent) of the economic performance of these countries is explained by policy-induced price distortions of all kinds. Two-thirds of their economic growth responds to other factors.’ There is no consideration of the social and political situations and institutions in these countries which may have affected economic growth, rather the World Bank, following a neo-liberal interpretation, prefers to focus on government involvement in economy.

Debt crisis

The need for an alternative to Keynesian approaches was regarded by some as imperative as economies throughout the world experienced slowing rates of growth in the 1970s. Within many parts of the South, import-substitution policies (see Chapter 3) had been implemented with some success, but the limits of such policies were becoming apparent. These national limits, combined with falling commodity prices and a slow down in the world economy, led to what has been termed the ‘debt crisis’ of the 1980s.

The relationship between income coming into a country and that going out is termed the ‘balance of payments’ (see Table 2.2). These are divided between the current account and the capital accounts. If there is a deficit in one of these accounts, this is not necessarily a problem, as a surplus on the other account may cover the amount. However, if it does not, or if there is a deficit on both accounts then money must be found to deal with the deficit. This may be found in the cash account which includes three forms of reserves; foreign ‘hard’ currencies, such as US dollars, gold and Special Drawing Rights (SDRs) at the IMF. SDRs give the holders the ability to claim currencies from IMF members in the form of loans (IMF 2004).

The debt crisis arose because many nations of the South were not able to cover their debt repayments (either the interest or the repayment of the amount borrowed). During the 1960s and particularly during the 1970s, many Southern governments borrowed large amounts of money to fund large infrastructure and development schemes. Before the 1970s, most of this borrowing was from Northern governments or from multilateral agencies, but in the 1970s there were increasing levels of borrowing from private banks. This is part of what has been known as the recycling of petrodollars. Because of rising oil prices, countries that were part of OPEC (Organization of Petroleum Exporting Countries) were amassing large amounts of money.
This was deposited in banks and was then lent to other countries so accruing interest. Southern governments were happy to borrow this money to fund their development projects, and this action seemed sensible as interest rates were low and export earnings from commodities remained at a healthy level.

Unfortunately, in the late 1970s commodity prices fell so reducing the export earnings. Southern countries earned most of their export revenue from primary commodities, either agricultural products such as coffee or sugar, or minerals such as coal or iron ore. Thus, a decline in world commodity prices was catastrophic. This fall in commodity prices was exacerbated by global recession in the 1981–2 period, which led to industrialized countries implementing greater forms of protectionism such as increased import tariffs, again making it harder for Southern countries to export their goods. In addition, interest rates went up and millions of dollars of savings were moved by investors to what were regarded as ‘safer’ countries through the process of ‘capital flight’. These events meant that many Southern governments were no longer able to meet their debt repayments, ushering in the widespread implementation of neo-liberal policies based on market-centred theories of development (Milward 2000).

In August 1982 the Mexican government announced that it would not be able to meet the repayments on its debt. This triggered the ‘debt crisis’ although the problems of debt had been increasing throughout the late 1970s. Debt is not necessarily a problem; being unable to repay the debt or meet interest payments is. Spending large amounts of export earnings on debt servicing means there is less to spend on welfare programmes and national investment (Table 2.3).

### Structural adjustment programmes

Probably the most well-known aspect of neo-liberal development theory in practice has been the implementation of structural adjustment programmes (SAPs) since the late 1970s. These policies have often been adopted by national governments in return for continuing financial support from the International Monetary Fund and World Bank. The underpinning philosophy of SAPs reflects the market ideologies adopted by the Thatcher and Reagan administrations and their implementation demonstrates the ways in which policies developed in the North could be imposed on Southern...
nations. During the late 1970s and early 1980s, national governments found themselves increasingly unable to pay the interest on the debt they had accrued through borrowing both from commercial banks and multilateral organizations.

SAPs encompass a series of government-led policies which are aimed at reducing the role of the state in the running of the national economy. This does not mean that the state is no longer involved, but rather that the market is given much greater power. SAPs usually include two categories of policies which can be classified as stabilization measures and adjustment measures. The first group includes policies such as stopping increases in government-sector wages, cutting back on government expenditure and devaluing the currency. Once the economy has been ‘stabilized’ the adjustment measures are introduced to make longer-term changes which will, it is argued, contribute to a more economically prosperous future. Such measures include opening up the national economy to foreign investment, reforms in the tax system and privatization (Simon 2002) (see Table 2.4). Through these policies, government income is maximized and there is much greater efficiency and economic growth. Given the debt burdens and the negative rates of economic growth that had been experienced, such policies appeared to hold some hope for development. These policy recommendations are sometimes referred to as reflecting the ‘Washington Consensus’. This term was originally coined by Williamson in 1990 to describe the neo-liberal policy reforms in Latin America that institutions based in Washington DC, such as the IMF and World Bank, were proposing in the late 1980s. It is now often used to describe the implementation of neo-liberal policies by international financial institutions (IFIs) throughout the world and as ‘a synonym for market fundamentalism’ (Williamson 2000: 256).

In the vast majority of cases, SAPs proved to have very serious consequences. The withdrawing of the state, the opening up of the national economy to foreign investment and currency devaluation did not have the desired effect; rather poverty levels increased as real wages went down, unemployment increased and the cost of living rose. The removal of state safety nets in some cases also left the most vulnerable and destitute with no form of assistance (Cornia et al. 1987) (Box 2.3). Simon (1995: 17) argues that the debt crisis is usually associated with Latin America, but the issues of indebtedness, and in particular the role of SAPs, in Sub-Saharan

<table>
<thead>
<tr>
<th>Table 2.4</th>
<th>Main characteristics of structural adjustment programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal policy reforms – to increase role of the market in the domestic economy</strong></td>
<td></td>
</tr>
<tr>
<td>Privatization of state firms – allows for greater competition, reduces drain on state resources if firms doing badly;</td>
<td></td>
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<tr>
<td>removal of state subsidies – increases competition and reduces state expenditure;</td>
<td></td>
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<tr>
<td>improvements in tax system – increases state income;</td>
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<tr>
<td>removal of wage controls, e.g. minimum wages – wage levels should be set by the market;</td>
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<tr>
<td>reduced government workforce – cuts back on bureaucracy and inefficiency and reduces state expenditure.</td>
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</tr>
<tr>
<td><strong>External policy reforms – to encourage foreign investment and increasing exports</strong></td>
<td></td>
</tr>
<tr>
<td>Currency devaluation – makes imports more expensive and exports cheaper;</td>
<td></td>
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<tr>
<td>removal or reduction in tariffs – encourages international trade;</td>
<td></td>
</tr>
<tr>
<td>removal or reduction in quotas, e.g. legal minimum amount of domestically sourced inputs – encourages foreign investment and export;</td>
<td></td>
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<tr>
<td>end state control of exports, e.g. for agricultural commodities – improves efficiency and encourages private investment.</td>
<td></td>
</tr>
</tbody>
</table>

Source: adapted from Milward (2000)

**Box 2.3**

**Structural adjustment in Jamaica**

During the 1970s the Jamaican economy experienced severe economic problems including negative levels of economic growth from 1974 onwards. These problems led the Jamaican government under Edward Seaga to sign an agreement with the IMF in 1977 for further funding dependent on Jamaica following adjustment policies. Further agreements with both the IMF and World Bank followed in the 1980s and 1990s.

Government expenditure fell dramatically as part of these policies. The budgeted expenditure for 1985/6 was 71 per cent of the 1981/2 level. While government spending on social services was 641 million Jamaican dollars in 1979/80 this had fallen to 372 million in 1985/6 (based on 1979/80 prices). These declines in government social spending, combined with increased unemployment and falling real wages led to declining standards of living. Levels of infant malnutrition increased, education levels fell and the supply of new housing for low-income groups shrank to almost zero. Between 1980 and 1985, O’Leven pass rates fell from 62 per cent to 34 per cent, reflecting the declining investment in school infrastructure and teachers’ wages, as well as poor levels of health among children and pressures from families for children to enter paid work.
Africa, should not be ignored. Economic stabilization may have been achieved, but the costs in terms of human welfare have been severe (Simon et al. 1995).

It is difficult to generalize about the effects of SAPs in social terms, partly because of the diversity of experiences (Stewart 1995), but also because we cannot know what would have happened if SAPs had not been introduced. In some cases (Box 2.3) there is evidence of poverty increases after SAP introduction, ‘[h]owever, the key point is that it is agreed that although SAPs may not have caused poverty in a direct sense, they certainly did not lead to poverty reduction’ (McIlwaine 2002: 99).

Growing awareness of the detrimental social effects of SAPs and the move towards a global poverty reduction agenda, led the World Bank and IMF to reshape SAPs in the late 1990s. Neo-liberal adjustment policies are still a key part of the organizations’ conditions for lending funds, but greater attention is paid to the needs of the poorest people in society. The diversity of national situations is also acknowledged, compared to the one-size-fits-all approach under SAPs. These new policies are grouped under the heading ‘Poverty Reduction Strategies’ (PRSs) and a key element is the Poverty Reduction Strategy Paper (PRSP). This is a document which each government must produce in order to qualify for further funding. Although it is written by national governments, the formulation of the report and policy suggestions should be conducted in consultation with civil society organizations and donors (World Bank 2004). This is to promote a more participatory approach to national development (see Chapter 5). Despite the change of name, many argue that PRSs are little different from SAPs and that while consultation processes have occurred, the quality of participation in terms of giving marginalized groups a voice has been limited (Bradshaw and Linneker 2003; Power 2003: 175–9).

Overall poverty levels increased during the 1980s, with some annual fluctuations. Using US$60 per month at 1989 prices as the poverty line, the poverty rate increased from 45.5 per cent in 1989 to 54.5 per cent in 1996. Some households were able to maintain living standards, especially those who had access to remittances from family members overseas, but overall SAPs in Jamaica have had serious negative impacts on social development in the country.

Sources: adapted from Boyd (1987); Handa and King (1997, 2003)

The ‘Asian miracle’

The experiences of the East Asian nations from the 1960s to the 1990s was regarded as an example of how neo-liberal policies could lead to development. Not only did these nations experience high levels of economic growth, but this was associated with improvements in living standards and did not result in increasing levels of economic and social inequality (Figures 2.5 and 2.6). The economic development of the region has been represented as a series of waves. Following the success of the Japanese economy in the post-war period, the newly-industrializing countries or economies (NICs or NIEs) of Hong Kong, Singapore, Taiwan and South Korea experienced rapid economic growth based largely on labour-intensive manufacturing industries. In the 1980s this trajectory was also taken by Indonesia, Thailand and Malaysia, as well as China and Vietnam that were starting to move away from a state-controlled economy (see Chapter 3).

In 1993 the World Bank published The East Asian Miracle. This book sought to highlight the ways in which economic and social development had been achieved by the East Asian nations by following a few key neo-liberal tenets; notably, opening up the economy to foreign investment and trade; limited role of the state in
the national economy; investment in human capital, especially education. The book presented this ‘East Asian model’ as a blueprint for economic development with equity in other regions of the world. As Dixon (1999: 206) highlights: ‘the successful Pacific Asian economies have been presented as the living embodiment of neoliberal orthodoxy and examples to be followed by the Third World as a whole.’

Following its publication, numerous commentators wrote regarding the validity of this approach, often criticizing the interpretation that the World Bank had made of the post-war economic development in the East Asian countries. Four main criticisms were levelled at the World Bank interpretation. First, that rather than being a coherent set of policies throughout the region, in fact there were a range of approaches adopted. Jonathan Rigg in his book on Southeast Asia, argues, ‘Asia is not a singular and undifferentiated region . . . Asia did not have a single miracle . . . Shoe-horning Southeast Asia’s development . . . into a generic explanatory framework ignores the extent to which national contexts play a critical, perhaps even defining role’ (Rigg 2003: 11). Second, and very importantly, many criticized the way in which the World Bank used the East Asian experience to promote the benefits of free trade and open economies. In fact, as numerous authors stressed, many of the East Asian countries had achieved their economic success through important government interventions. For example, Amsden (1994) highlights the role of protectionism in the growth of Hong Kong’s textile industry. Third, the World Bank report failed to acknowledge the continued levels of poverty and inequality in the region’s nations. Finally, the use of the term ‘miracle’ was questioned. The concept of a ‘miracle’ implies that the process is unexplainable. However, it was clear that the economic development in the region could be explained. As Garnaut (1998: 3) states:

<table>
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<tr>
<th>High economic growth and low income inequality</th>
<th>High economic growth and high income inequality</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>Botswana</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>Gabon</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Malaysia</td>
</tr>
<tr>
<td>Japan</td>
<td>Mauritius</td>
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<td>Singapore</td>
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<tr>
<td>South Korea</td>
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<tr>
<td>Taiwan</td>
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<tr>
<td>Thailand</td>
<td></td>
</tr>
<tr>
<td>Low economic growth and low income inequality</td>
<td>Low economic growth and high income inequality</td>
</tr>
<tr>
<td>Austria</td>
<td>Argentinia</td>
</tr>
<tr>
<td>Australia</td>
<td>Bolivia</td>
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<td>Bangladesh</td>
<td>Brazil</td>
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<td>Belgium</td>
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<td>France</td>
<td>Colombia</td>
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<td>India</td>
<td>Ghana</td>
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<td>Italy</td>
<td>Ivory Coast</td>
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<td>Malawi</td>
<td>Kenya</td>
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<td>Mauritania</td>
<td>Mexico</td>
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<td>Nepal</td>
<td>Peru</td>
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<td>Pakistan</td>
<td>Philippines</td>
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<td>Spain</td>
<td>Sudan</td>
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<tr>
<td>Sri Lanka</td>
<td>Venezuela</td>
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<tr>
<td>Switzerland</td>
<td>Zambia</td>
</tr>
</tbody>
</table>

Figure 2.6 Economic growth and income inequality, 1965–89.
Source: adapted from Page (1994: Figure 2)
Notes: High economic growth: increase in GDP p.c. of 4% p.a. or above. High income inequality: richest 20% have over 10 times income share of poorest 20%.
There never was such a thing as an East Asian 'miracle'. There was, however, an East Asian phenomenon of sustained rapid growth, as one economy after another in East Asia began to accumulate capital, apply improved technology, and utilise human resources more effectively for economic development.

In 1997 this model of neo-liberal economic development collapsed in what was termed the ‘Asian Crisis’. The trigger for the economic crisis was the devaluation of the baht, the Thai currency, but there had been cracks appearing throughout the region’s economies before this. The crisis was largely financial, in that the withdrawal of large amounts of foreign capital from the region meant that for many countries, the stability of their economies was severely threatened. In Thailand in 1996, foreign investors’ confidence in the economy was shaken by declining export growth and there were also concerns about the large size of the current account deficit. As investors started to withdraw their money from the Thai economy, the Thai government was not able to maintain the exchange rate of the baht. The baht, like many currencies in the region, was fixed, i.e. the exchange rate did not change to reflect the demand for the currency. This, it is argued, can help reduce the costs of foreign trading because there is no potential for costs to rise because of exchange rate fluctuations. In addition, a fixed exchange rate can promote economic stability because government economic policies have to be able to maintain this rate. As capital flight increased, the Thai government was unable to keep the baht at the fixed rate and was forced to devalue it. This triggered further flight from Thailand, but also led to the crisis spreading throughout the region. This has been termed ‘contagion’ or ‘economic flu’ (Poon and Perry 1999).

The reason the Thai crisis had such an impact on the rest of the region can be attributed to a number of factors (Garnaut 1998). Foreign investors were suddenly presented with the realization that they actually had very little awareness of the details of the region’s economic processes, and that if the Thai government was able to devalue the national currency, what was stopping governments elsewhere changing macroeconomic policies? In addition, much of the region’s growth had been based on intra-regional trade. With increased regional instability and uncertainty such trade was going to be threatened. As confidence levels plummeted, more and more funds were removed from the region. This had devastating effects on the levels of economic growth (see Figure 2.7), but also on the levels of poverty among the mass of the populations.

![Figure 2.7 East Asian economic growth rates, 1990–8.](source: based on data from Garnaut (1998: 22))
Of course, while the crisis was felt throughout the region, the experiences were different and some countries weathered the storm much more effectively than others. Just as the ‘miracle’ had many dimensions, so the ‘crisis’ was not a shared common experience. Indonesia, Thailand and South Korea all experienced negative economic growth rates following the crash, while Taiwan and Japan experienced little change in GDP growth rates (Figure 2.7). For the World Bank and other institutions and governments which had held up East Asia as the model for successful development policies, the 1997 Asian crisis was certainly a blow. However, World Bank interpretations of the causes of the crisis focused on the failure of the region’s governments to follow the neo-liberal approach properly. State intervention in the economy which had not been greatly acknowledged in *The East Asian Miracle* was now recognized as a key element in the creation of the crisis (Dixon 1999). Throughout the region, IMF ‘rescue packages’ were implemented. These were very similar to structural adjustment policies and included conditions such as increased openness to foreign ownership in the banking and financial sectors. This financial support from the IMF assisted the region’s economies to regain their stability and growth rates have begun to improve.

**Summary**

- Classical and neo-classical economic theories stress the importance of the free market for development.
- Modernization theories argue that development is largely economic and the same development path should be followed by all countries.
- Post-Second World War, Northern countries focused on providing assistance to Southern countries to help them follow the same development path taken by the North.
- Structural adjustment policies are key parts of neo-liberal development policy.
- The East Asian financial crisis challenged neo-liberal convictions about the role of the market in economic development.

**Discussion questions**

1. According to classical economic theories, what are the benefits of free trade?

2. What are the stages of Rostow’s linear stages theory and how do countries move from one stage to another?

3. What role did Keynes think the state had in promoting economic development?

4. What were the major features of the ‘East Asian Miracle’?

5. What are the main aspects of structural adjustment policies and what are the social effects of SAPs?

**Further reading**


Toye, J. (1993) *Dilemmas of Development*, 2nd edition, Oxford: Blackwell. A very detailed examination of the shift from Keynesian approaches to economic development to neo-liberal ones. Some students may find the economic content rather hard-going at times, but the book is an excellent overview of these debates.


**Useful websites**

- [www.adamsmith.org](http://www.adamsmith.org) The Adam Smith Institute, which aims to increase awareness of the work of Adam Smith and the role of market-led economic development.
- [www.imf.org](http://www.imf.org) International Monetary Fund. Provides information on the approaches and activities of the IMF. Useful material on structural adjustment programmes.
- [www.oecd.org](http://www.oecd.org) Organization of Economic Cooperation and Development. Provides information about the organization’s activities, including official development assistance.
The state has an important role to play in all approaches to ‘development’. This may be providing a system of regulation, law and order within which the market can operate efficiently, as the theories discussed in the previous chapter argued, or the state can be far more interventionist in the workings of the economy as we shall see in this chapter.

**Marxist theories of development**

Marx’s theory of development or progress bore similarities to that of the linear stages models described in the previous chapter. For example, in the introduction to the first volume of *Capital* he stated, ‘The country that is more developed industrially only shows to the less developed, the image of its own future’ (Marx 1909: xvii). However, the end point, while also having similarities in the focus on urban and industrial life, was very different in social and political terms. Capitalism was regarded as just one stage in a transition; pre-capitalist societies, which Marx differentiated as ‘ Asiatic’, ‘ancient’ or ‘ feudal’, would be replaced by capitalism, which would be usurped by socialism. Under a socialist or communist regime there would be communal ownership rather than private property and individuals would work according to their abilities and would be provided with according to their needs (Table 3.1). This process was to apply to all societies.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ancient/primitive communism, Feudalism or Asiatic</td>
<td>Ancient tribal societies; communal ownership of land, tools and other basic economic resources</td>
</tr>
<tr>
<td>Feudalism: found in ‘Western’ societies; based on agricultural production organized around large estates; land owned by a few, but tenants able to keep their produce once they had paid the landlord</td>
<td></td>
</tr>
<tr>
<td>Asiatic: found in ‘Eastern’ societies, e.g. India, China, Turkey, Persia; different classes dominated the economy and the state apparatus; needed to ensure centralized control of important technologies such as irrigation systems</td>
<td></td>
</tr>
<tr>
<td>Capitalism</td>
<td>Society divided into those who own the means of production and those who do not; those who do not have to earn a living by selling their labour; key role of the market in allocating resources</td>
</tr>
<tr>
<td>Socialism</td>
<td>Communal ownership of means of production by state or the people; industrialization means that people no longer have to struggle for a living and individual needs can be met by the distribution systems of the collective</td>
</tr>
</tbody>
</table>

Sources: adapted from Gregory (1986); Smith (2000); Worsley (1990)

The central feature of Marx’s analysis was the relationship between capital and labour. The stages outlined above represented different ‘modes of production’, in that at each stage there was a different combination of ‘forces of production’ and ‘relations of production’ (Box 3.1). Under pre-capitalist forms of production, individuals worked to provide for themselves and their families, often through subsistence agriculture. Thus, the amount of work or labour completed was just enough to provide food, shelter, clothing and other necessities.

**Box 3.1**

**Definitions of Marxist terms**

**Means of production**  The ‘things’ which are needed for people to produce goods. These include tools and equipment, as well as land, crops and mineral reserves.

**Relations of production**  The division of labour, i.e. who does what in the production process. Also includes who decides what is produced and how it
Under capitalism, Marx argued that this relationship shifts. As technology advances and humans’ abilities to exploit and use natural resources becomes more effective, more complex forms of organization are possible. For Marx, capitalism is characterized by two major divisions within society; the ‘bourgeoisie’ who own the means of production, and the ‘proletariat’ who do not. The only way that the proletariat can survive is to sell their work, however, is not the same form of work as in a pre-capitalist system. Not only do workers labour so as to be able to provide the basics for their families, but they also work to provide for the bourgeoisie. This ‘surplus’ (the amount of work beyond that needed to meet basic needs) creates profit for the owners because workers are not paid the full value of the goods they produce. This profit can then be reinvested into more factories or land, so creating the conditions for further wealth-generation, but the wealth remains with the bourgeoisie.

Marx viewed capitalism as a necessary stage in the progression towards socialism and also considered it much better than pre-capitalist societies which he characterized as irrational and backward. He interpreted capitalism as being inherently unstable and vulnerable to crises. Eventually, he believed that capitalism would be overthrown and socialist forms of organization and production would prevail.

Marx’s focus was European development in the nineteenth century. However, Marx’s ideas were expanded and applied to other parts of the world. In relation to the growth of European empires and colonies in Africa and Asia, as well as continued relations of exploitation with independent Latin American countries, Marxist theories of imperialism focused on the way these different parts of the world helped defuse or delay crises in capitalist development in Europe (Peet with Hartwick 1999). For example, Lenin the leader of the 1917 Revolution in Russia (see later) argued that imperialism was the ‘highest stage of capitalism’. According to Marxist theory, capitalism needs ever increasing opportunities to create profit in order to survive. Colonies provided excellent possibilities for further profit generation, through the creation of new markets, new sources of raw materials, and cheap labour (Webster 1990: 82). According to Lenin, once these possibilities had been exhausted capitalism would collapse.

Neo-Marxism

Classical Marxist theories as described above have been criticized for focusing on the experiences of the societies of Western Europe and assuming that all countries of the world would follow the same path of progress and development. However, in the 1950s and 1960s neo-Marxist approaches began to question this interpretation. The experiences of newly-independent states in the Caribbean, Africa and Asia showed that Lenin’s ideas about imperialism being the highest stage of capitalism could be challenged. Despite de-colonization, capitalism had not collapsed in these countries (Roxborough 1979).

Paul Baran (1960) drew on Marxist ideas, but applied them to world conditions in the mid-twentieth century, hence the label ‘neo-Marxism’. He, along with Paul Sweezy, argued that capitalism was now in a period of ‘monopoly capitalism’ (Baran and Sweezy 1968). Large companies dominated the world economy and were able to exploit poorer parts of the world. Baran argued that the governments of these poorer economies should intervene and prevent funds that could be used for development being siphoned out of the country as profit. Unfortunately, these governments were either corrupt, or lacked the power to prevent this exploitation. For Baran the only solution to this problem was for countries to leave the world capitalist system in favour of a state-socialist system. It was only by doing this that development would be possible. These ideas were similar to those adopted by the ‘dependency theorists’ (see pp. 69–72).

Structuralists

So far in this book, there has been a focus on theories of development which originate from and are based on the European experience. These Eurocentric approaches have, however, been challenged by a number of theorists, from a wide range of
perspectives. Latin American academics and writers have been an important source of these challenges, with the structuralists being a key group.

The structuralist approach to explaining the nature of Latin American economies and levels of development is associated with the United Nations Economic Commission for Latin America (ECLA or CEPAL in Spanish) which was set up in Santiago, Chile in 1947. While there were similar regional commissions in other parts of the South, the United States was rather reluctant to support a Latin American commission, fearing that this would lead to dissent from the US viewpoint regarding the future of the Americas.

The ECLA Executive Secretary, Raúl Prebisch, along with many others working in the organization, devised their arguments about development theory and strategy based on the Latin American experience. Prebisch’s argument was that the low levels of economic growth and standards of living would not be improved through following the free trade arguments of modernization theorists and others. This was because the global economic structure was very different from that which existed when the European countries experienced their processes of industrialization. According to Prebisch, the global trading system based on principles of free trade acted as an obstacle for Latin American development.

What is key to recognize here is that the ECLA structuralists were not arguing that ‘development’ as a goal was not represented by industry, urbanization and other symbols of modernity. Rather they argued that development as a process would be different from the path advocated by Eurocentric theorists. How could the path be the same if the global environment was different? This recognition of the importance of historical context for a consideration of development is similar to the neo-Marxist reworkings of Marxist theory in the light of experiences in the global periphery.

According to the ECLA interpretation, national development strategies should involve greater state intervention to protect national industries so allowing them to establish themselves without competition from foreign firms. This approach built on the ideas of ‘infant industry’ developed by a nineteenth-century German economist, Friedrich List. What was termed ‘import-substitution industrialization’ (ISI) was adopted in a number of countries throughout the region with some initial success. This involved erecting tariff barriers, so that national manufacturing was protected from more efficient foreign firms that would be able to sell their products more cheaply. The addition of a high import tariff meant that the foreign companies’ prices were raised, so allowing domestic firms to compete (see Box 3.2).

Another element of the ECLA approach was land reform. Through much of Latin America and the Caribbean land-holding patterns during the colonial period and then into independence had been characterized by massive inequalities. A small number of landholders held vast swathes of land, often termed latifundia. This land was often used for plantations or large-scale cattle ranching depending on the location. The majority of agriculturalists were small-scale peasant producers, scraping a living on very small plots of marginal land, known as minifundia (Kay 1999; Thorpe and Bennett 2002). Land reform usually involved redistributing land so that these small-scale farmers would have larger plots. This would enable them to increase their production and so contribute to poverty alleviation in their communities, but also to national economic development through increasing productivity. Between 1950 and 1964 the amount of land devoted to crop production in the region rose by 51 per cent, but yields only increased by 24 per cent (ECLA 1968 in Kay 1999). The massive inequalities in land distribution were an important explanation for this, but poor government support and investment were also implicated.

Box 3.2

Import-substitution industrialization in Brazil

Brazil adopted a policy of ISI from the 1940s onwards in an attempt to increase levels of economic growth by protecting domestic industry and promoting production for export. The Brazilian government used tariff barriers to reduce imports and encouraged production for export through the use of subsidies.

Between 1965 and 1973 the average annual growth in manufacturing production was 12 per cent. Manufactured goods also increased from 8 per cent of exports in 1965 to 39 per cent in 1982. While government policy was important in this, it should also be remembered that Brazil is the most populous country in Latin America. The large population provided a market for the manufactured goods. For smaller Latin American countries, this option was not available.

Source: adapted from Gwynne (1996)
The fact that the structuralists were arguing for a capitalist-based form of development suitable for Latin America meant that this approach was not regarded as challenging the capitalist industrialized nations. A key indicator of its acceptance was the incorporation of some of the ECLA policies into the Alliance for Progress programme of the 1960s (Clarke 2002) (see Box 3.3). Land reform was a particularly important part of the Alliance for Progress agenda. However, in most countries, apart from Cuba and Nicaragua where there was revolutionary change (see pp. 75–80), agrarian reform was rather limited. Often peasants were given ‘new’ land within settlement projects, rather than land that had been expropriated from large landholders. As Kay (1999: 277–8) concludes, ‘Rhetoric prevailed as governments were either too weak to implement a substantial agrarian reform or had the underlying intention of promoting capitalist [large-scale] farming.’

Despite some successes, the influence of the structuralists on policy implementation declined. This was largely as a result of the perceived limits to ISI, agrarian reform and other forms of state intervention policies at a national level. Protecting domestic infant industries from foreign competition enabled large numbers of firms to be established, but obstacles to continued progress included limited national demand because of low incomes and the need to import machinery and high-tech equipment as the production process became more complex. These limits were becoming increasingly apparent in the late 1960s and with the oil crises of the 1970s it was clear that some changes had to be made to the national development strategy. As discussed in Chapter 2, these changes were very radical and involved a shift to export-oriented industrialization, less state involvement and opening up to foreign investment. ISI was interpreted as fostering inefficiencies in the operation of the economy and stifling growth and development.

**Dependency theories**

Another key Latin American theoretical development was ‘dependency theory’. Despite the name, the approaches to ‘dependency’ were rather diverse, so ‘dependency theories’ in the plural is more appropriate. In addition, some critics of the dependency school (see below) claimed that it was not really a theory.

The key argument of dependency theorists, or dependistas as they were known, was that Latin American countries found themselves in positions of ‘underdevelopment’ because of the operation of the capitalist system. In particular, the core industrialized countries were experiencing growth and economic development through the exploitation of the non-industrialized peripheral countries. The argument differed greatly, therefore, from that of modernization theorists and classical Marxist theorists who saw non-industrialized countries as merely being further behind on the development ladder. According to the dependency theorists, Latin America’s development situation was a result of capitalist development, just as industrialization in the North was a result of this process. André Gunder Frank (1967) termed this the ‘development of underdevelopment’.

Frank used the examples of Chile and Brazil to demonstrate the chains of dependency that had existed since the colonial period beginning in the sixteenth century. He argued that with capitalist...
development (he defined capitalism as being production for market exchange) Latin America was caught up in a global system of dependence consisting of relationships of exploitation from the global scale to the inter-personal (see Figure 3.1). Thus, individual peasants were exploited by local land-owners who did not pay them the full value of the commodities they produced. These land-owners then sold the goods to merchants in the urban areas at a higher price than that paid to the peasants so generating a profit. This chain of exchange and exploitation continued until the surplus generated through these exchanges was taken out of the country to the core. Periods when Latin America was less engaged with the global economy, for example during the Second World War, were, Frank argued, periods when development was most likely to take place within the region. Celso Furtado presented a similar argument in his book *Economic Development in Latin America* (1976).

While dependency theorists would agree with the claims that exogenous (i.e. outside the country) factors were key in explaining the low levels of economic development in Latin America, the solution to this limiting situation differed. Clarke (2002) highlights the main distinctions between the ‘reformists’ and the ‘Marxists’. The former felt, like the ECLA structuralists, that what was needed was reform of the capitalist trade system, perhaps with greater state intervention (see Furtado 1976). The Marxist (or more accurately neo-Marxists) saw the overthrow of the capitalist system as the only solution. Frank was one of the most vociferous advocates of this approach, believing that within capitalism the peripheral regions of the world would always be exploited and marginalized.

Although dependency theory was largely applied to Latin America, the concepts of dependency were also applied to other parts of the world. For example, Walter Rodney’s book *How Europe Underdeveloped Africa* (1981 [1972]) argued that the intervention of European powers in African social, economic and political processes throughout the nineteenth century, created a situation of dependency and led to the impoverishment of African peoples. Amin (1974) makes a similar argument in the African case, focusing on economic processes, particularly the extraction of primary products.

The fact that the dependency ideas came from the experiences of the Global South was certainly a welcome change from the dominance of Northern voices in theories of development. However, despite the dependency approach’s popularity in some circles in the 1970s, its
influence on policy-making was limited and it has been increasingly criticized. These criticisms come both from empirical evidence which challenges the claims of the dependency theorists, and also from those who query the assumptions on which the dependency approach is grounded.

In relation to empirical support, while the interpretations of Frank, Furtado and others may have had a significant basis in Latin American historical experiences, the conclusions that capitalist-style development was impossible for peripheral countries within the existing system was challenged by the economic success of the newly-industrializing countries of Asia during the 1970s (see Chapter 2). The existence of such evidence refuting the basic claims of the dependency approach undermined the dependency interpretations.

In addition, dependency theories were criticized for being overly concerned with economic factors, without any consideration of the social, cultural or political contexts within which development (or underdevelopment) took place. While dependency theorists had, unlike the modernization theorists, taken a historical view of development by considering when processes were taking place, they did not consider the wider contexts within which development occurred. Booth (1985) also criticizes the dependency school, particularly Frank, for the definition of capitalism used. In Frank’s work, capitalist development was defined as ‘autonomous industrial growth’. Booth stresses that if this definition is used then it is inevitable that capitalist development will be viewed to have taken place most successfully when ties to the global economy are weaker. According to Booth, this form of circular argument discredits the dependency approach.

World-systems theory

The importance of the global economic system and hierarchies within it was also a key factor in world-systems theory. This was developed by Immanuel Wallerstein (1974) and shares many characteristics with the dependency school. For example, both approaches stress the importance of considering national economic development within a global context, rather than just concentrating on individual countries. The relative strength of states within this global system helps influence levels of development. Both also have a strong historical basis.

However, Wallerstein was keen to move beyond the static dualism of the dependency models. Rather than viewing the world in terms of ‘core’ and ‘periphery’, Wallerstein identified three groupings of countries: ‘core’, ‘semi-periphery’ and ‘periphery’. In addition, the members of these categories were not fixed; over time countries were able to move in and out of categories depending on their economic situation. The inclusion of the ‘semi-periphery’ was a reflection of global events in the late 1960s and early 1970s. While dependency theorists were arguing that countries in the global periphery were doomed to be forever exploited and marginal, some countries of the world were experiencing economic development in terms of industrialization. These newly-industrializing countries (NICs) included the ‘Asian Tigers’ of South Korea, Hong Kong, Singapore and Taiwan, as well as Latin American nations such as Brazil.

As with Frank, Wallerstein considered the global capitalist system to date from the fifteenth and sixteenth centuries, when European influence, both economic and political, was expanding beyond the European heartland. Before the Industrial Revolution in the eighteenth century, European powers competed for dominance, with some countries losing prominence and becoming semi-peripheral (such as Spain) while the countries of Northwest Europe became the core. Peripheral regions at this time included those of South and Central America. With industrial expansion in Europe and later in the USA, the core expanded, some nations in the periphery became semi-peripheral and the periphery grew as parts of Asia and Africa were incorporated into the global economic system through processes of colonialism (Peet with Hartwick 1999). At the start of the twenty-first century, the core countries consist mainly of the countries of Western Europe, the USA and Canada, Australia, New Zealand and Japan. The semi-periphery includes most of Latin America, Eastern Europe, Russia, China, India and many of the Southeast Asian nations. Within Africa, only South Africa, Egypt and Tunisia are part of the semi-periphery according to Klak (2002). The rest of the continent is classified as being peripheral in the global economic system (Figure 3.2).

The fluidity of categories and the potential movement from one category to another differs from the classical Marxist developmentalist viewpoint outlined at the start of this chapter. Countries do not follow a linear pathway of progress, rather at different times as the global economy changes, certain countries may be able to make economic advances, while others lose out. This
A historical approach has great benefits, but, as Klak (2002) points out, the possibilities of testing the world-systems theory are very limited. Rather than helping us explain changing patterns of economic development, the world-systems theory can be used to describe certain patterns. Because of this, Klak concludes ‘Perhaps it is better to think of a world-system analysis or perspective rather than a fully-fledged world-system theory’ (2002: 111, emphasis in the original). As with dependency approaches, Wallerstein’s ideas can also be criticized for their focus on state-level action, so excluding the local-level processes.

**Socialist approaches to development**

For some theorists, the only way for development to be achieved was to break from the capitalist-led path of development to an alternative route, albeit with a similar conception of modernity. As stated in the earlier discussion of Marxist interpretations of the workings of society, under capitalism society is divided into two classes; those who own the means of production and those who do not. Under a socialist system, the means of production is owned by the state. Because of this it is argued that profit is no longer the driving force of the economy; rather, the needs of the population are prioritized. Because of state ownership of land, factories, etc., decisions can be made about resource allocation that are made on the basis of need, rather than ability to pay. The role of the state in all aspects of economic, social and political life means that this form of approach is sometimes called ‘centrally-planned’.

While socialism has been implemented and experienced in a variety of different ways, there are some common characteristics (Box 3.4). Less than twenty years ago, a significant number of countries were experimenting with a socialist form of development. As well as the Soviet bloc countries of the USSR and the states of Eastern Europe, there were large numbers of developing world countries that could be classed as ‘socialist’ (Table 3.2). In the early twenty-first century there are a handful (most notably China, Vietnam and Cuba) and even they have begun reform processes, including opening up to foreign investment and the loosening of restrictions on private property.

While the basic tenets of the socialist model can be stated, the actual realities of what have been termed ‘socialist experiments’ very greatly throughout the world. As Kilmister (2000) highlights,
socialist forms of political and economic organizing are not introduced into a vacuum. The nature of previous societies and economies will influence outcomes, as will the form of socialist model which is followed. Kilmister also stresses the diversity of routes into socialism. While in the nineteenth century Marx and Engels believed that socialism would be a stage in a linear model coming after the collapse of capitalism, this has proved not to be the case in any of the societies which have followed a socialist path. In the post-Second World War period, Kilmister identifies three main categories of countries which have followed a socialist model:

- Countries where the state was the only actor strong enough to direct development: states such as Afghanistan, Ethiopia and Mongolia remained largely separate from the colonial struggles of the late nineteenth and early twentieth centuries.
- Countries where socialist ideas were key in struggles for national liberation from colonial rule: in many societies seeking to break from colonial rule, socialism provided a key ideology around which to organize. After decades of control from outside forces with policies which created great inequalities in wealth and opportunity, liberation, it was argued, would result in opportunities for all and the nation’s resources being owned by

Box 3.4

**Characteristics of socialist model of development**

**Economic**
1. state ownership of major industrial enterprises;
2. industrial and infrastructure decisions made according to central government plans, rather than operating through the market;
3. extensive state control over foreign trade and investment;
4. state intervention in the labour market; employment decisions are made according to central plans, rather than market forces;
5. state control of prices;
6. state intervention in agriculture and rural-urban relationships.

**Political**
1. generally ruled by one party; organized political opposition and many civil society organizations are not tolerated.

*Source: adapted from Kilmister (2000: 309)*
Encountering Development

THE MAKING AND UNMAKING OF THE THIRD WORLD

Arturo Escobar
INTRODUCTION: DEVELOPMENT AND THE ANTHROPOLOGY OF MODERNITY

There is a sense in which rapid economic progress is impossible without painful adjustments. Ancient philosophies have to be scrapped; old social institutions have to disintegrate; bonds of caste, creed and race have to burst; and large numbers of persons who cannot keep up with progress have to have their expectations of a comfortable life frustrated. Very few communities are willing to pay the full price of economic progress.

—United Nations, Department of Social and Economic Affairs, Measures for the Economic Development of Underdeveloped Countries, 1951

In his inaugural address as president of the United States on January 20, 1949, Harry Truman announced his concept of a “fair deal” for the entire world. An essential component of this concept was his appeal to the United States and the world to solve the problems of the “underdeveloped areas” of the globe.

More than half the people of the world are living in conditions approaching misery. Their food is inadequate, they are victims of disease. Their economic life is primitive and stagnant. Their poverty is a handicap and a threat both to them and to more prosperous areas. For the first time in history humanity possesses the knowledge and the skill to relieve the suffering of these people. . . . I believe that we should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life. . . . What we envisage is a program of development based on the concepts of democratic fair dealing. . . . Greater production is the key to prosperity and peace. And the key to greater production is a wider and more vigorous application of modern scientific and technical knowledge. (Truman [1949] 1964)

The Truman doctrine initiated a new era in the understanding and management of world affairs, particularly those concerning the less economically accomplished countries of the world. The intent was quite ambitious: to
bring about the conditions necessary to replicating the world over the features that characterized the “advanced” societies of the time—high levels of industrialization and urbanization, technicalization of agriculture, rapid growth of material production and living standards, and the widespread adoption of modern education and cultural values. In Truman’s vision, capital, science, and technology were the main ingredients that would make this massive revolution possible. Only in this way could the American dream of peace and abundance be extended to all the peoples of the planet.

This dream was not solely the creation of the United States but the result of the specific historical conjuncture at the end of the Second World War. Within a few years, the dream was universally embraced by those in power. The dream was not seen as an easy process, however; predictably perhaps, the obstacles perceived ahead contributed to consolidating the mission. One of the most influential documents of the period, prepared by a group of experts convened by the United Nations with the objective of designing concrete policies and measures “for the economic development of underdeveloped countries,” put it thus:

There is a sense in which rapid economic progress is impossible without painful adjustments. Ancient philosophies have to be scrapped; old social institutions have to disintegrate; bonds of cast, creed and race have to burst; and large numbers of persons who cannot keep up with progress have to have their expectations of a comfortable life frustrated. Very few communities are willing to pay the full price of economic progress. (United Nations, Department of Social and Economic Affairs [1951], 15)

The report suggested no less than a total restructuring of “underdeveloped” societies. The statement quoted earlier might seem to us today amazingly ethnocentric and arrogant, at best naive; yet what has to be explained is precisely the fact that it was uttered and that it made perfect sense. The statement exemplified a growing will to transform drastically two-thirds of the world in the pursuit of the goal of material prosperity and economic progress. By the early 1950s, such a will had become hegemonic at the level of the circles of power.

This book tells the story of this dream and how it progressively turned into a nightmare. For instead of the kingdom of abundance promised by theorists and politicians in the 1950s, the discourse and strategy of development produced its opposite: massive underdevelopment and impoverishment, untold exploitation and oppression. The debt crisis, the Sahelian famine, increasing poverty, malnutrition, and violence are only the most pathetic signs of the failure of forty years of development. In this way, this book can be read as the history of the loss of an illusion, in which many genuinely believed. Above all, however, it is about how the “Third World” has been produced by the discourses and practices of development since their inception in the early post–World War II period.
tain the focus on domination—as earlier Marxist analyses, for instance, did—and at the same time to explore more fruitfully the conditions of possibility and the most pervasive effects of development. Discourse analysis creates the possibility of “standing detached from [the development discourse], bracketing its familiarity, in order to analyze the theoretical and practical context with which it has been associated” (Foucault 1986, 3). It gives us the possibility of singling out “development” as an encompassing cultural space and at the same time of separating ourselves from it by perceiving it in a totally new form. This is the task the present book sets out to accomplish.

To see development as a historically produced discourse entails an examination of why so many countries started to see themselves as underdeveloped in the early post–World War II period, how “to develop” became a fundamental problem for them, and how, finally, they embarked upon the task of “un-underdeveloping” themselves by subjecting their societies to increasingly systematic, detailed, and comprehensive interventions. As Western experts and politicians started to see certain conditions in Asia, Africa, and Latin America as a problem—mostly what was perceived as poverty and backwardness—a new domain of thought and experience, namely, development, came into being, resulting in a new strategy for dealing with the alleged problems. Initiated in the United States and Western Europe, this strategy became in a few years a powerful force in the Third World.

The study of development as discourse is akin to Said’s study of the discourses on the Orient. “Orientalism,” writes Said, can be discussed and analyzed as the corporate institution for dealing with the Orient—dealing with it by making statements about it, authorizing views of it, describing it, by teaching it, settling it, ruling over it: in short, Orientalism as a Western style for dominating, restructuring, and having authority over the Orient. . . . My contention is that without examining Orientalism as a discourse we cannot possibly understand the enormously systematic discipline by which European culture was able to manage—and even produce—the Orient politically, sociologically, ideologically, scientifically, and imaginatively during the post-Enlightenment period. (1979, 3)

Since its publication, Orientalism has sparked a number of creative studies and inquiries about representations of the Third World in various contexts, although few have dealt explicitly with the question of development. Nevertheless, the general questions some of these works raised serve as markers for the analysis of development as a regime of representation. In his excellent book The Invention of Africa, the African philosopher V. Y. Mudimbe, for example, states his objective thus: “To study the theme of the foundations of discourse about Africa . . . [how] African worlds have been established as realities for knowledge” (1988, xi) in Western discourse. His concern, moreover, goes beyond “the ‘invention’ of Africanism as a scientific discipline” (9), particularly in anthropology and philosophy, in order to investigate the “amplification” by African scholars of the work of critical European thinkers, particularly Foucault and Lévi-Strauss. Although Mudimbe finds that even in the most Afrocenric perspectives the Western epistemological order continues to be both context and referent, he nevertheless finds some works in which critical European insights are being carried even further than those works themselves anticipated. What is at stake for these latter works, Mudimbe explains, is a critical reinterpretation of African history as it has been seen from Africa’s (epistemological, historical, and geographical) exteriority, indeed, a weakening of the very notion of Africa. This, for Mudimbe, implies a radical break in African anthropology, history, and ideology.

Critical work of this kind, Mudimbe believes, may open the way for “the process of refounding and reassuming an interrupted historicity within representations” (183), in other words, the process by which Africans can have greater autonomy over how they are represented and how they can construct their own social and cultural models in ways not so mediated by a Western episteme and historicity—albeit in an increasingly transnational context. This notion can be extended to the Third World as a whole, for what is at stake is the process by which, in the history of the modern West, non-European areas have been systematically organized into, and transformed according to, European constructs. Representations of Asia, Africa, and Latin America as Third World and underdeveloped are the heirs of an illustrious genealogy of Western conceptions about those parts of the world.3

Timothy Mitchell unveils another important mechanism at work in European representations of other societies. Like Mudimbe, Mitchell’s goal is to explore “the peculiar methods of order and truth that characterise the modern West” (1988, ix) and their impact on nineteenth-century Egypt. The setting up of the world as a picture, in the model of the world exhibitions of the last century, Mitchell suggests, is at the core of these methods and their political expediency. For the modern (European) subject, this entailed that s/he would experience life as if s/he were set apart from the physical world, as if s/he were a visitor at an exhibition. The observer inevitably “enframed” external reality in order to make sense of it; this enframing took place according to European categories. What emerged was a regime of objectivism in which Europeans were subjected to a double demand: to be detached and objective, and yet to immerse themselves in local life.

This experience as participant observer was made possible by a curious trick, that of eliminating from the picture the presence of the European observer (see also Clifford 1988, 145); in more concrete terms, observing the (colonial) world as object “from a position that is invisible and set apart” (Mitchell 1988, 28). The West had come to live “as though the world were...
divided in this way into two: into a realm of mere representations and a realm of the ‘real’, into exhibitions and an external reality; into an order of mere models, descriptions or copies, and an order of the original” (32). This regime of order and truth is a quintessential aspect of modernity and has been deepened by econometrics and development. It is reflected in an objectivist and empiricist stand that dictates that the Third World and its peoples exist “out there,” to be known through theories and intervened upon from the outside.

The consequences of this feature of modernity have been enormous. Chandra Mohanty, for example, refers to the same feature when raising the questions of who produces knowledge about Third World women and from what spaces; she discovered that women in the Third World are represented in most feminist literature on development as having “needs” and “problems” but few choices and no freedom to act. What emerges from such modes of analysis is the image of an average Third World woman, constructed through the use of statistics and certain categories:

This average third world woman leads an essentially truncated life based on her feminine gender (read: sexually constrained) and her being “third world” (read: ignorant, poor, uneducated, tradition-bound, domestic, family-oriented, victimized, etc.). This, I suggest, is in contrast to the (implicit) self-representation of Western women as educated, as modern, as having control over their own bodies and sexualities, and the freedom to make their own decisions. (1991b, 56)

These representations implicitly assume Western standards as the benchmark against which to measure the situation of Third World women. The result, Mohanty believes, is a paternalistic attitude on the part of Western women toward their Third World counterparts and, more generally, the perpetuation of the hegemonic idea of the West’s superiority. Within this discursive regime, works about Third World women develop a certain coherence of effects that reinforces that hegemony. “It is in this process of discursive homogenization and systematization of the oppression of women in the third world,” Mohanty concludes, “that power is exercised in much of recent Western feminist discourse, and this power needs to be defined and named” (54).

Needless to say, Mohanty’s critique applies with greater pertinence to mainstream development literature, in which there exists a veritable underdeveloped subjectivity endowed with features such as powerlessness, passivity, poverty, and ignorance, usually dark and lacking in historical agency, as if waiting for the (white) Western hand to help subjects along and not infrequently hungry, illiterate, needy, and oppressed by its own stubbornness, lack of initiative, and traditions. This image also universalizes and homogenizes Third World cultures in an ahistorical fashion. Only from a certain Western perspective does this description make sense; that it exists at all is more a sign of power over the Third World than a truth about it. It is important to highlight for now that the deployment of this discourse in a world system in which the West has a certain dominance over the Third World has profound political, economic, and cultural effects that have to be explored.

The production of discourse under conditions of unequal power is what Mohanty and others refer to as “the colonialist move.” This move entails specific constructions of the colonial/Third World subject in/through discourse in ways that allow the exercise of power over it. Colonial discourse, although “the most theoretically underdeveloped form of discourse,” according to Homi Bhabha, is “crucial to the binding of a range of differences and discriminations that inform the discursive and political practices of racial and cultural hierarchization” (1990, 72). Bhabha’s definition of colonial discourse, although complex, is illuminating:

( Colonial discourse ) is an apparatus that turns on the recognition and disavowal of racial/cultural/historical differences. Its predominant strategic function is the creation of a space for a “subject peoples” through the production of knowledges in terms of which surveillance is exercised and a complex form of pleasure/unpleasure is incited, . . . . The objective of colonial discourse is to construe the colonized as a population of degenerate types on the basis of racial origin, in order to justify conquest and to establish systems of administration and instruction. . . . I am referring to a form of governmentality that in marking out a “subject nation,” appropriates, directs and dominates its various spheres of activity. (1990, 75)

Although some of the terms of this definition might be more applicable to the colonial context strictly speaking, the development discourse is governed by the same principles; it has created an extremely efficient apparatus for producing knowledge about, and the exercise of power over, the Third World. This apparatus came into existence roughly in the period 1945 to 1955 and has not since ceased to produce new arrangements of knowledge and power, new practices, theories, strategies, and so on. In sum, it has successfully deployed a regime of government over the Third World, a “space for ‘subject peoples’” that ensures certain control over it.

This space is also a geopolitical space, a series of imaginative geographies, to use Said’s (1979) term. The development discourse inevitably contained a geopolitical imagination that has shaped the meaning of development for more than four decades. For some, this will to spatial power is one of the most essential features of development (Slater 1993). It is implicit in expressions such as First and Third World, North and South, center and periphery. The social production of space implicit in these terms is bound with the production of differences, subjectivities, and social orders. Despite the corrective introduced to this geopolitics—the decentering of the world, the
demise of the Second World, the emergence of a network of world cities, the globalization of cultural production, and so on—they continue to function imaginatively in powerful ways. There is a relation among history, geography, and modernity that resists disintegration as far as the Third World is concerned, despite the important changes that have given rise to postmodern geographies (Soja 1989).

To sum up, I propose to speak of development as a historically singular experience, the creation of a domain of thought and action, by analyzing the characteristics and interrelations of the three axes that define it: the forms of knowledge that refer to it and through which it comes into being and is elaborated into objects, concepts, theories, and the like; the system of power that regulates its practice; and the forms of subjectivity fostered by this discourse, those through which people come to recognize themselves as developed or underdeveloped. The ensemble of forms found along these axes constitutes development as a discursive formation, giving rise to an efficient apparatus that systematically relates forms of knowledge and techniques of power.

The analysis will thus be couched in terms of regimes of discourse and representation. Regimes of representation can be analyzed as places of encounter where identities are constructed and also where violence is originated, symbolized, and managed. This useful hypothesis, developed by a Colombian scholar to explain nineteenth-century violence in her country, building particularly on the works of Bakhtin, Foucault, and Girard, conceives of regimes of representation as places of encounter of languages of the past and languages of the present (such as the languages of “civilization” and “barbarism” in postindependence Latin America), internal and external languages, and languages of self and other (Rojas de Ferro 1994). A similar encounter of regimes of representation took place in the late 1940s with the emergence of development, also accompanied by specific forms of modernized violence.

The notion of regimes of representation is a final theoretical and methodological principle for examining the mechanisms for and consequences of the construction of the Third World in/through representation. Charting regimes of representation of the Third World brought about by the development discourse represents an attempt to draw the “cartographies” (Deleuze 1988) or maps of the configurations of knowledge and power that define the post–World War II period. These are also cartographies of struggle, as Mohanty (1991a) adds. Although they are geared toward an understanding of the conceptual maps that are used to locate and chart Third World people’s experience, they also reveal—even if indirectly at times—the categories with which people have to struggle. This book provides a general map for orienting oneself in the discourses and practices that account for today’s dominant forms of sociocultural and economic production of the Third World.

The goals of this book are precisely to examine the establishment and consolidation of this discourse and apparatus from the early post–World War II period to the present (chapter 2); analyze the construction of a notion of underdevelopment in post–World War II economic development theories (chapter 3); and demonstrate the way in which the apparatus functions through the systematic production of knowledge and power in specific fields—such as rural development, sustainable development, and women and development ( chapters 4 and 5). Finally, the conclusion deals with the important question of how to imagine a postdevelopment regime of representation and how to investigate and pursue alternative practices in the context of today’s social movements in the Third World.

This, one might say, is a study of developmentalism as a discursive field. Unlike Said’s study of Orientalism, however, I pay closer attention to the deployment of the discourse through practices. I want to show that this discourse results in concrete practices of thinking and acting through which the Third World is produced. The example I chose for this closer investigation is the implementation of rural development, health, and nutrition programs in Latin America in the 1970s and 1980s. Another difference in relation to Orientalism originates in Homi Bhabha’s caution that “there is always, in Said, the suggestion that colonial power is possessed entirely by the colonizer, given its intentionality and unidirectionality” (1990, 77). This is a danger I seek to avoid by considering the variety of forms with which Third World people resist development interventions and how they struggle to create alternative ways of being and doing.

Like Mudimbe’s study of Africanism, I also want to unveil the foundations of an order of knowledge and a discourse about the Third World as underdeveloped. I want to map, so to say, the invention of development. Instead of focusing on anthropology and philosophy, however, I contextualize the era of development within the overall space of modernity, particularly modern economic practices. From this perspective, development can be seen as a chapter of what can be called an anthropology of modernity, that is, a general investigation of Western modernity as a culturally and historically specific phenomenon. If it is true that there is an “anthropological structure” (Foucault 1975, 198) that sustains the modern order and its human sciences, it must be investigated to what extent this structure has also given rise to the regime of development, perhaps as a specific mutation of modernity. A general direction for this anthropology of modernity has already been suggested, in the sense of rendering “exotic” the West’s cultural products in order to see them for what they are: “We need to anthropologize the West: show how exotic its constitution of reality has been; emphasize those domains most taken for granted as universal (this includes epistemology and
economics); make them seem as historically peculiar as possible; show how their claims to truth are linked to social practices and have hence become effective forces in the social world.” (Rabinow 1986, 241).

The anthropology of modernity would rely on ethnographic approaches that look at social forms as produced by historical practices combining knowledge and power; it would seek to examine how truth claims are related to practices and symbols that produce and regulate social life. As we will see, the production of the Third World through the articulation of knowledge and power is essential to the development discourse. This does not preclude the fact that from many Third World spaces, even the most reasonable among the West’s social and cultural practices might look quite peculiar, even strange. Nevertheless, even today most people in the West (and many parts of the Third World) have great difficulty thinking about Third World situations and people in terms other than those provided by the development discourse. These terms—such as overpopulation, the permanent threat of famine, poverty, illiteracy, and the like—operate as the most common signifiers, already stereotyped and burdened with development signifieds. Media images of the Third World are the clearest example of developmentalist representations. These images just do not seem to go away. This is why it is necessary to examine development in relation to the modern experiences of knowing, seeing, counting, economizing, and the like.

Deconstructing Development

The discursive analysis of development started in the late 1980s and will most likely continue into the 1990s, coupled with attempts at articulating alternative regimes of representation and practice. Few works, however, have undertaken the deconstruction of the development discourse. James Ferguson’s recent book on development in Lesotho (1990) is a sophisticated example of the deconstructionist approach. Ferguson provides an in-depth analysis of rural development programs implemented in the country under World Bank sponsorship. Further entrenchment of the state, the restructuring of rural social relations, the deepening of Western modernizing influences, and the depoliticization of problems are among the most important effects of the deployment of rural development in Lesotho, despite the apparent failure of the programs in terms of their stated objectives. It is at the level of these effects, Ferguson concludes, that the productivity of the apparatus has to be assessed.

Another deconstructionist approach (Sachs 1992) analyzes the central constructs or key words of the development discourse, such as market, planning, population, environment, production, equality, participation, needs, poverty, and the like. After briefly tracing the origin of each concept in European civilization, each chapter examines the uses and transformation of the concept in the development discourse from the 1950s to the present. The intent of the book is to expose the arbitrary character of the concepts, their cultural and historical specificity, and the dangers that their use represents in the context of the Third World. A related, group project is conceived in terms of a “systems of knowledge” approach. Cultures, this group believes, are characterized not only by rules and values but also by ways of knowing. Development has relied exclusively on one knowledge system, namely, the modern Western one. The dominance of this knowledge system has dictated the marginalization and disqualification of non-Western knowledge systems. In these latter knowledge systems, the authors conclude, researchers and activists might find alternative rationalities to guide social action away from economistic and reductionistic ways of thinking.

In the 1970s, women were discovered to have been “bypassed” by development interventions. This “discovery” resulted in the growth during the late 1970s and 1980s of a whole new field, women in development (WID), which has been analyzed by several feminist researchers as a regime of representation, most notably Adele Mueller (1986, 1987a, 1991) and Chandra Mohanty. At the core of these works is an insightful analysis of the practices of dominant development institutions in creating and managing their client populations. Similar analyses of particular development subfields—such as economics and the environment, for example—are a needed contribution to the understanding of the function of development as a discourse and will continue to appear.

A group of Swedish anthropologists focus their work on how the concepts of development and modernity are used, interpreted, questioned, and reproduced in various social contexts in different parts of the world. An entire constellation of usages, modes of operation, and effects associated with these terms, which are profoundly local, is beginning to surface. Whether in a Papua New Guinean village or in a small town of Kenya or Ethiopia, local versions of development and modernity are formulated according to complex processes that include traditional cultural practices, histories of colonization, and contemporary location within the global economy of goods and symbols (Dahl and Rabor 1992). These much-needed local ethnographies of development and modernity are also being pioneered by Pigg (1992) in her work on the introduction of health practices in Nepal. More on these works in the next chapter.

Finally, it is important to mention a few works that focus on the role of conventional disciplines within the development discourse. Irene Gendzier (1985) examines the role political science played in the conformation of theories of modernization, particularly in the 1950s, and its relation to issues of the moment such as national security and economic imperatives. Also within political science, Kathryn Sikkink (1991) has more recently taken on the emergence of developmentalism in Brazil and Argentina in the 1950s and
1960s. Her chief interest is the role of ideas in the adoption, implementation, and consolidation of developmentalism as an economic development model.\textsuperscript{13} The Chilean Pedro Morandé (1984) analyzes how the adoption and dominance of North American sociology in the 1950s and 1960s in Latin America set the stage for a purely functional conception of development, conceived of as the transformation of “traditional” into a “modern” society and devoid of any cultural considerations. Kate Manzo (1991) makes a somewhat similar case in her analysis of the shortcomings of modernist approaches to development, such as dependency theory, and in her call for paying attention to “countermodernist” alternatives that are grounded in the practices of Third World grassroots actors. The call for a return of culture in the critical analysis of development, particularly local cultures, is also central to this book.

As this short review shows, there are already a small but relatively coherent number of works that contribute to articulating a discursive critique of development. The present work makes the most general case in this regard; it seeks to provide a general view of the historical construction of development and the Third World as a whole and exemplifies the way the discourse functions in one particular case. The goal of the analysis is to contribute to the liberation of the discursive field so that the task of imagining alternatives can be commenced (or perceived by researchers in a new light) in those spaces where the production of scholarly and expert knowledge for development purposes continues to take place. The local-level ethnographies of development mentioned earlier provide useful elements toward this end. In the conclusion, I extend the insights these works afford and attempt to elaborate a view of “the alternative” as a research question and a social practice.

**Anthropology and the Development Encounter**

In the introduction to his well-known collection on anthropology’s relation to colonialism, *Anthropology and the Colonial Encounter* (1973), Talal Asad raised the question of whether there was not still “a strange reluctance on the part of most professional anthropologists to consider seriously the power structure within which their discipline has taken shape” (5), namely, the whole problematic of colonialism and neocolonialism, their political economy and institutions. Does not development today, as colonialism did in a former epoch, make possible “the kind of human intimacy on which anthropological fieldwork is based, but insure[s] that intimacy should be one-sided and provisional” (17), even if the contemporary subjects move and talk back? In addition, if during the colonial period “the general drift of anthropological understanding did not constitute a basic challenge to the unequal world represented by the colonial system” (18), is this not also the case with the development system? In sum, can we not speak with equal pertinence of “anthropology and the development encounter”?

It is generally true that anthropology as a whole has not dealt explicitly with the fact that it takes place within the post–World War II encounter between rich and poor nations established by the development discourse. Although a number of anthropologists have opposed development interventions, particularly on behalf of indigenous people,\textsuperscript{12} large numbers of anthropologists have been involved with development organizations such as the World Bank and the United States Agency for International Development (U.S. AID). This problematic involvement was particularly noticeable in the decade 1975–1985 and has been analyzed elsewhere (Escobar 1991). As Stacy Leigh Pigg (1992) rightly points out, anthropologists have been for the most part either inside development, as applied anthropologists, or outside development, as the champions of the authentically indigenous and “the native’s point of view.” Thus they overlook the ways in which development operates as an arena of cultural contestation and identity construction. A small number of anthropologists, however, have studied forms and processes of resistance to development interventions (Taussig 1980; Fals Borda 1984; Scott 1985; Ong 1987; see also Comaroff 1985 and Comaroff and Comaroff 1991 for resistance in the colonial context).

The absence of anthropologists from discussions of development as a regime of representation is regrettable because, if it is true that many aspects of colonialism have been superseded, representations of the Third World through development are no less pervasive and effective than their colonial counterparts. Perhaps even more so. It is also disturbing, as Said has pointed out, that in recent anthropological literature “there is an almost total absence of any reference to American imperial intervention as a factor affecting the theoretical discussion” (1989, 214; see also Friedman 1987; Ulin 1991). This imperial intervention takes place at many levels—economic, military, political, and cultural—which are woven together by development representations. Also disturbing, as Said proceeds to argue, is the lack of attention on the part of Western scholars to the sizable and impassioned critical literature by Third World intellectuals on colonialism, history, tradition, and domination—and, one might add, development. The number of Third World voices calling for a dismantling of the entire discourse of development is fast increasing.

The deep changes experienced in anthropology during the 1980s opened the way for examining how anthropology is bound up with “Western ways of creating the world,” as Strathern (1988, 4) advises, and potentially with other possible ways of representing the interests of Third World peoples. This critical examination of anthropology’s practices led to the realization that “no one can write about others any longer as if they were discrete ob-
jects or texts.” A new task thus insinuated itself: that of coming up with “more subtle, concrete ways of writing and reading... new conceptions of culture as interactive and historical” (Clifford 1986, 25). Innovation in anthropological writing within this context was seen as “moving [ethnography] toward an unprecedentedly acute political and historical sensibility that is transforming the way cultural diversity is portrayed” (Marcus and Fischer 1986, 16).

This reimagining of anthropology, launched in the mid-1980s, has become the object of various critiques, qualifications, and extensions from within its own ranks and by feminists, political economists, Third World scholars, Third World feminists, and anti-postmodernists. Some of these critiques are more or less pointed and constructive than others, and it is not necessary to analyze them in this introduction. To this extent, “the experimental moment” of the 1980s has been very fruitful and relatively rich in applications. The process of reimagining anthropology, however, is clearly still under way and will have to be deepened, perhaps by taking the debates to other arenas and in other directions. Anthropology, it is now argued, has to “reenter” the real world, after the moment of textualist critique. To do this, it has to rehistoricize its own practice and acknowledge that this practice is shaped by many forces that are well beyond the control of the ethnographer. Moreover, it must be willing to subject its most cherished notions, such as ethnography, culture, and science, to a more radical scrutiny (Fox 1991).

Strathern’s call that this questioning be advanced in the context of Western social science practices and their “endorsement of certain interests in the description of social life” is of fundamental importance. At the core of this recentering of the debates within the disciplines are the limits that exist to the Western project of deconstruction and self-critique. It is becoming increasingly evident, at least for those who are struggling for different ways of having a voice, that the process of deconstructing and dismantling has to be accompanied by that of constructing new ways of seeing and acting. Needless to say, this aspect is crucial in discussions about development, because people’s survival is at stake. As Mohanty (1991a) insists, both projects—deconstruction and reconstruction—have to be carried out simultaneously. As I discuss in the final chapter, this simultaneous project could focus strategically on the collective action of social movements: they struggle not only for goods and services but also for the very definition of life, economy, nature, and society. They are, in short, cultural struggles.

As Bhabha wants us to acknowledge, deconstruction and other types of critiques do not lead automatically to “an unproblematic reading of other cultural and discursive systems.” They might be necessary to combat ethnocentrism, “but they cannot, of themselves, unreconstructed, represent that otherness” (Bhabha 1990, 75). Moreover, there is the tendency in these critiques to discuss otherness principally in terms of the limits of Western logocentrism, thus denying that cultural otherness is “implicated in specific historical and discursive conditions, requiring constructions in different practices of reading” (Bhabha 1990, 73). There is a similar insistence in Latin America that the proposals of postmodernism, to be fruitful there, have to make clear their commitment to justice and to the construction of alternative social orders. These Third World correctives indicate the need for alternative questions and strategies for the construction of anticolonialist discourses (and the reconstruction of Third World societies in/through representations that can develop into alternative practices). Calling into question the limitations of the West’s self-critique, as currently practiced in much of contemporary theory, they make it possible to visualize the “discursive insurrection” by Third World people proposed by Mudimbe in relation to the “sovereignty of the very European thought from which we wish to disentangle ourselves” (quoted in Diawara 1990, 79).

The needed liberation of anthropology from the space mapped by the development encounter (and, more generally, modernity), to be achieved through a close examination of the ways in which it has been implicated in it, is an important step in the direction of more autonomous regimes of representation; this is so to the extent that it might motivate anthropologists and others to delve into the strategies people in the Third World pursue to resignify and transform their reality through their collective political practice. This challenge may provide paths toward the radicalization of the discipline’s reimagining started with enthusiasm during the 1980s.

**Overview of the Book**

The following chapter studies the emergence and consolidation of the discourse and strategy of development in the early post–World War II period, as a result of the problematization of poverty that took place during those years. It presents the major historical conditions that made such a process possible and identifies the principal mechanisms through which development has been deployed, namely, the professionalization of development knowledge and the institutionalization of development practices. An important aspect of this chapter is to illustrate the nature and dynamics of the discourse, its archaeology, and its modes of operation. Central to this aspect is the identification of the basic set of elements and relations that hold together the discourse. To speak development, one must adhere to certain rules of statement that go back to the basic system of categories and relations. This system defines the hegemonic worldview of development, a worldview that increasingly permeates and transforms the economic, social,
and cultural fabric of Third World cities and villages, even if the languages of development are always adapted and reworked significantly at the local level.

Chapter 3 is intended to articulate a cultural critique of economics by taking on the single most influential force shaping the development field: the discourse of development economics. To understand this discourse, one has to analyze the conditions of its coming into being; how it emerged, building upon the already existing Western economy and the economic doctrine generated by it (classical, neoclassical, Keynesian, and growth economic theories); how development economists constructed “the underdeveloped economy,” embodying in their theories features of the advanced capitalist societies and culture; the political economy of the capitalist world economy linked to this construction; and finally, the planning practices that inevitably came with development economics and that became a powerful force in the production and management of development. From this privileged space, economics pervaded the entire practice of development. As the last part of the chapter shows, there is no indication that economists might consider a redefinition of their tenets and forms of analysis, although some hopeful insights for this redefinition can be found in recent works in economic anthropology. The notion of “communities of modellers” (Gudeman and Rivera 1990) is examined as a possible method to construct a cultural politics for engaging critically, and I hope neutralizing partly, the dominant economic discourse.

Chapters 4 and 5 are intended to show in detail how development works. The goal of chapter 4 is to show how a corpus of rational techniques—planning, methods of measurement and assessment, professional knowledges, institutional practices, and the like—organizes both forms of knowledge and types of power, relating one to the other, in the construction and treatment of one specific problem: malnutrition and hunger. The chapter examines the birth, rise, and decline of a set of disciplines (forms of knowledge) and strategies in nutrition, health, and rural development. Outlined initially in the early 1970s by a handful of experts in North American and British universities, the World Bank, and the United Nations, the strategy of national planning for nutrition and rural development resulted in the implementation of massive programs in Third World countries throughout the 1970s and 1980s, funded primarily by the World Bank and Third World governments. A case study of these plans in Colombia, based on my fieldwork with a group of government planners in charge of their design and implementation, is presented as an illustration of the functioning of the development apparatus. By paying close attention to the political economy of food and hunger and the discursive constructions linked to it, this chapter and the next contribute to the development of a poststructuralist-oriented political economy.

Chapter 5 extends the analysis of chapter 4 by focusing on the regimes of representation that underlie constructions of peasants, women, and the environment. In particular, the chapter exposes the links between representation and power at work in the practices of the World Bank. This institution is presented as an exemplar of development discourse, a blueprint of development. Particular attention is paid to representations of peasants, women, and the environment in recent development literature, and the contradictions and possibilities inherent in the tasks of integrated rural development, incorporating women into development, and sustainable development. The mapping of visibilities by development through the representations planners and experts utilize as they design and carry out their programs is analyzed in detail in order to show the connection between the creation of visibility in discourse, particularly through modern techniques of visibility, and the exercise of power. This chapter also contributes to theorizing the question of discursive change and transformation by explaining how discourses on peasants, women, and the environment emerge and function in similar ways within the overall space of development.

The concluding chapter tackles the question of the transformation of the development regime of representation and the articulation of alternatives. The call by a growing number of Third and First World voices to signal the end of development is reviewed and assessed. Similarly, recent work in Latin American social science, on “hybrid cultures” as a mode of cultural affirmation in the face of modernity’s crisis, is used as a basis for theorizing the formulation of alternatives as a research question and a social practice. I argue that instead of searching for grand alternative models or strategies, what is needed is the investigation of alternative representations and practices in concrete local settings, particularly as they exist in contexts of hybridization, collective action, and political mobilization. This proposal is developed in the context of the ecological phase of capital and the struggles over the world’s biological diversity. These struggles—between global capital and biotechnology interests, on the one hand, and local communities and organizations, on the other—constitute the most advanced stage in which the meanings of development and postdevelopment are being fought over. The fact that the struggles usually involve minority cultures in the tropical regions of the world raises unprecedented questions concerning the cultural politics around the design of social orders, technology, nature, and life itself.

The fact that the analysis, finally, is conducted in terms of tales is not meant to indicate that the said tales are mere fictions. As Donna Haraway says in her analysis of the narrativeness of biology (1989a, 1991), narratives are neither fictions nor opposed to “facts.” Narratives are, indeed, historical textures woven of fact and fiction. Even the most neutral scientific domains are narratives in this sense. To treat science as narrative, Haraway insists, is not
to be dismissive. On the contrary, it is to treat it in the most serious way, without succumbing to its mystification as "the truth" or to the ironic skepticism common to many critiques. Science and expert discourses such as development produce powerful truths, ways of creating and intervening in the world, including ourselves; they are instances "where possible worlds are constantly reinvented in the contest for very real, present worlds" (Haraway 1989a, 5). Narratives, such as the tales in this book, are always immersed in history and never innocent. Whether we can unmake development and perhaps even bid farewell to the Third World will equally depend on the social invention of new narratives, new ways of thinking and doing.  

Chapter 2

THE PROBLEMATIZATION OF POVERTY: THE TALE OF THREE WORLDS AND DEVELOPMENT

The word "poverty" is, no doubt, a key word of our times, extensively used and abused by everyone. Huge amounts of money are spent in the name of the poor. Thousands of books and expert advice continue to offer solutions to their problems. Strangely enough, however, nobody, including the proposed "beneficiaries" of these activities, seems to have a clear, and commonly shared, view of poverty. For one reason, almost all the definitions given to the word are woven around the concept of "lack" or "deficiency." This notion reflects only the basic relativity of the concept.

What is necessary and to whom? And who is qualified to define all that?  
—Majid Rahnema, Global Poverty: A Pauperizing Myth, 1991

One of the many changes that occurred in the early post–World War II period was the "discovery" of mass poverty in Asia, Africa, and Latin America. Relatively inconspicuous and seemingly logical, this discovery was to provide the anchor for an important restructuring of global culture and political economy. The discourse of war was displaced onto the social domain and to a new geographical terrain: the Third World. Left behind was the struggle against fascism. In the rapid globalization of U.S. domination as a world power, the "war on poverty" in the Third World began to occupy a prominent place. Eloquent facts were adduced to justify this new war: "Over 1,500,000 million people, something like two-thirds of the world population, are living in conditions of acute hunger, defined in terms of identifiable nutritional disease. This hunger is at the same time the cause and effect of poverty, squalor, and misery in which they live" (Wilson 1953, 11).

Statements of this nature were uttered profusely throughout the late 1940s and 1950s (Orr 1953; Shonfield 1950; United Nations 1951). The new emphasis was spurred by the recognition of the chronic conditions of poverty and social unrest existing in poor countries and the threat they posed for
more developed countries. The problems of the poor areas irrupted into the international arena. The United Nations estimated that per capita income in the United States was $1,453 in 1949, whereas in Indonesia it barely reached $25. This led to the realization that something had to be done before the levels of instability in the world as a whole became intolerable. The destinies of the rich and poor parts of the world were seen to be closely linked. “Genuine world prosperity is indivisible,” stated a panel of experts in 1948. “It cannot last in one part of the world if the other parts live under conditions of poverty and ill health” (Milbank Memorial Fund 1948, 7; see also Lasswell 1945).

Poverty on a global scale was a discovery of the post–World War II period. As Sachs (1990) and Rahnema (1991) have maintained, the conceptions and treatment of poverty were quite different before 1940. In colonial times the concern with poverty was conditioned by the belief that even if the “natives” could be somewhat enlightened by the presence of the colonizer, not much could be done about their poverty because their economic development was pointless. The natives’ capacity for science and technology, the basis for economic progress, was seen as nil (Adas 1989). As the same authors point out, however, within Asian, African, and Latin or Native American societies—as well as throughout most of European history—vernacular societies had developed ways of defining and treating poverty that accommodated visions of community, frugality, and sufficiency. Whatever these traditional ways might have been, and without idealizing them, it is true that massive poverty in the modern sense appeared only when the spread of the market economy broke down community ties and deprived millions of people from access to land, water, and other resources. With the consolidation of capitalism, systemic pauperization became inevitable.

Without attempting to undertake an archaeology of poverty, as Rahnema (1991) proposes, it is important to emphasize the break that occurred in the conceptions and management of poverty first with the emergence of capitalism in Europe and subsequently with the advent of development in the Third World. Rahnema describes the first break in terms of the advent in the nineteenth century of systems for dealing with the poor based on assistance provided by impersonal institutions. Philanthropy occupied an important place in this transition (Donzelot 1979). The transformation of the poor into the assisted had profound consequences. This “modernization” of poverty signified not only the rupture of vernacular relations but also the setting in place of new mechanisms of control. The poor increasingly appeared as a social problem requiring new ways of intervention in society. It was, indeed, in relation to poverty that the modern ways of thinking about the meaning of life, the economy, rights, and social management came into place. “Pauperism, political economy, and the discovery of society were closely interwoven” (Polanyi 1957a, 84).
subjects in 1948 when the World Bank defined as poor those countries with an annual per capita income below $100. And if the problem was one of insufficient income, the solution was clearly economic growth.

Thus poverty became an organizing concept and the object of a new problematization. As in the case of any problematization (Foucault 1986), that of poverty brought into existence new discourses and practices that shaped the reality to which they referred. That the essential trait of the Third World was its poverty and that the solution was economic growth and development became self-evident, necessary, and universal truths. This chapter analyzes the multiple processes that made possible this particular historical event. It accounts for the ‘developmentalization’ of the Third World, its progressive insertion into a regime of thought and practice in which certain interventions for the eradication of poverty became central to the world order. This chapter can also be seen as an account of the production of the tale of three worlds and the contest over the development of the third. The tale of three worlds was, and continues to be despite the demise of the second, a way of bringing about a political order “that works by the negotiation of boundaries achieved through ordering differences” (Haraway 1989a, 10). It was and is a narrative in which culture, race, gender, nation, and class are deeply and inextricably intertwined. The political and economic order coded by the tale of three worlds and development rests on a traffic of meanings that mapped new domains of being and understanding, the same domains that are increasingly being challenged and displaced by people in the Third World today.

**THE INVENTION OF DEVELOPMENT**

*The Emergence of the New Strategy*

From July 11 to November 5, 1949, an economic mission, organized by the International Bank for Reconstruction and Development, visited Colombia with the purpose of formulating a general development program for the country. It was the first mission of this kind sent out by the International Bank to an underdeveloped country. The mission included fourteen international advisers in the following fields: foreign exchange; transportation; industry, fuel, and power; highways and waterways; community facilities; agriculture; health and welfare; financing and banking; economics; national accounts; railroads; and petroleum refineries. Working closely with the mission was a similar group of Colombian advisers and experts.

Here is how the mission saw its task and, consequently, the character of the program proposed:

> We have interpreted our terms of reference as calling for a comprehensive and internally consistent program. . . . The relationships among various sectors of Colombian economy are very complex, and intensive analysis of these relationships has been necessary to develop a consistent picture. . . . This, then, is the reason and justification for an overall program of development. Piecemeal and sporadic efforts are apt to make little impression on the general picture. Only through a generalized attack throughout the whole economy on education, health, housing, food and productivity can the vicious circle of poverty, ignorance, ill health and low productivity be decisively broken. But once the break is made, the process of economic development can become self-generating. (International Bank 1950, xv)

The program called for a “multitude of improvements and reforms” covering all important areas of the economy. It constituted a radically new representation of, and approach to, a country’s social and economic reality. One of the features most emphasized in the approach was its comprehensive and integrated character. Its comprehensive nature demanded programs in all social and economic aspects of importance, whereas careful planning, organization, and allocation of resources ensured the integrated character of the programs and their successful implementation. The report also furnished a detailed set of prescriptions, including goals and quantifiable targets, investment needs, design criteria, methodologies, and time sequences.

It is instructive to quote at length the last paragraph of the report, because it reveals several key features of the approach that was then emerging:

One cannot escape the conclusion that reliance on natural forces has not produced the most happy results. Equally inescapable is the conclusion that with knowledge of the underlying facts and economic processes, good planning in setting objectives and allocating resources, and determination in carrying out a program for improvements and reforms, a great deal can be done to improve the economic environment by shaping economic policies to meet scientifically ascertained social requirements . . . . Colombia is presented with an opportunity unique in its long history. Its rich natural resources can be made tremendously productive through the application of modern techniques and efficient practices. Its favorable international debt and trade position enables it to obtain modern equipment and techniques from abroad. International and foreign national organizations have been established to aid underdeveloped areas technically and financially. All that is needed to usher a period of rapid and widespread development is a determined effort by the Colombian people themselves. In making such an effort, Colombia would not only accomplish its own salvation but would at the same time furnish an inspiring example to all other underdeveloped areas of the world. (International Bank 1950, 615)

The messianic feeling and the quasi-religious fervor expressed in the notion of salvation are noticeable. In this representation, “salvation” entails the conviction that there is one right way, namely, development; only through
development will Colombia become an “inspiring example” for the rest of the underdeveloped world. Nevertheless, the task of salvation/development is complex. Fortunately, adequate tools (science, technology, planning, and international organizations) have already been created for such a task, the value of which has already been proved by their successful application in the West. Moreover, these tools are neutral, desirable, and universally applicable. Before development, there was nothing; only “reliance on natural forces,” which did not produce “the most happy results.” Development brings the light, that is, the possibility to meet “scientifically ascertained social requirements.” The country must thus awaken from its lethargic past and follow the one way to salvation, which is, undoubtedly, “an opportunity unique in its long history” (of darkness, one might add).

This is the system of representation that the report upholds. Yet, although couched in terms of humanitarian goals and the preservation of freedom, the new strategy sought to provide a new hold on countries and their resources. A type of development was promoted which conformed to the ideas and expectations of the affluent West, to what the Western countries judged to be a normal course of evolution and progress. As we will see, by conceptualizing progress in such terms, this development strategy became a powerful instrument for normalizing the world. The 1949 World Bank mission to Colombia was one of the first concrete expressions of this new state of affairs.

Precursors and Antecedents of the Development Discourse

As we will see in the next section, the development discourse exemplified by the 1949 World Bank mission to Colombia emerged in the context of a complex historical conjunction. Its invention signaled a significant shift in the historical relations between Europe and the United States, on the one hand, and most countries in Asia, Africa, and Latin America, on the other. It also brought into existence a new regime of representation of these latter parts of the world in Euramerican culture. But “the birth” of the discourse must be briefly qualified; there were, indeed, important precursors that presaged its appearance in full regalia after World War II.

The slow preparation for the launching of development was perhaps most clear in Africa, where, a number of recent studies suggest (Cooper 1991; Page 1991), there was an important connection between the decline of the colonial order and the rise of development. In the interwar period, the ground was prepared for the institution of development as a strategy to remake the colonial world and restructure the relations between colonies and metropoles. As Cooper (1991) has pointed out, the British Development Act of the 1940s—the first great materialization of the development idea—was a response to challenges to imperial power in the 1930s and must thus be seen as an attempt to reinvigorate the empire. This was particularly clear in the settler states in southern Africa, where preoccupations with questions of labor and food supplies led to strategies for the modernization of segments of the African population, often, as Page (1991) argues, at the expense of Afrocentric views of food and community defended by women. These early attempts were to crystallize in community development schemes in the 1950s. The role of the League of Nations in negotiating decolonization through the system of mandates was also important in many cases in Asia and Africa. After the Second World War, this system was extended to a generalized decolonization and the promotion of development by the new system of international organizations (Murphy and Angelli 1993).

Generally speaking, the period between 1920 and 1950 is still ill understood from the vantage point of the overlap of colonial and developmentalist regimes of representation. Some aspects that have received attention in the context of north and/or sub-Saharan Africa include the constitution of a labor force and a modernized class of farmers marked by class, gender, and race, including the displacement of African self-sufficient systems of food and cultural production; the role of the state as architect, for instance, in the “detribalization” of wage labor, the escalation of gender competition, and the struggle over education; the ways in which discourses and practices of agricultural experts, health professionals, urban planners, and educators were deployed in the colonial context, their relation to metropolitan discourses and interests, and the metaphors furnished by them for the reorganization of the colonies; the modification of these discourses and practices in the context of the colonial encounter, their imbrication with local forms of knowledge, and their effect on the latter; and the manifold forms of resistance to the colonial power/knowledge apparatuses (see, for instance, Cooper and Stoler 1989; Stoler 1989; Packard 1989; Page 1991; Rabinow 1989; Comaroff 1987; Comaroff and Comaroff 1991; Baw 1991).

The Latin American case is quite different from the African, although the question of precursors of development must also be investigated there. As is well known, most Latin American countries achieved political independence in the early decades of the nineteenth century, even if on many levels they continued to be under the sway of European economics and cultures. By the beginning of the twentieth century, the ascendancy of the United States was felt in the entire region. United States–Latin American relations took on a double-edged significance early in the century. If on the one hand those in power perceived that opportunities for fair exchange existed, on the other hand the United States felt increasingly justified in intervening in Latin American affairs. From the interventionist big stick policy of the early part of the century to the good neighbor principle of the 1930s, these two tendencies coexisted in U.S. foreign policy toward Latin America, the latter having much more important repercussions than the former.

Robert Bacon, former U.S. secretary of state, exemplified the “fair ex-
change” position. “The day has gone,” he stated in his 1916 report of a trip to South America, “when the majority of these countries, laboriously building up a governmental structure under tremendous difficulties, were unstable, tottering and likely to fall from one month to another. . . . They have passed,” to use the words of Mr. Root, ‘out of the condition of militarism, out of the condition of revolution, into the condition of industrialism, into the path of successful commerce, and are becoming great and powerful nations’” (Bacon 1916, 20). Elihu Root, whom Bacon mentioned in a positive light, actually represented the side of active interventionism. A prominent statesman and an expert in international law, Root was a major force in shaping U.S. foreign policy and took active part in the interventionist policy of the earlier part of the century, when the U.S. military occupied most Central American countries. Root, who was awarded the Nobel Peace Prize in 1912, played a very active role in the separation of Colombia from Panama. “With or without the consent of Colombia,” he wrote on that occasion, “we will dig the canal, not for selfish reasons, not for greed or gain, but for the world’s commerce, benefiting Colombia most of all. . . . We shall unite our Atlantic and Pacific coasts, we shall render inestimable service to mankind, and we shall grow in greatness and honor and in the strength that comes from difficult tasks accomplished and from the exercise of the power that strives in the nature of a great constructive people” (Root 1916, 190).

Root’s position embodied the conception of international relations then prevailing in the United States. The readiness for military intervention in the pursuit of U.S. strategic self-interest was tempered from Wilson to Hoover. With Wilson, intervention was accompanied by the goal of promoting “republican” democracies, meaning elite, aristocratic regimes. Often these attempts were fueled by ethnocentric and racist positions. Attitudes of superiority “convinced the United States it had the right and ability to intervene politically in weaker, darker, poorer countries” (Drake 1991, 7). For Wilson, the promotion of democracy was the moral duty of the U.S. and of “good men” in Latin America. “I am going to teach the South American republics to elect good men,” he summed up (quoted in Drake 1991, 13). As Latin American nationalism mounted after World War I, the United States reduced open interventionism and proclaimed instead the principles of the open door and the good neighbor, especially after the mid-twenties. Attempts were made to provide some assistance, particularly regarding financial institutions, the infrastructure, and sanitation. During this period the Rockefeller Foundation became active for the first time in the region (Brown 1976). On the whole, however, the 1912–1932 period was ruled by a desire on the part of the United States to achieve “ideological as well as military and economic hegemony and conformity, without having to pay the price of permanent conquest” (Drake 1991, 34).

Although this state of relations revealed an increasing U.S. interest in Latin America, it did not constitute an explicit, overall strategy for dealing with Latin American countries. This situation was profoundly altered during the subsequent decades and especially after the Second World War. Three inter-American conferences—held at Chapultepec in Mexico (February 21–March 8, 1945), Rio de Janeiro (August 1947), and Bogotá (March 30–April 30, 1948)—were crucial in articulating new rules of the game. As the terrain for the cold war was being fertilized, however, these conferences made evident the serious divergence of interests between Latin America and the United States, marking the demise of the good neighbor policy. For while the United States insisted on its military and security objectives, Latin American countries emphasized more than ever economic and social goals (López Maya 1993).

At Chapultepec, several Latin American presidents made clear the importance of industrialization in the consolidation of democracy and asked the United States to help with a program of economic transition from war production of raw materials to industrial production. The United States, however, insisted on questions of hemispheric defense, reducing economic policy to a warning to Latin American countries to abandon “economic nationalism.” These disagreements grew at the Rio Conference on Peace and Security. Like the Bogotá conference of 1948—which marked the birth of the Organization of American States—the Rio conference was dominated by the growing anti-Communist crusade. As U.S. foreign policy became more militarized, the need for appropriate economic policies, including the protection of the nascent industries, became more and more central to the Latin American agenda. The United States to some extent finally acknowledged this agenda in Bogotá. Yet then secretary of state General Marshall also made clear that Latin America could in no way expect something similar to the Marshall Plan for Europe (López Maya 1993).

In contrast, the United States insisted on its open door policy of free access of resources to all countries and on the encouragement of private enterprise and the “fair” treatment of foreign capital. U.S. experts on the area completely misread the Latin American situation. A student of U.S. foreign policy toward Latin America during the late 1940s put it thus:

Latin America was closest to the United States and of far greater economic importance than any other Third World region, but senior U.S. officials increasingly dismissed it as an aberrant, benighted area inhabited by helpless, essentially childish peoples. When George Kennan [head of State Department policy planning] was sent to review what he described as the “unhappy and hopeless” background there, he penned the most acerbic dispatch of his entire career. Not even the Communists seem viable “because their Latin American character inclines them to individualism [and] to undiscipline.” . . . Pursuing the motif of
the “childish” nature of the area, he condescendingly argued that if the United States treated the Latin Americans like adults, then perhaps they would have to behave like them (Kolko 1988, 39, 40).

Like Currie’s image of “salvation,” the representation of the Third World as a child in need of adult guidance was not an uncommon metaphor and lent itself perfectly to the development discourse. The infantilization of the Third World was integral to development as a “secular theory of salvation” (Nandy 1987).

It must be pointed out that the economic demands Latin American countries made were the reflection of changes that had been taking place for several decades and that also prepared the ground for development—for instance, the beginning of industrialization in some countries and the perceived need to expand domestic markets; urbanization and the rise of professional classes; the secularization of political institutions and the modernization of the state; the growth of organized labor and social movements, which disputed and shared the industrialization process; increased attention to positivist sciences; and various types of modernist movements. Some of these factors were becoming salient in the 1920s and accelerated after 1930. But it was not until the World War II years that they began to coalesce into a clearer momentum for national economic models. In Colombia, talk of industrial development and, occasionally, the economic development of the country appeared in the early to mid-1940s, linked to a perceived threat by the popular classes. State interventionism became more noticeable, even if within a general model of economic liberalism, as an increase in production began to be seen as the necessary route to social progress. This awareness was accompanied by a medicalization of the political gaze, to the extent that the popular classes began to be perceived not in racial terms, as until recently, but as diseased, underfed, uneducated, and physiologically weak masses, thus calling for unprecedented social action (Pécaut 1987, 273–352).

Despite the importance of these historical processes, it is possible to speak of the invention of development in the early post–World War II period. In the climate of the great postwar transformations, and in scarcely one decade, relations between rich and poor countries underwent a drastic change. The conceptualization of these relations, the form they took, the scope they acquired, the mechanisms by which they operated, all of these were subject to a substantial mutation. Within the span of a few years, an entirely new strategy for dealing with the problems of the poorer countries emerged and took definite shape. All that was important in the cultural, social, economic, and political life of these countries— their population, the cultural character of their people, their processes of capital accumulation, their agriculture and trade, and so on—entered into this new strategy. In the next section, we look in detail at the set of historical conditions that made the creation of development possible, and then I undertake an analysis of the discourse itself, that is, of the nexus of power, knowledge, and domination which defines it.

**Historical Conditions, 1945–1955**

If during World War II the dominant image of what was to become the Third World was shaped by strategic considerations and access to its raw materials, the integration of these parts of the world into the economic and political structure that emerged at the end of the war grew more complicated. From the founding conference of the United Nations held in San Francisco in 1945 and throughout the late 1940s, the fate of the nonindustrialized world was the subject of intense negotiations. Moreover, the notions of underdevelopment and Third World were the discursive products of the post–World War II climate. These concepts did not exist before 1945. They emerged as working principles within the process by which the West—and, in different ways, the East—redefined itself and the rest of the world. By the early 1950s, the notion of three worlds—the free industrialized nations, the Communist industrialized nations, and the poor, nonindustrialized nations, constituting the First, Second, and Third World respectively—was firmly in place. Even after the demise of the Second, the notions of First and Third worlds (and North and South) continue to articulate a regime of geopolitical representation.

For the United States, the dominant concern was the reconstruction of Europe. This entailed the defense of the colonial systems, because the continued access by European powers to the raw materials of their colonies was seen as crucial to their recovery. Struggles for national independence in Asia and Africa were on the increase; these struggles led to the leftist nationalism of the Bandung Conference of 1955 and the strategy of nonalignment. During the late 1940s, in other words, the United States supported European efforts to maintain control of the colonies, although with an eye to increasing its influence over the resources of the colonial areas, most clearly perhaps in the case of Middle East oil.

As far as Latin America was concerned, the major force to contend with for the United States was growing nationalism. Since the Great Depression a number of Latin American countries had begun efforts to build their national economies in a more autonomous fashion than ever before, through state-sponsored industrialization. Middle-class participation in social and political life was on the rise, organized labor was also entering political life, and even the Communist Left had made important gains. In general terms, democracy was emerging as a fundamental component of national life in the sense of a recognized need for the wider participation of popular classes,
particularly the working class, and a growing sense of the importance of social justice and the strengthening of the domestic economies. In fact, in the period 1945–1947 many democracies seemed to be in the process of consolidation, and previously dictatorial regimes were undergoing transitions to democracy (Bethell 1991). As already mentioned, the United States completely misread this situation.

Besides the anticolonial struggles in Asia and Africa and growing nationalism in Latin America, other factors shaped the development discourse; these included the cold war, the need to find new markets, the fear of communism and overpopulation, and faith in science and technology.

**Finding New Markets and Safe Battlefields**

In the fall of 1939, the Inter-American Conference of Foreign Ministers, which met in Panama, proclaimed the neutrality of the American republics. The U.S. government recognized, however, that if this continental unity was to endure, it would have to apply special economic measures to help Latin American nations face the period of distress that was expected to follow the loss of peacetime markets. The first step in this direction was the establishment of the Inter-American Development Commission, set up in January 1940 to encourage Latin American production geared toward the U.S. market. Although financial assistance to Latin America was relatively modest during the war period, nevertheless it was of some significance. The two main sources of assistance, the Export-Import Bank and the Reconstruction Finance Corporation, funded programs for the production and procurement of strategic materials. These activities often involved large-scale technical aid and the mobilization of capital resources to Latin America. The character of these relations also served to focus attention on the need to help the Latin American economies in a more systematic manner.

The year 1945 marked a profound transformation in world affairs. It brought the United States to an undisputable position of economic and military preeminence, placing under its tutelage the Latin American economies in a more systematic manner.

The period 1945–1955, then, saw the consolidation of U.S. hegemony in the world capitalist system. The need to expand and deepen the market for U.S. products abroad, as well as the need to find new sites for the investment of U.S. surplus capital, became pressing during these years. The expansion of the U.S. economy also required access to cheap raw materials to support the growing capacity of its industries, especially of the nascent multinational corporations. One economic factor that became more noticeable during the period was the change in the relation of industrial production to the production of foods and raw materials, to the detriment of the latter, which pointed toward the need for an effective program to foster primary production in underdeveloped areas. Yet the fundamental preoccupation of the period was the revitalization of the European economy. A massive program of economic aid to Western Europe was established, which culminated in the formulation of the Marshall Plan in 1948.

The Marshall Plan can be seen as “an exceptional event of historical importance” (Bataille 1991, 173). As Georges Bataille, following French economist François Perroux’s 1948 analysis of the plan argued, with the Marshall Plan, and for the first time in the history of capitalism, the general interest of society seemed to have taken priority over the interest of particular investors or nations. It was, Bataille writes borrowing Perroux’s expression, “an investment in the [Western] world’s interest” (177). The mobilization of capital that accompanied the plan ($19 billion in U.S. foreign assistance to Western Europe in the period 1945–1950) was exempt from the law of profit, in what constituted, according to Bataille, a clear reversal of the principles of classical economics. It was “the only way to transfer to Europe the products without which the world’s fever would rise” (175). For a short time at least, the United States gave up “the rule on which the capitalist world was based. It was necessary to deliver the goods without payment. It was necessary to give away the product of labor” (175).

The Third World was not deserving of the same treatment. Compared with the $19 billion received by Europe, less than 2 percent of total U.S. aid, for instance, went to Latin America during the same period (Bethell 1991, 55); only $150 million for the Third World as a whole were spent in 1953 under the Point Four Program (Kolko 1988, 42). The Third World was instructed to look at private capital, both domestic and foreign, which meant that the “right climate” had to be created, including a commitment to capitalist development; the curbing of nationalism; and the control of the Left, the working class, and the peasantry. The creation of the International Bank for Reconstruction and Development (most commonly known as the World Bank) and the International Monetary Fund did not represent a departure from this law. To this extent, “the inadequacy of the International Bank and the Monetary Fund presented a negative version of the Marshall Plan’s positive initiative” (Bataille 1991, 177). Development, in this way, fell short from the outset. The fate of the Third World was seen as part of the “general interest” of humankind only in a very limited manner.

The cold war was undoubtedly one of the single most important factors at
play in the conformation of the strategy of development. The historical roots of development and those of East-West politics lie in one and the same process: the political rearrangements that occurred after World War II. In the late 1940s, the real struggle between East and West had already moved to the Third World, and development became the grand strategy for advancing such rivalry and, at the same time, the designs of industrial civilization. The confrontation between the United States and the Soviet Union thus lent legitimacy to the enterprise of modernization and development; to extend the sphere of political and cultural influence became an end in itself.

The relationship between military concerns and the origins of development has scarcely been studied. Pacts of military assistance, for example, were signed at the Rio conference of 1947 between the United States and all Latin American countries (Varas 1985). In time, they would give way to doctrines of national security intimately linked to development strategies. It is no coincidence that the vast majority of the approximately 150 wars of the last four decades were fought in the Third World, many of them with the direct or indirect participation of powers external to the Third World (Soedjatmoko 1985). The Third World, far from being peripheral, was central to superpower rivalry and the possibility of nuclear confrontation. The system that generates conflict and instability and the system that generates underdevelopment are inextricably bound. Although the end of the cold war and the rise of the New World Order have changed the configuration of power, the Third World is still the most important arena of confrontation (as the Gulf War, the bombing of Libya, and the invasions of Grenada and Panama indicate). Although increasingly differentiated, the South is still, perhaps more clearly than ever, the opposite camp to a growingly unified North, despite the latter’s localized ethnic wars.

Anti-Fascist sentiment easily gave way to anti-Communist crusades after the war. The fear of communism became one of the most compelling arguments for development. It was commonly accepted in the early 1950s that if poor countries were not rescued from their poverty, they would succumb to communism. To a greater or lesser extent, most early writings on development reflect this preoccupation. The espousal of economic development as a means of combating communism was not confined to military or academic circles. It found an even more welcoming niche in the offices of the U.S. government, in numerous smaller organizations, and among the American public. The control of communism, the ambivalent acceptance of the independence of former European colonies as a concession to preventing their falling into the Soviet camp, and the continued access to crucial Third World raw materials, on which the U.S. economy was growing increasingly dependent, were part of the United States’s reassessment of the Third World in the period that ended with the Korean War.

The war on poverty was justified on additional grounds, particularly the urgency believed to characterize the “population problem.” Statements and positions regarding population began to proliferate. In many instances, a crude form of empiricism was followed, making Malthusian views and prescriptions inevitable, although economists and demographers made serious attempts to conceptualize the effect of demographic factors on development. Models and theories were formulated seeking to relate the various variables and to provide a basis for policy and program formulation. As the experience of the West suggested, it was hoped that growth rates would begin to fall as the countries developed; but, as many warned, countries could not wait for this process to occur and should speed up the reduction of fertility by more direct means.

To be sure, this preoccupation with population had existed for several decades, especially in relation to Asia. It was a central topic in discussions on race and racism. But the scale and form that the discussion took were new. As one author stated, “It is probable that in the last five years more copies have been published of discussions related to population than in all the previous centuries” (Pendell 1951, 377). The discussions held in academic circles or in the ambit of the nascent international organizations also had a new tone; they focused on topics such as the relationship between economic growth and population growth; between population, resources, and output; between cultural factors and birth control. They also took on topics such as the demographic experience of the rich countries and its possible extrapolation to the poor ones; the factors affecting human fertility and mortality; population trends and projections for the future; the conditions necessary for successful population control programs; and so on. In other words, in much the same way that was happening with race and racism during the same period—and in spite of the persistence of blatant racist views—the discourses on population were being redeployed within the “scientific” realm provided by demography, public health, and population biology. A new view of population, and of scientific and technological instruments to manage it, was taking shape.

The Promise of Science and Technology

The faith in science and technology, invigorated by the new sciences arising from the war effort, such as nuclear physics and operations research, played an important role in the elaboration and justification of the new discourse of development. In 1948, a well-known UN official expressed this faith in the following way: “I still think that human progress depends on the develop-
ment and application of the greatest possible extent of scientific research. . . . The development of a country depends primarily on a material factor: first, the knowledge, and then the exploitation of all its natural resources” (Laugier 1948, 256).

Science and technology had been the markers of civilization par excellence since the nineteenth century, when machines became the index of civilization, “the measure of men” (Adas 1989). This modern trait was rekindled with the advent of the development age. By 1949, the Marshall Plan was showing great success in the restoration of the European economy, and increasingly attention was shifted to the longer-range problems of assistance for economic development in underdeveloped areas. Out of this shift of attention came the famous Point Four Program of President Truman, with which I opened this book. The Point Four Program involved the application to the poor areas of the world what were considered to be two vital forces: modern technology and capital. However, it relied much more heavily on technical assistance than on capital, in the belief that the former would provide progress at a lower price. An Act for International Development was approved by Congress in May 1950, which provided authority to finance and carry out a variety of international technical cooperation activities. In October of the same year, the Technical Cooperation Administration (TCA) was established within the Department of State with the task of implementing the new policies. By 1952, these agencies were conducting operations in nearly every country in Latin America, as well as in several countries in Asia and Africa (Brown and Opie 1953).

Technology, it was believed, would not only amplify material progress, it would also confer upon it a sense of direction and significance. In the vast literature on the sociology of modernization, technology was theorized as a sort of moral force that would operate by creating an ethics of innovation, yield, and result. Technology thus contributed to the planetary extension of modernist ideals. The concept of the transfer of technology in time would become an important component of development projects. It was never realized that such a transfer would depend not merely on technical elements but on social and cultural factors as well. Technology was seen as neutral and inevitably beneficial, not as an instrument for the creation of cultural and social orders (Morandé 1984; García de la Huerta 1992).

The new awareness of the importance of the Third World in global economy and politics, coupled with the beginning of field activities in the Third World, brought with it a recognition of the need to obtain more accurate knowledge about the Third World. Nowhere was this need perceived more acutely than in the case of Latin America. As a prominent Latin Americanist put it, “The war years witnessed a remarkable growth of interest in Latin America. What once had been an area which only diplomats and pioneering scholars ventured to explore, became almost overnight the center of attrac-

tion to government officials, as well as to scholars and teachers” (Burgin [1947] 1967, 466). This called for “detailed knowledge of the economic potential of Latin America as well as of the geographic, social and political environment in which that potential was to be realized” (466). Only in “history, literature and ethnology” was the status of knowledge considered adequate. What was needed now was the kind of precise knowledge that could be obtained through the application of the new “scientific” social sciences that were experiencing remarkable growth on U.S. campuses (such as Parsonsian sociology, Keynesian macroeconomics, systems analysis and operations research, demography, and statistics). In 1949, an illustrious Peruvian scholar described the “mission of Latin American Studies” as, “through study and research, [to] provide a background which will assist in interpreting and evaluating objectively the problems and events of the day from the perspective of history, geography, economics, sociology, anthropology, social psychology and political science” (Basadre [1949] 1967, 434).

Basadre’s was a progressive call for social change as well, even if it became captive to the development mode. The earlier model for the generation of knowledge, organized around the classical professions according to nineteenth-century usage, was replaced by the North American model. Sociology and economics were the disciplines most affected by this change, which involved most natural and social sciences. Development had to rely on the production of knowledge that could provide a scientific picture of a country’s social and economic problems and resources. This entailed the establishment of institutions capable of generating such a knowledge. The “tree of research” of the North was transplanted to the South, and Latin America thus became part of a transnational system of research. As some maintain, although this transformation created new knowledge capabilities, it also implied a further loss of autonomy and the blocking of different modes of knowing (Fuenzalida 1983; Morandé 1984; Escobar 1989).

Gone were the days, so most scholars thought in the wake of empirical social science, when science was contaminated by prejudice and error. The new objectivity ensured accuracy and fairness of representation. Little by little, older ways of thinking would yield to the new spirit. Economists were quick to join this wave of enthusiasm. Latin America was suddenly discovered to be “a tabula rasa to the economic historian” (Burgin [1947] 1967, 474), and economic thinking in Latin America was found to be devoid of any connection with local conditions, a mere appendage of European classical economics. The new scholars realized that “the starting point of research must be the area itself; for it is only in terms of its historical development and objectives that the organization and functioning of the economy can be fully understood” (469). The terrain was prepared for the emergence of economic development as a legitimate theoretical endeavor.

The better and more widespread understanding of the workings of the
economic system strengthened the hope of bringing material prosperity to the rest of the world. The unquestioned desirability of economic growth was, in this way, closely linked to the revitalized faith in science and technology. Economic growth presupposed the existence of a continuum stretching from poor to rich countries, which would allow for the replication in the poor countries of those conditions characteristic of mature capitalist ones (including industrialization, urbanization, agricultural modernization, infrastructure, increased provision of social services, and high levels of literacy). Development was seen as the process of transition from one situation to the other. This notion conferred upon the processes of accumulation and development a progressive, orderly, and stable character that would culminate, in the late 1950s and early 1960s, in modernization and “stages of economic growth” theories (Rostow 1960).18

Finally, there was another factor that influenced the formation of the new strategy of development: the increased experience with public intervention in the economy. Although the desirability of this intervention, as opposed to a more laissez-faire approach, was still a matter of controversy,19 the recognition of the need for some sort of planning or government action was becoming generalized. The experience of social planning during the New Deal, legitimized by Keynesianism, as well as the “planned communities” envisaged and partly implemented in Native American communities and Japanese American internment camps in the United States (James 1984), represented significant approaches to social intervention in this regard; so were the statutory corporations and public utility companies established in industrialized countries by government enterprise—for instance, the British Broadcasting Commission (BBC) and the Tennessee Valley Authority (TVA). Following the TVA model, a number of regional development corporations were set up in Latin America and other parts of the Third World.20 Models for national, regional, and sectoral planning became essential for the spread and functioning of development.

These, very broadly stated, were the most important conditions that made possible and shaped the new discourse of development. There was a reorganization of power at the world level, the final result of which was still far from clear; important changes had occurred in the structure of production, which had to be brought to fit the requirements of expansion of a capitalist system in which the underdeveloped countries played an increasingly important role, if yet not thoroughly defined. These countries could forge alliances with any pole of power. In the light of expanding communism, the steady deterioration of living conditions, and the alarming increase in their populations, the direction in which they would decide to go would largely depend on a type of action of an urgent nature and unprecedented level.

Rich countries, however, were believed to have the financial and technological capacity to secure progress the world over. A look at their own past instilled in them the firm conviction that this was not only possible—let alone desirable—but perhaps even inevitable. Sooner or later the poor countries would become rich, and the underdeveloped world would be developed. A new type of economic knowledge and an enriched experience with the design and management of social systems made this goal look even more plausible. Now it was a matter of an appropriate strategy to do it, of setting in motion the right forces to ensure progress and world happiness.

Behind the humanitarian concern and the positive outlook of the new strategy, new forms of power and control, more subtle and refined, were put in operation. Poor people’s ability to define and take care of their own lives was eroded in a deeper manner than perhaps ever before. The poor became the target of more sophisticated practices, of a variety of programs that seemed inescapable. From the new institutions of power in the United States and Europe; from the offices of the International Bank for Reconstruction and Development and the United Nations; from North American and European campuses, research centers, and foundations; and from the new planning offices in the big capitals of the underdeveloped world, this was the type of development that was actively promoted and that in a few years was to extend its reach to all aspects of society. Let us now see how this set of historical factors resulted in the new discourse of development.

The Discourse of Development

The Space of Development

What does it mean to say that development started to function as a discourse, that is, that it created a space in which only certain things could be said and even imagined? If discourse is the process through which social reality comes into being—if it is the articulation of knowledge and power, of the visible and the expressible—how can the development discourse be individualized and related to ongoing technical, political, and economic events? How did development become a space for the systematic creation of concepts, theories, and practices?

An entry point for this inquiry on the nature of development as discourse is its basic premises as they were formulated in the 1940s and 1950s. The organizing premise was the belief in the role of modernization as the only force capable of destroying archaic superstitions and relations, at whatever social, cultural, and political cost. Industrialization and urbanization were seen as the inevitable and necessarily progressive routes to modernization. Only through material advancement could social, cultural, and political
progress be achieved. This view determined the belief that capital investment was the most important ingredient in economic growth and development. The advance of poor countries was thus seen from the outset as depending on ample supplies of capital to provide for infrastructure, industrialization, and the overall modernization of society. Where was this capital to come from? One possible answer was domestic savings. But these countries were seen as trapped in a “vicious circle” of poverty and lack of capital, so that a good part of the “badly needed” capital would have to come from abroad (see chapter 3). Moreover, it was absolutely necessary that governments and international organizations take an active role in promoting and orchestrating the necessary efforts to overcome general backwardness and economic underdevelopment.

What, then, were the most important elements that went into the formulation of development theory, as gleaned from the earlier description? There was the process of capital formation, and the various factors associated with it: technology, population and resources, monetary and fiscal policies, industrialization and agricultural development, commerce and trade. There were also a series of factors linked to cultural considerations, such as education and the need to foster modern cultural values. Finally, there was the need to create adequate institutions for carrying out the complex task ahead: international organizations (such as the World Bank and the International Monetary Fund, created in 1944, and most of the United Nations technical agencies, also a product of the mid-1940s); national planning agencies (which proliferated in Latin America, especially after the inauguration of the Alliance for Progress in the early 1960s); and technical agencies of various kinds.

Development was not merely the result of the combination, study, or gradual elaboration of these elements (some of these topics had existed for some time); nor the product of the introduction of new ideas (some of which were already appearing or perhaps were bound to appear); nor the effect of the new international organizations or financial institutions (which had some predecessors, such as the League of Nations). It was rather the result of the establishment of a set of relations among these elements, institutions, and practices and of the systematization of these relations to form a whole. The development discourse was constituted not by the array of possible objects under its domain but by the way in which, thanks to this set of relations, it was able to form systematically the objects of which it spoke, to group them and arrange them in certain ways, and to give them a unity of their own.21

To understand development as a discourse, one must look not at the elements themselves but at the system of relations established among them. It is this system that allows the systematic creation of objects, concepts, and strategies; it determines what can be thought and said. These relations—established between institutions, socioeconomic processes, forms of knowledge, technological factors, and so on—define the conditions under which objects, concepts, theories, and strategies can be incorporated into the discourse. In sum, the system of relations establishes a discursive practice that sets the rules of the game: who can speak, from what points of view, with what authority, and according to what criteria of expertise; it sets the rules that must be followed for this or that problem, theory, or object to emerge and be named, analyzed, and eventually transformed into a policy or a plan.

The objects with which development began to deal after 1945 were numerous and varied. Some of them stood out clearly (poverty, insufficient technology and capital, rapid population growth, inadequate public services, archaic agricultural practices, and so on), whereas others were introduced with more caution or even in surreptitious ways (such as cultural attitudes and values and the existence of racial, religious, geographic, or ethnic factors believed to be associated with backwardness). These elements emerged from a multiplicity of points: the newly formed international organizations, government offices in distant capitals, old and new institutions, universities and research centers in developed countries, and, increasingly with the passing of time, institutions in the Third World. Everything was subjected to the eye of the new experts: the poor dwellings of the rural masses, the vast agricultural fields, cities, households, factories, hospitals, schools, public offices, towns and regions, and, in the last instance, the world as a whole. The vast surface over which the discourse moved at ease practically covered the entire cultural, economic, and political geography of the Third World.

However, not all the actors distributed throughout this surface could identify objects to be studied and have their problems considered. Some clear principles of authority were in operation. They concerned the role of experts, from whom certain criteria of knowledge and competence were asked; institutions such as the United Nations, which had the moral, professional, and legal authority to name subjects and define strategies; and the international lending organizations, which carried the symbols of capital and power. These principles of authority also concerned the governments of poor countries, which commanded the legal political authority over the lives of their subjects, and the position of leadership of the rich countries, who had the power, knowledge, and experience to decide on what was to be done.

Economists, demographers, educators, and experts in agriculture, public health, and nutrition elaborated their theories, made their assessments and observations, and designed their programs from these institutional sites. Problems were continually identified, and client categories brought into existence. Development proceeded by creating “abnormalities” (such as the “illiterate,” the “underdeveloped,” the “malnourished,” “small farmers,” or “landless peasants”), which it would later treat and reform. Approaches that could have had positive effects in terms of easing material constraints be-
came, linked to this type of rationality, instruments of power and control. As time went by, new problems were progressively and selectively incorporated; once a problem was incorporated into the discourse, it had to be categorized and further specified. Some problems were specified at a given level (such as local or regional), or at various of these levels (for instance, a nutritional deficiency identified at the level of the household could be further specified as a regional production shortage or as affecting a given population group), or in relation to a particular institution. But these refined specifications did not seek so much to illuminate possible solutions as to give “problems” a visible reality amenable to particular treatments.

This seemingly endless specification of problems required detailed observations in villages, regions, and countries in the Third World. Complete dossiers of countries were elaborated, and techniques of information were designed and constantly refined. This feature of the discourse allowed for the mapping of the economic and social life of countries, constituting a true political anatomy of the Third World. The end result was the creation of a space of thought and action the expansion of which was dictated in advance by the very same rules introduced during its formative stages. The development discourse defined a perceptual field structured by grids of observation, modes of inquiry and registration of problems, and forms of intervention; in short, it brought into existence a space defined not so much by the ensemble of objects with which it dealt but by a set of relations and a discursive practice that systematically produced interrelated objects, concepts, theories, strategies, and the like.

To be sure, new objects have been included, new modes of operation introduced, and a number of variables modified (for instance, in relation to strategies to combat hunger, knowledge about nutritional requirements, the types of crops given priority, and the choices of technology have changed); yet the same set of relations among these elements continues to be established by the discursive practices of the institutions involved. Moreover, seemingly opposed options can easily coexist within the same discursive field (for instance, in development economics, the structuralist school and the monetarist school seem to be in open contradiction; yet they belong to the same discursive formation and originate in the same set of relations, as will be shown in the next chapter; it can also be shown that agrarian reform, green revolution, and integrated rural development are strategies through which the same unity, “hunger,” is constructed, as I will do in chapter 4). In other words, although the discourse has gone through a series of structural changes, the architecture of the discursive formation laid down in the period 1945–1955 has remained unchanged, allowing the discourse to adapt to new conditions. The result has been the succession of development strategies and substrategies up to the present, always within the confines of the same discursive space.

It is also clear that other historical discourses influenced particular representations of development. The discourse of communism, for instance, influenced the promotion of those choices which emphasized the role of the individual in society and, in particular, those approaches which relied on private initiative and private property. So much emphasis on this issue in the context of development, so strong a moralizing attitude probably would not have existed without the persistent anti-Communist preaching that originated in the cold war. Similarly, the fact that economic development relied so much on the need for foreign exchange influenced the promotion of cash crops for export, to the detriment of food crops for domestic consumption. Yet the ways in which the discourse organized these elements cannot be reduced to causal relations, as I will show in later chapters.

In a similar vein, patriarchy and ethnocentrism influenced the form development took. Indigenous populations had to be “modernized,” where modernization meant the adoption of the “right” values, namely, those held by the white minority or a mestizo majority and, in general, those embodied in the ideal of the cultivated European; programs for industrialization and agricultural development, however, not only have made women invisible in their role as producers but also have tended to perpetuate their subordination (see chapter 5). Forms of power in terms of class, gender, race, and nationality thus found their way into development theory and practice. The former do not determine the latter in a direct causal relation; rather they are the development discourse’s formative elements.

The examination of any given object should be done within the context of the discourse as a whole. The emphasis on capital accumulation, for instance, emerged as part of a complex set of relations in which technology, new financial institutions, systems of classification (GNP per capita), decision-making systems (such as new mechanisms for national accounting and the allocation of public resources), modes of knowledge, and international factors all played a role. What made development economists privileged figures was their position in this complex system. Options privileged or excluded must also be seen in light of the dynamics of the entire discourse—why, for instance, the discourse privileged the promotion of cash crops (to secure foreign exchange, according to capital and technological imperatives) and not food crops; centralized planning (to satisfy economic and knowledge requirements) but not participatory and decentralized approaches; agricultural development based on large mechanized farms and the use of chemical inputs but not alternative agricultural systems, based on smaller farms, ecological considerations, and integrated cropping and pest management; rapid economic growth but not the articulation of internal markets to satisfy the needs of the majority of the people; and capital-intensive but not labor-intensive solutions. With the deepening of the crisis, some of the previously excluded choices are being considered, although most often within a devel-
Finally, what is included as legitimate development issues may depend on specific relations established in the midst of the discourse; relations, for instance, between what experts say and what international politics allows as feasible (this may determine, for instance, what an international organization may prescribe out of the recommendation of a group of experts); between one power segment and another (say, industry versus agriculture); or between two or more forms of authority (for instance, the balance between nutritionists and public health specialists, on the one hand, and the medical profession, on the other, which may determine the adoption of particular approaches to rural health care). Other types of relations to be considered are those between sites from which objects appear (for instance, between rural and urban areas); between procedures of assessment of needs (such as the use of “empirical data” by World Bank missions) and the position of authority of those carrying the assessment (this may determine the proposals made and the possibility of their implementation).

Relations of this type regulate development practice. Although this practice is not static, it continues to reproduce the same relations between the elements with which it deals. It was this systematization of relations that conferred upon development its great dynamic quality: its immanent adaptability to changing conditions, which allowed it to survive, indeed to thrive, up to the present. By 1955 a discourse had emerged which was characterized not by a unified object but by the formation of a vast number of objects and strategies; not by new knowledge but by the systematic inclusion of new objects under its domain. The most important exclusion, however, was and continues to be what development was supposed to be all about: people. Development was—and continues to be for the most part—a top-down, ethnocentric, and technocratic approach, which treated people and cultures as abstract concepts, statistical figures to be moved up and down in the charts of “progress.” Development was conceived not as a cultural process (culture was a residual variable, to disappear with the advance of modernization) but instead as a system of more or less universally applicable technical interventions intended to deliver some “badly needed” goods to a “target” population. It comes as no surprise that development became a force so destructive to Third World cultures, ironically in the name of people’s interests.

The Professionalization and Institutionalization of Development

Development was a response to the problematization of poverty that took place in the years following World War II and not a natural process of knowledge that gradually uncovered problems and dealt with them; as such, it must be seen as a historical construct that provides a space in which poor countries are known, specified, and intervened upon. To speak of development as a historical construct requires an analysis of the mechanisms through which it becomes an active, real force. These mechanisms are structured by forms of knowledge and power and can be studied in terms of processes of institutionalization and professionalization.

The concept of professionalization refers mainly to the process that brings the Third World into the politics of expert knowledge and Western science in general. This is accomplished through a set of techniques, strategies, and disciplinary practices that organize the generation, validation, and diffusion of development knowledge, including the academic disciplines, methods of research and teaching, criteria of expertise, and manifold professional practices; in other words, those mechanisms through which a politics of truth is created and maintained, through which certain forms of knowledge are given the status of truth. This professionalization was effected through the proliferation of development sciences and subdisciplines. It made possible the progressive incorporation of problems into the space of development, bringing problems to light in ways congruent with the established system of knowledge and power.

The professionalization of development also made it possible to remove all problems from the political and cultural realms and to recast them in terms of the apparently more neutral realm of science. It resulted in the establishment of development studies programs in most major universities in the developed world and conditioned the creation or restructuring of Third World universities to suit the needs of development. The empirical social sciences, on the rise since the late 1940s, especially in the United States and England, were instrumental in this regard. So were the area studies programs, which became fashionable after the war in academic and policy-making circles. As already mentioned, the increasingly professionalized character of development caused a radical reorganization of knowledge institutions in Latin America and other parts of the Third World. Professionalized development required the production of knowledge that could allow experts and planners “scientifically [to] ascertain social requirements,” to recall Currie’s words (Fuenzalida 1983, 1987).

An unprecedented will to know everything about the Third World flourished unhindered, growing like a virus. Like the landing of the Allies in Normandy, the Third World witnessed a massive landing of experts, each in charge of investigating, measuring, and theorizing about this or that little aspect of Third World societies. The policies and programs that originated from this vast field of knowledge inevitably carried with them strong normalizing components. At stake was a politics of knowledge that allowed experts to classify problems and formulate policies, to pass judgment on entire
social groups and forecast their future—to produce, in short, a regime of truth and norms about them. The consequences for these groups and countries cannot be emphasized enough.

Another important consequence of the professionalization of development was the inevitable translation of Third World people and their interests into research data within Western capitalist paradigms. There is a further paradox in this situation. As an African scholar put it, “Our own history, culture and practices, good or bad, are discovered and translated in the journals of the North and come back to us re-conceptualized, couched in languages and paradigms which make it all sound new and novel” (Namuddu 1989, 28; quoted in Mueller 1991, 5). The magnitude and consequences of this apparently neutral but profoundly ideological operation is fully explored in subsequent chapters.

The invention of development necessarily involved the creation of an institutional field from which discourses are produced, recorded, stabilized, modified, and put into circulation. This field is intimately imbificated with processes of professionalization; together they constitute an apparatus that organizes the production of forms of knowledge and the deployment of forms of power, relating one to the other. The institutionalization of development took place at all levels, from the international organizations and national planning agencies in the Third World to local development agencies, community development committees, private voluntary agencies, and non-governmental organizations. Starting in the mid-1940s with the creation of the great international organizations, this process has not ceased to spread, resulting in the consolidation of an effective network of power. It is through the action of this network that people and communities are bound to specific cycles of cultural and economic production and through which certain behaviors and rationalities are promoted. This field of intervention relies on myriad local centers of power, in turn supported by forms of knowledge that circulate at the local level.

The knowledge produced about the Third World is utilized and circulated by these institutions through applied programs, conferences, international consultant services, local extension practices, and so on. A corollary of this process is the establishment of an ever-expanding development business; as John Kenneth Galbraith wrote, referring to the climate in U.S. universities in the early 1950s, “No economic subject more quickly captured the attention of so many as the rescue of the people of the poor countries from their poverty” (1979, 29). Poverty, illiteracy, and even hunger became the basis of a lucrative industry for planners, experts, and civil servants (Rahmema 1986). This is not to deny that the work of these institutions might have benefited people at times. It is to emphasize that the work of development institutions has not been an innocent effort on behalf of the poor. Rather, development has been successful to the extent that it has been able to integrate, manage, and control countries and populations in increasingly detailed and encompassing ways. If it has failed to solve the basic problems of underdevelopment, it can be said—perhaps with greater pertinence—that it has succeeded well in creating a type of underdevelopment that has been, for the most part, politically and technically manageable. The discord between institutionalized development and the situation of popular groups in the Third World has only grown with each development decade, as popular groups themselves are becoming apt at demonstrating.

The Invention of "The Village": Development at the Local Level

James Ferguson (1990) has shown that the construction in development literature of Third World societies as less developed countries—similar to the World Bank mission’s construction of Colombia as underdeveloped in 1949—is an essential feature of the development apparatus. In the case of Lesotho, for instance, this construction relied on three main features: portraying the country as an aboriginal economy, cut off from world markets; picturing its population as peasant and its agricultural production as traditional; and assuming that the country is a national economy and that it is the task of the national government to develop the country. Tropes such as “less developed country” repeat themselves in an endless number of situations and with many variations. Mitchell’s (1991) analysis of the portrayal of Egypt in terms of the trope “the overcrowded Nile River valley” is another case in point. As he points out, development reports on Egypt invariably start with a description of 98 percent of the population crowded onto 4 percent of the land along the Nile River. The result of this description is an understanding of “the problem” in terms of natural limits, topography, physical space, and social reproduction, calling for solutions such as improved management, new technologies, and population control.

Mitchell’s deconstruction of this simple but powerful trope starts by recognizing that “objects of analysis do not occur as natural phenomena, but are partly constructed by the discourse that describes them. The more natural the object appears, the less obvious this discursive construction is... The naturalness of the topographic image sets up the object of development as just that—an object, out there, not a part of the study but external to it” (1991, 19). Moreover, a more subtle ideological operation is at play:

Development discourse wishes to present itself as a detached center of rationality and intelligence. The relationship between West and non-West will be constructed in these terms. The West possesses the expertise, technology and management skills that the non-West is lacking. This lack is what has caused the
problems of the non-West. Questions of power and inequality . . . will nowhere
be discussed. To remain silent on such questions, in which its own existence is
involved, development discourse needs an object that appears to stand outside
itself. What more natural object could there be, for such a purpose, than the
image of a narrow river valley, hemmed in by the desert, crowded with rapidly
multiplying millions of inhabitants? (1991, 33)

The tropes of the discourse repeat themselves at all levels, even if few
studies exist to date of the effect and modes of operation of development
discourses at the local level. There are already indications, however, of how
development images and languages circulate at the local level, for instance,
in Malaysian villages where educated villagers and party officials have be-
come adept at using the language of development promoted by the national
and regional governments (Ong 1987). A rich texture of resistance to the
practices and symbols of development technologies, such as the green revo-
lation, has also been highlighted (Tausig 1980; Fals Borda 1984; Scott
1985). Yet local-level ethnographic studies that focus on development dis-
courses and practices—how they are introduced in community settings,
their modes of operation, the ways in which they are transformed or utilized,
their effects on community identity formation and structures, and so on—
are just beginning to be conducted.

Stacy Leigh Pigg’s excellent study of the introduction of images of de-
velopment in communities in Nepal is perhaps the first study of this kind. Pigg
(1992) centers her analysis on the construction of another trope, “the vil-
lage,” as an effect of the introduction of the development discourse. Her
interest is to show how ideologies of modernization and development be-
come effective in local culture, even if, as she warns, the process cannot be
reduced to simple assimilation or appropriation of Western models. On the
contrary, a complex Nepalization of development concepts occurs, peculiar
to Nepal’s history and culture. The Nepalized concept of development
(bikas) becomes an important social organizing force through a variety of
means, including its participation in scales of social progress structured
according to place of residence (rural versus urban), mode of livelihood (from
nomadic herding to office work), religion (Buddhist to more orthodox
Hindu), and race (Central Asian to Aryan). In these scales, bikas pertains
more to one pole than to the other, as villagers incorporate the ideology of
modernization into local social identity to become bikasi.

Bikas thus transforms what it means to be a villager. This effect is a result
of how the village is constructed by the bikas discourse. As in the case of the
trope of the “less developed country,” a generic village is produced by the
discourse:

It follows that the generic village should be inhabited by generic villagers . . .
People in development planning “know” that villagers have certain habits,
goals, motivations and beliefs. . . . The ‘ignorance’ of villagers is not an absence
of knowledge. Quite the contrary. It is the presence of too much locally-instilled
belief. . . . The problem, people working in development will tell each other
and a foreign visitor, is that villagers “don’t understand things.” To speak of
“people who don’t understand” is a way of identifying people as “villagers.” As
long as development aims to transform people’s thinking, the villager must be
someone who doesn’t understand. (Pigg 1992, 17, 20)

More often than not, Nepalese development workers understand the dis-
cord between the attitudes and habits they are supposed to promote and
those that exist in the villages; they are aware of the diversity of local situa-
tions in opposition to the homogenized village. Yet because what they know
about real villages cannot be translated upward into the language of de-
velopment, they fall back into the construct of “villagers” who “don’t under-
stand things.” Pigg, however, states that social categories of development are
not simply imposed; they circulate at the village level in complex ways,
changing the way villagers orient themselves in local and national society.
Places are arranged according to how much bikas they have achieved (water
pipes, electricity, new breeds of goats, health posts, roads, videos, bus stops);
and although people know that bikas comes from the outside, they endorse
bikas thinking as a way to become bikasi. People thus move between two
systems for framing local identity: one marked by local distinctions in terms
of age, caste/ethnicity, gender, patronage, and the like; and the other the na-
tional society, with its centers, peripheries, and degrees of development.

As the bikas apparatus becomes more important in terms of providing jobs
and other means of social wealth and power, more and more people want a
piece of the bikas pie. Indeed, it is not so much to be a beneficiary of devel-
opment programs that people want—they know they do not get much out of
these programs—but to become a salaried worker in the implementation of
bikas. Pigg, in sum, shows how the culture of development works within and
through local cultures. The development encounter, she adds, should be
seen not so much as the clash of two cultural systems but as an intersection
that creates situations in which people come to see each other in certain
ways. In the process, social differences come to be represented in new ways,
even if the prevailing forms (in terms of caste, class, and gender, for in-
stance) do not disappear; they are given new meaning, and new forms of
social positioning appear.

The general question this case study raises is the circulation and effects of
languages of development and modernity in different parts of the Third
World. The answer to this question is specific to each locality—its history of
immersion in the world economy, colonial heritage, patterns of insertion
into development, and the like. Three additional brief examples will bring
this point home. What is bikas in Nepalese villages is kamap (“coming up”)
in Gapun, a small village in Papua New Guinea in which the quest for de-
velopment has become a way of life. In Gapun, the reservoir of images of
development comes form the village’s history, marked by the steady influence of Catholic missionaries, Australian colonial administrators, and Japanese and American soldiers. It is also shaped by cargo cults, particularly the villagers’ belief that their ancestors will return from the dead, bringing with them all the cargo that white people had. With the advent of cash crops, the symbols of development have multiplied as people’s economic activities diversified. Today, prestige foods like packaged white rice and Nescafé top the list as signs of development. As in Nepal, lack of development is identified with features such as the persistence of traditional ways and carrying heavy loads. Children now go to school to learn about white people and their ways.

Yet this does not mean that Gapun is just becoming “modernized.” In fact, much of the cash obtained is spent in traditional ways such as feasts, although to the customary yams and pigs are added rice and Nescafé for festive occasions. And although kannap signifies a transformation of the Gapuners’ ways of existence into those beyond their shores, “coming up” “is not envisaged so much as a process, but rather as a sudden metamorphosis, a miraculous transformation—of their houses into corrugated iron, of their swampy land into a tarred web of highways, or their food into rice and tinpis [canned mackerel] and Nescafé, and of their skins, most significantly, into white” (Kulick 1992, 23). This metamorphosis is religious in nature rather than a scientific or economic enterprise. Development in Gapun is, in fact, a sort of sophisticated cargo cult; literacy, schooling, and politics are evaluated in terms of cargo, even as the vernacular language is displaced by the introduction of schooling in the 1960s. Gapuners, in short, have a clear idea about what development means and where it leads, even if couched in a strikingly different language and different cultural practices.

Another study of the nature of development at the local level concerns women’s notions of development and modernity in the town of Lamu, Kenya. In this community, the models of development are even more diversified; besides the Western sources, they include Islamic movements (revivalist or revisionist), cultural productions brought by migrants returning from affluent Arab states, and Indian music, films, and soap operas transmitted through videocassettes and the mass media. The crux of the matter is women’s evolving understanding of what it means to be developed and modern while retaining their identity as Muslim. Female identity is at the center of this process, including questions such as whether to use the veil, schooling for girls, access to modern commodities, greater mobility, and the like. As young women wish to achieve maisha mazuri (the good life), they look to European and other foreign products for sources of change and seek to take distance from traditional practices such as veiling, which they nevertheless see not as a sign of inferior status or of control but as impractical or unmodern (Fuglesang 1992).

Fashion, Indian popular films, and access to modern appliances constitute some of the most important indicators of modernity and the avenues toward crafting new identities and conceptions of womanhood. Again, the process is not a simple modernization, although this is clearly happening as well. Pictures of Indian film stars might appear on the walls of women’s rooms together with pictures of Michael Jackson and Khomeini. The call of the muezzin frequently means freezing the image in the latest video brought from Saudi Arabia or Dubia by returning migrant workers so that five or ten minutes of prayer can take place. Life and gender relations are definitely changing—women no longer want to be “ghosts”; yet what they mean by modern womanhood does not equate with the language of liberation of the West.

Technical knowledge often becomes an important marker of development, as the recent introduction of rural development schemes in the Pacific Coast region of Colombia indicates. Afro-Colombian peasants of this rainforest region, recently introduced by government extension agents into the world of accounting, farm planning methodologies, commercialization cooperatives, and the use of modern inputs such as pesticides, almost invariably list the acquisition of conocimiento técnico (technical knowledge) as an important transformation in the quality of their lives. Technical knowledge is imparted to most farmers on location, although a handful of them are regularly flown to cities of the interior to be capacitados (trained) in new farming and planning practices. The chosen farmers tend to become ardent advocates of development.

These farmers, moreover, begin to interpret their lives before the program as filled with ignorance and apathy. Before the program, they say, they knew nothing about why their crops died; now they know that the coconut trees are killed by a particular pest that can be combated with chemicals. They also learned that it is better to dedicate the family labor to one plot and plan all the activities to be performed on it day by day and month by month, instead of simultaneously working two or three plots that are often several hours’ walking distance from each other, as they used to do. That was not really work, they now say. They have adapted, in sum, the vocabulary of “efficiency.” Yet, as in the other examples already discussed, the farmers retain many of the beliefs and practices from former times. Next to the language of efficiency, for instance, one hears them say that the land needs to be “caressed” and “spoken to,” and they still devote some time to the distant, “untechnified” plots. In short, they have developed a hybrid model of sorts, ruled neither by the logic of modern farming nor by traditional practices. I will return to the notion of hybrid models in the concluding chapter.

The impact of development representations is thus profound at the local level. At this level, the concepts of development and modernity are resisted, hybridized with local forms, transformed, or what have you; they have, in short, a cultural productivity that needs to be better understood. More re-
search on the languages of development at the local level needs to be done if our understanding of the discourse’s modes of operation is to be satisfactory. This project requires in-depth ethnographies of development situations such as those exemplified earlier. For the anthropologists, Pigg concludes, the task is to trace the contours and cultural effects of development without endorsing or replicating its terms. I will come back to this principle in my discussion of Third World cultures as hybrid products of modern and traditional cultural practices and the many forms in between.

CONCLUSION

The crucial threshold and transformation that took place in the early post–World War II period discussed in this chapter were the result not of a radical epistemological or political breakthrough but of the reorganization of a number of factors that allowed the Third World to display a new visibility and to rubber into a new realm of language. This new space was carved out of the vast and dense surface of the Third World, placing it in a field of power. Underdevelopment became the subject of political technologies that sought to erase it from the face of the Earth but that ended up, instead, multiplying it to infinity.

Development fostered a way of conceiving of social life as a technical problem, as a matter of rational decision and management to be entrusted to that group of people—the development professionals—whose specialized knowledge allegedly qualified them for the task. Instead of seeing change as a process rooted in the interpretation of each society’s history and cultural tradition—as a number of intellectuals in various parts of the Third World had attempted to do in the 1920s and 1930s (Gandhi being the best known of them)—these professionals sought to devise mechanisms and procedures to make societies fit a preexisting model that embodied the structures and functions of modernity. Like sorcerers’ apprentices, the development professionals awakened once again the dream of reason that, in their hands, as in earlier instances, produced a troubling reality.

At times, development grew to be so important for Third World countries that it became acceptable for their rulers to subject their populations to an infinite variety of interventions, to more encompassing forms of power and systems of control; so important that First and Third World elites accepted the price of massive impoverishment, of selling Third World resources to the most convenient bidder, of degrading their physical and human ecologies, of killing and torturing, of condemning their indigenous populations to near extinction; so important that many in the Third World began to think of themselves as inferior, underdeveloped, and ignorant and to doubt the value of their own culture, deciding instead to pledge allegiance to the banners of reason and progress; so important, finally, that the achievement of development clouded the awareness of the impossibility of fulfilling the promises that development seemed to be making.

After four decades of this discourse, most forms of understanding and representing the Third World are still dictated by the same basic tenets. The forms of power that have appeared act not so much by repression but by normalization; not by ignorance but by controlled knowledge; not by humanitarian concern but by the bureaucratisation of social action. As the conditions that gave rise to development became more pressing, it could only increase its hold, refine its methods, and extend its reach even further. That the materiality of these conditions is not conjured up by an “objective” body of knowledge but is charted out by the rational discourses of economists, politicians, and development experts of all types should already be clear. What has been achieved is a specific configuration of factors and forces in which the new language of development finds support. As a discourse, development is thus a very real historical formation, albeit articulated around an artificial construct (underdevelopment) and upon a certain materiality (the conditions baptized as underdevelopment), which must be conceptualized in different ways if the power of the development discourse is to be challenged or displaced.

To be sure, there is a situation of economic exploitation that must be recognized and dealt with. Power is too cynical at the level of exploitation and should be resisted on its own terms. There is also a certain materiality of life conditions that is extremely preoccupying and that requires great effort and attention. But those seeking to understand the Third World through development have long lost sight of this materiality by building upon it a reality that like a castle in the air has haunted us for decades. Understanding the history of the investment of the Third World by Western forms of knowledge and power is a way to shift the ground somewhat so that we can start to look at that materiality with different eyes and in different categories.

The coherence of effects that the development discourse achieved is the key to its success as a hegemonic form of representation; the construction of the poor and underdeveloped as universal, preconstituted subjects, based on the privilege of the representatives; the exercise of power over the Third World made possible by this discursive homogenization (which entails the erasure of the complexity and diversity of Third World peoples, so that a squatter in Mexico City, a Nepalese peasant, and a Tuareg nomad become equivalent to each other as poor and underdeveloped); and the colonization and domination of the natural and human ecologies and economies of the Third World.

Development assumes a teleology to the extent that it proposes that the “natives” will sooner or later be reformed; at the same time, however, it reproduces endlessly the separation between reformers and those to be re-
formed by keeping alive the premise of the Third World as different and inferior, as having a limited humanity in relation to the accomplished European. Development relies on this perpetual recognition and disavowal of difference, a feature identified by Bhabha (1990) as inherent to discrimination. The signifiers of “poverty,” “illiteracy,” “hunger,” and so forth have already achieved a fixity as signifieds of “underdevelopment” which seems impossible to sunder. Perhaps no other factor has contributed to cementing the association of “poverty” with “underdevelopment” as the discourse of economists. To them I dedicate the coming chapter.

Chapter 3

ECONOMICS AND THE SPACE OF DEVELOPMENT: TALES OF GROWTH AND CAPITAL

All types of societies are limited by economic factors. Nineteenth century civilization alone was economic in a different and distinctive sense, for it chose to base itself in a motive rarely acknowledged as valid in the history of human societies, and certainly never before raised to the level of a justification of action and behavior in everyday life, namely, gain. The self-regulating market system was uniquely derived from this principle. The mechanism which the motive of gain set in motion was comparable in effectiveness only to the most violent outburst of religious fervor in history. Within a generation the whole human world was subjected to its undiluted influence.

—Karl Polanyi, The Great Transformation, 1944

The Arrival of Development Economics

Lauchlin Currie, a former Harvard economist and official in the Roosevelt administration, evoked in the following way, at a testimonial dinner party in Bogotá in 1979, the first World Bank mission, which thirty years earlier had taken him to that same country:

I don’t know where in my conservative Canadian background I acquired a reformer’s zeal, but I must admit that I had it. I just happen to be one of those tiresome people who can’t encounter a problem without wanting to do something about it. So you can imagine how Colombia affected me. Such a marvelous number of practically insoluble problems! Truly an economic missionary’s paradise. I had no idea before I came what the problems were but that did not dull for a moment my enthusiasm nor shake my conviction that if only the Bank and the country would listen to me I could come up with a solution of sorts to most. I had my baptism of fire in the Great Depression. I had played some role in working out the economic recovery program in the New Deal for the worst depression the United States had ever experienced. I had been very active in government during the Second World War. (Quoted in Meier 1984, 130)
This candid recollection reveals a number of features that are at the root of many enterprises undertaken by North Americans in colonial and post-colonial contexts: the “reformer’s zeal” and the drive toward reform and pedagogy; the utopian posture that finds a “missionary’s paradise” in those lands riddled with “a marvelous number of practically insoluble problems”; the belief that all wrongs can be corrected and all manifestations of human conflict eradicated. In Currie’s case, these traits had been rekindled by the recovery from the Great Depression and the reconstruction of Europe; the same traits were shared by many of the “pioneers of development”—economists like Currie, who later became a leading figure in the field—who disembarked in the Third World some time after the war full of good intentions, armed with the tools of their profession, sometimes even with a progressive agenda, and invigorated by the fact that their science had just been subjected to the fine-tuning of the Keynesian mind.

But we are getting somewhat ahead in the story, for at the time of Currie’s arrival in Colombia, there was nothing resembling development economics. Let us listen to an earlier recollection of his, again referring to the Colombian mission discussed in chapter 2:

When, in 1949, I was asked to organize and direct the first study mission of the World Bank there were no precedents for a mission of this sort and indeed nothing called development economics. I just assumed that it was a case of applying various branches of economics to the problems of a specific country, and accordingly I recruited a group of specialists in public finance, foreign exchange, transport, agriculture, and so on. I did, however, include some engineers and public health technicians. What emerged was a series of recommendations in a variety of fields. I was at pains to entitle it “the basis of a program” rather than a socioeconomic plan. (Currie 1967, 31; quoted in Meier 1984, 131)

Currie’s remembrance also reminds us of one of the quintessential aspects of modernity: the need to compose the world as a picture. If upon his arrival in Colombia all he could perceive was problems, darkness, and chaos, it was because Colombia refused to compose itself as... receded into the background. The need to compose the world as a picture is central to all theories of economic development.

The lack of economic theories specific to development commented on by Currie gave way to a proliferation of theories in the 1950s. Writing in 1979, John Kenneth Galbraith captured well the remarkable character of this transformation. When, in 1949, he began instruction “in the economics of poverty and economic development” at Harvard University, he was confronted with the fact that as a different field of study, the special economics of the poor countries was held not to exist. In the next fifteen years in the United States these attitudes were decisively reversed. . . . Over a somewhat longer period, the Ford Foundation contributed well over a billion dollars between 1950 and 1975, and the Rockefeller, Carnegie, and some CIA-supported foundations added smaller amounts. . . . Intellectual interest in the problem of mass poverty had also greatly expanded. Seminars and courses on economic development had proliferated in universities and colleges across the land. . . . No economic subject more quickly captured the attention of so many as the rescue of the poor countries from their poverty. . . . To be involved with the poor countries provided the scholar with a foothold in the field of study that would assuredly expand and endure. (1979, 26, 30; emphasis added).

As we will see, the 1980s saw a number of encompassing analyses on the origins and evolution of development economics by its leading pioneer figures, who, almost forty years later, looked at their record with a critical eye. From their entrenched positions in prestigious institutions, these now-senior economists declared the demise of the old field. “Development economics is dead. May it rest in peace. It was quite exciting while it lasted, and—in spite of the many serious problems that remain to be solved—it fared reasonably well in the real world. Let us now be more realistic about our expectations, recognize the limits of our discipline, and leave behind the naïve dreams of solving the world’s problems once and for all. Let us turn to the theory that we already know well.” These are the sentences that like a nostalgic epitaph seem to emerge from the recent books of the pioneers of the field.

The death and recasting of development economics are undoubtedly linked to the demise of neo-Keynesianism and the rise of neoliberalism. At issue are the draconian economic reforms introduced in the Third World during the 1980s under pressure from the International Monetary Fund, particularly monetary and exchange controls, privatization of public enterprises and government services, reduction of imports, and opening to world markets. The same approach underwrites the strategy of “market friendly development” hailed by the World Bank in its 1991 World Development Report as the leading theme for the 1990s. This occurrence symbolizes the return of neoliberal orthodoxy in development economics, paralleling the advance of the free market in Eastern Europe. Never mind that as a supposedly temporary casualty of the necessary adjustment people’s living standards have fallen to unprecedented levels. “The essential is to press on with structural reforms,” or so the litany goes. People’s welfare
can be bracketed for a while, even if hundreds of thousands might die. Hail the market.

The discourse of development economics gave us successive promises of affluence for the Third World through active intervention in the economy in the 1950s and 1960s, planning throughout the development era, stabilization and adjustment policies in the 1980s, and anti-interventionist “market friendly development” for the 1990s. This chapter examines how this discourse could have taken place within the order of economic discourse as a whole; how it was articulated upon a domain of institutions, economic processes, and social relations; how the historical problematization of poverty gave rise to this peculiar discourse, which developed its own kind of historicity; how, finally, development economics effected development through the techniques of planning to which it gave rise. The aim of the chapter is not to decide whether the early development economists were right or wrong, but to develop a historical, epistemological, and cultural awareness of the conditions under which they made their choices. Even if the economists operated in a domain of discourse that had been created not as a result of individual acts of cognition but through the active participation of many in a historical context, the choices they made embodied commitments that had social and cultural consequences.

The first part of the chapter suggests an approach to examining both the economy and its science as cultural constructions, a task for which few guideposts exist at this time. The second part looks at some of the notions central to the articulation of classical and neoclassical economic discourse before the advent of development, ... within the context of global political economy as a strategy to pursue alternatives to economics and development.

**Economics as Culture**

Needless to say, economists do not see their science as a cultural discourse. In their long and illustrious realist tradition, their knowledge is taken to be a neutral representation of the world and a truth about it. Theirs is not, as Patricia Williams writes referring to the law in ways that are equally applicable to economics, “an imposition of an order—the ironclad imposition of a world view” (1991, 28). “At issue,” Williams continues, “is a structure in which a cultural code has been inscribed” (1991, 19; my emphasis). This inscription of the economic onto the cultural took a long time to develop, as the philosopher Charles Taylor explains:

There are certain regularities which attend our economic behaviour, and which change only very slowly. . . . But it took a vast development of civilization before the culture developed in which people do so behave, in which it became a cultural possibility to act like this; and in which the discipline involved in so acting became widespread enough for this behaviour to be generalized. . . . Economics can aspire to the status of a science, and sometimes appear to approach it, because there has developed a culture in which a certain form of rationality is a (if not the) dominant value. (Taylor 1985, 103).

What is the cultural code that has been inscribed into the structure of economics? What vast development of civilization resulted in the present conception and practice of the economy? The answer to this question is complex and can only be hinted at here. Indeed, the development and consolidation of a dominant view and practice of the economy in European history is one of the most fundamental chapters in the history of modernity. An anthropology of modernity centered on the economy leads us to question the tales of the market, production, and labor which are at the root of what might be called the Western economy. These tales are rarely questioned; they are taken as normal and natural ways of seeing life, “the way things are.” Yet the notions of economy, market, and production are historical contingencies. Their histories can be traced, their genealogies demarcated, and their mechanisms of truth and power revealed. In short, the Western economy can be anthropologized and shown to be made up of a peculiar set of discourses and practices—very peculiar at that in the history of cultures.

The Western economy is generally thought of as a production system. From the perspective of the anthropology of modernity, however, the Western economy must be seen as an institution composed of systems of production, power, and signification. The three systems, which coalesced at the end of the eighteenth century, are inextricably linked to the development of capitalism and modernity. They should be seen as cultural forms through which human beings are made into producing subjects. The economy is not only, or even principally, a material entity. It is above all a cultural production, a way of producing human subjects and social orders of a certain kind. Although at the level of production the history of the Western economy is well known—the rise of the market, changes in the productive forces and the social relations of production, demographic changes, the transformation of everyday material life, and the commodification of land, labor, and
money—analyses of power and signification have been incorporated much less into the cultural history of the Western economy.

How does power enter into the history of the economy? Very briefly, the institutionalization of the market system in the eighteenth and nineteenth centuries also required a transformation at the level of the individual—the production of what Foucault (1979) has called docile bodies—and the regulation of populations in ways consistent with the movements of capital. People did not go into the factories gladly and of their own accord; an entire regime of discipline and normalization was necessary. Besides the expulsion of peasants and serfs from the land and the creation of a proletarian class, the modern economy necessitated a profound restructuring of bodies, individuals, and social forms. This restructuring of the individual and society was achieved through manifold forms of discipline, on the one hand, and through the set of interventions that made up the domain of the social, to which I have alluded, on the other. The result of this process—*Homo oecon-omicus*—was a normalized subject that produces under certain physical and cultural conditions. To accumulate capital, spread education and health, and regulate the movement of people and wealth required no less than the establishment of a disciplinary society (Foucault 1979).

At the level of signification, the first important historical aspect to consider is the invention of the economy as an autonomous domain. It is well known that one of the quintessential aspects of modernity is the separation of social life into functional spheres (the economy, the polity, society, culture, and the like), each with laws of its own. This is, strictly speaking, a modern development. As a separate domain, the economy had to be given expression by a proper science; this science, which emerged at the end of the eighteenth century, was called political economy. In its classical formulation by Smith, Ricardo, and Marx, political economy was structured around the notions of production and labor. In addition to rationalizing capitalist production, however, political economy succeeded in imposing production and labor as a code of signification on social life as a whole. Simply put, modern people came to see life in general through the lens of production. Many aspects of life became increasingly economized, including human biology, the nonhuman natural world, relations among people, and relations between people and nature. The languages of everyday life became entirely pervaded by the discourses of production and the market.

The fact that Marx borrowed the language of political economy he was criticizing, some argue (Reddy 1987; Baudrillard 1975), defeated his ultimate purpose of doing away with it. Yet the achievements of historical materialism cannot be overlooked: the formulation of an anthropology of use value in lieu of the abstraction of exchange value; the displacement of the notion of absolute surplus by that of surplus value and, consequently, the replacement of the notion of progress based on the increase of surplus by that based on the appropriation of surplus value by the bourgeoisie (exploitation); the emphasis on the social character of knowledge, as opposed to the dominant epistemology, which placed truth on the side of the individual’s mind; the contrast between a unilinear conception of history, in which the individual is the all-powerful actor, and a materialist one, in which social classes appear as the motor of history; a denunciation of the natural character of the market economy and a conceptualization, instead, of the capitalist mode of production, in which the market appears as the product of history; and finally the crucial insight of commodity fetishism as a paradigmatic feature of capitalist society.

Marx’s philosophy, however, faced limits at the level of the code. The hegemony of the code of signification of political economy is the underside of the hegemony of the market as a social model and a model of thought. Market culture elicits commitments not only from economists but also from all those living with prices and commodities. “Economic” men and women are positioned in civil societies in ways that are inevitably mediated, at the symbolic level, by the constructs of markets, production, and commodities. People and nature are separated into parts (individuals and resources), to be recombined into market commodities and objects of exchange and knowledge. Hence the call by critical analysts of market culture to remove political economy from the centrality that it has been accorded in the history of modernity and to supersede the market as a generalized frame of reference by developing a wider frame of reference to which the market itself might be referred (Polanyi 1957b, 270; Procacci 1991, 151; Reddy 1987). I suggest that this wider frame of reference should be the anthropology of modernity.

Anthropologists have been complicit with the rationalization of modern economics, to the extent that they have contributed to naturalizing the constructs of economy, politics, religion, kinship, and the like as the fundamental building blocks of all societies. The existence of these domains as presocial and universal must be rejected. Instead, “we must ask what symbolic and social processes make these domains appear self-evident, and perhaps even ’natural,’ fields of activity in any society” (Yanagisako and Collier 1989, 41). The analysis of economics as culture must thus start by subjecting to scrutiny the apparent organization of societies into seemingly natural domains. It must reverse the “spontaneous impulse to look in every society for ’economic’ institutions and relations separate from other social relations, comparable to those of Western capitalist society” (Godelier 1986, 18).

This task of cultural critique must begin with the clear recognition that economics is a discourse that constructs a particular picture of the economy. To use Stephen Gudeman’s metaphor (1986; Gudeman and Rivera 1990),
what we usually recognize as economics is only one “conversation” among many regarding the economy; this conversation became dominant throughout the centuries, thanks to the historical processes already sketched. Gude-man’s unveiling of the use in anthropology of allegedly universal economic models is instructive:

Those who construct universal models . . . propose that within ethnographic data there exists an objectively given reality which may be captured and explained by an observer’s formal model. They utilize a “reconstructive” methodology by which observed economic practices and beliefs are first restated in the formal language and then deduced or assessed with respect to core criteria such as utility, labor or exploitation. Although the particular theories used in economic anthropology are quite diverse, they share the assumption that one or another universal model exists and can be used to explain a given field data. According to this perspective, a local model usually is a rationalization, mystification or ideology; at most, it only represents the underlying reality to which the observer has privileged access. (1986, 28)

Any model, however, whether local or universal, is a construction of the world and not an indisputable, objective truth about it. This is the basic insight guiding the analysis of economics as culture. The coming into dominance of modern economics meant that many other existing conversations or models were appropriated, suppressed, or overlooked. At the margins of the capitalist world economy, Gude-man and Rivera insist, there existed and continue to exist other models of the economy, other conversations, no less scientific because they are not couched in equations or produced by Nobel laureates. In the Latin American countryside, for instance, these models are still alive, the result of overlapping conversations that have been carried out for a long time. I will come back to the notion of local models in the last section of the chapter.

There is, then, an orientalism in economics that has to be unveiled—that is, a hegemonic effect achieved through representations that enshrine one view of the economy while suppressing others. The critique of economics as culture, finally, must be distinguished from the better-known analysis of economics as “rhetoric” advocated by McCloskey (1985). McCloskey’s work is intended to show the literary character of economic science and the price economics has paid for its blind adherence to the scientific attitude of modernism. This author shows how literary devices systemically and inevitably pervade the science of economics. His aim is to improve economics by bringing it into the realm of rhetoric. The aim of this chapter is quite different. Although some rhetorical analysis is used, particularly in the reading of the economic development theories of the 1950s and 1960s, the analysis of economics as culture goes well beyond the formal aspect of the rhetoric of economics. How did particular constructions of the economy come to exist? How do they operate as cultural forces? What practices do these constructions create, and what are the resulting cultural orders? What are the consequences of seeing life in terms of such constructions?

The World of Economics and the Economics of the World: Theoretical and Practical Antecedents of Development Economics

“The Static Interlude” and the World of Economics

The opening paragraph of what was perhaps the most celebrated article on economic development, written in 1954, entitled “Economic Development with Unlimited Supplies of Labour,” and authored by W. Arthur Lewis, reads as follows:

This essay is written in the classical tradition, making the classical assumption, and asking the classical question. The classics, from Smith to Marx, all assumed, or argued, that an unlimited supply of labour was available at subsistence wages. They then enquired how production grows through time. They found the answer in capital accumulation, which they explained in terms of their analysis of the distribution of income. Classical systems thus determined simultaneously income distribution and income growth, with the relative prices of commodities as a minor by-product. (Lewis [1954] 1958, 400)

Let us pause for a moment to recall some of the pertinent aspects of the “classical tradition.” The cornerstone of the classical theory of growth was capital accumulation (understood in its “bourgeois” sense, that is, not as a dialectical process), associated with an increasingly specialized labor force. Changes in capital and labor productivity were considered of paramount importance, whereas natural resources and institutions were regarded as constant and technical change as an exogenous variable (treated as such by all classical economists except Marx). Classical economists also believed that natural resources are limited; scarcity became an inescapable imperative. The corollaries of this premise were progressive impoverishment, the stunting of growth (the theory of diminishing returns), and the possibility of reaching a stationary state. This retarding effect could be offset only by technical progress. According to the classical theory, the economy would reach a point at which wages would rise above the subsistence minimum, thus squeezing profits down to a point where investment would stop; average wages would then drop again, technological progress would make labor more productive, and growth would resume, only to be once again subjected to forces that pulled it toward a stationary state, and so forth.

The Space of Development
For Ricardo, the laws that regulate the distribution of the national product among rents, profits, and wages was the main problem of political economy. The level of profits was crucial, because it determined the level of capital accumulation and economic growth. His economic theory thus consisted of a theory of rent, a subsistence theory of wages, an explanation of the impact of diminishing returns in agriculture on the profit rate, and a labor theory of value. One of the most important contributions of the Ricardian formulation was precisely this theory of value. Labor became a unit common to all merchandise and the source of value because it embodied the producing activity (Dobb 1973). Labor, in fact, appeared as a transcendental that made possible the objective knowledge of the laws of production. The economy became a system of successive productions based on labor (the product of labor of one process went into another). This economic concept fostered a view of accumulation according to temporal sequences and, generally speaking, made possible the articulation of economics with history. Production and accumulation began to shape indelibly the modern notion and experience of history (Foucault 1973).

The notion that labor is the basis of all value did not survive for long. The "marginal revolution" of the 1870s sought to debunk the Ricardian formulation by introducing a different theory of value and distribution. Interestingly, the search for an absolute determinant of value was abandoned. "Prevailing opinions make labor rather than utility the origin of value," wrote Jevons, the father of the conceptual revolution. "Repeated reflection and inquiry have led me to the somewhat novel opinion, that value depends entirely upon utility." (quoted in Dobb 1973, 168). Jevons defined utility as "the abstract quality whereby an object serves our purposes, and becomes entitled to rank as a commodity," and the problem of the economy as the satisfaction of "our wants to the utmost with the least effort . . . to maximize comfort and pleasure." As the supply of a given commodity is increased, its utility starts to decrease until "satisfaction or satiety" is approached (Dobb 1973, 166–210).

A whole new sphere of economic analysis—usually referred to as neoclassical economics—was built on this peculiar law. The idea that the economy could reach a state of general equilibrium became the centerpiece of economic theory. This idea was originally postulated by the French economist Leon Walras as a series of simultaneous equations relating a number of economic variables (prices and quantities of goods and services, either products or factors of production to be bought by households and firms). According to this theory, the free play of forces of supply and demand would tend to establish, under competitive conditions, an equilibrium pattern in the prices of commodities in such a way that all markets would be "cleared." This is so because there is a "concatenation and mutual dependence" of economic acts among all producers and consumers, a certain "circular flow of economic life." Schumpeter (1934, 8) defines this circular flow of the self-regulating market in a revealing manner:

Hence it follows that somewhere in the economic system a demand is, so to say, ready awaiting every supply, and nowhere in the system are there commodities without complements, that is other commodities in the possession of people who will exchange them under empirically determined conditions for the former goods. It follows, again from the fact that all goods find a market, that the circular flow of economic life is closed, in other words that the sellers of all commodities appear again as buyers in sufficient measure to acquire those goods which will maintain their consumption and their productive equipment in the next economic period at the level so far attained, and vice versa.

It was an extremely harmonious view of the economy, without politics, power, or history; an utterly rational world, made even more abstract with the passing of time by the increasing use of mathematical tools. Why did the neoclassical economists abandon classical concerns such as growth and distribution? A commonsense explanation is usually put forward: Because capitalism became consolidated in the second half of the nineteenth century—having achieved remarkable rates of economic growth, elevated the living standards of the masses, and dispelled the old fears of getting to a point where growth would no longer be possible—the analytical preoccupation with growth seemed superfluous. The turn in analysis toward static and short-term theoretical interests, such as the optimization of resource allocation and the decision behavior of individuals and firms, was a logical step to follow. Once capitalism was decidedly working, the interest of economists shifted to the fine-tuning of the operations of the system, including the rationalization of decisions and the coordinated performance of markets toward an optimum equilibrium. The dynamic aspects of the economy thus gave way to static considerations. It was what a development economist aptly called the static interlude (Meier 1984, 125–28).

Progress had not been without vicissitudes, especially toward the end of the century (falling prices, unemployment, business losses, class struggles, and workers' organizations); but these problems would fade away as the process of continued growth was not in doubt. And in spite of the fact that by the end of the century the faith in the virtues of laissez-faire had been shaken (especially in relation to the need to control business monopoly), in 1870 most observers believed that universal and perfect trade would reign unhindered. It was as if, the economy having achieved some degree of apparent stability, economists busied themselves with the more mundane but theoretically exciting realm of the quotidian. This confidence was to be torn to pieces with the Great Depression. But by the time this happened, the
great “neoclassical edifice,” built in the 1870s and furnished with impeccable precision in the next one hundred years, was firmly in place, shaping the discursive firmament of the discipline.

For Schumpeter (1954, 891–909), however, the neoclassical revolution left untouched many of the elements of the classical theory, including “its sociological framework.” The general vision of the economic process was still pretty much the same as in Mill’s time. In short, despite its rejection of the labor theory of value, neoclassical economics inherited, and functioned within, the basic discursive organization laid down during the classical period. The emphasis on individual satisfaction reinforced the atomistic bias of the discipline; more than in classical thought, the economic system was irremediably identified with the market, and economic inquiry with market conditions (especially prices) under which exchange takes place. The problem of distribution was removed completely from the sphere of politics and social relations and reduced to the pricing of inputs and outputs (the marginal productivity theory of distribution). By further isolating the economic system, questions of class and property relations fell outside the scope of economic analysis; analytical efforts were directed instead to the question of optimization (Dobb 1973, 172–83). The focus on particular static equilibriums, finally, militated against the analysis of macro relations and questions of economic development from a more holistic (for example, Marxist or Schumpeterian) perspective.

The great “neoclassical edifice” rested on two basic assumptions: perfect competition and perfect rationality. Perfect and universal knowledge ensured that existing resources would be optimally utilized, guaranteeing full employment. “Economic man” could go about his business in peace because he could be confident that there was a corpus of theory, namely, marginal utility and general equilibrium, which, because it had recourse to a perfect knowledge of things, would provide him with the information he needed to maximize the use of his scarce resources. The underlying picture of the neoclassical world was that of order and tranquillity, of a self-regulating, self-optimizing economic system, a view undoubtedly related to the pomposity of the Pax Britannica then prevailing.

This was, then, the neoclassical world at the turn of the century. A world, it was believed, where theory resembled the real economy as a clock resembles time; where the fundamental “niggardliness of nature” was held at bay by those rugged individuals who were able to extract from nature the most precious products; where the invisible hand that ensured the smooth operation of the economy and the welfare of the majority had not yet been burdened with the cumbersome strings of protectionism. The crisis that hit the capitalist world economy from 1914 to about 1948 was to add a number of important components to that edifice. Among them was a new interest in growth. It might be worth recalling these events in some detail, because it was this situation that development economists found at their doorstep when, with great excitement, they decided to build a home for themselves.

“The Years of High Theory” and the Economics of the World

We have seen how classical political economy underwent a significant change with the marginalist revolution. After almost one century of Pax Britannica, the capitalist world economy entered a period of deep crisis, which motivated a second important transformation in economic discourse. Let us summarize the argument to be developed in this regard. Between the First and Second World wars, a new social system began to take shape. It rested on the dissolution of the old distinction between the state and the economy (so dear to the neoclassical economists), the development of unprecedented institutional arrangements, and an important reformulation of the neoclassical understanding of the economy. Historians argue that in the 1920s there occurred a recasting of bourgeois Europe through the development of corporatist forms of control of the polity and the economy and a restructuring of the relationship between private and public power. A recentering of the world economy also took place, shifting the center of the capitalist system to the United States. The styles and forms of intervention in the economy developed during this period were retained and extended during the 1930s, 1940s, and 1950s, before blossoming during the development era.

Keynesianism and a revitalized growth economics provided the understanding and rationalization of these processes. All these changes not only prepared the ground for a new scale of integration of the peripheral countries (those parts of the world later known as the Third World) under Pax Americana but provided the building blocks of a theory of economic development which guided and justified such integration. Classical theories of growth, improved upon by a new macroeconomics and a new mathematics of growth, were ready to provide the fundamental elements of the new discourse. So were the new forms of management and planning developed in the 1920s. After 1945, the underdeveloped world acquired a position of importance in the capitalist world economy it had never had before. Neither had there ever existed a discourse so refined to deal with it.

The depth of the economic and social transformation that started to take place in the first decade of the twentieth century—which saw not only the collapse of nineteenth-century economic organization but also unprecedented wars and fascism—has been most forcefully and insightfully discussed by Karl Polanyi (1957a). Polanyi finds the origins of this transformation “in the utopian endeavor of economic liberalism to set up a self-regulating system” (1957a, 29). The demise of the assumption of the self-regulating market was thus the first victim of the changes. The First World
War opened the way for new methods of management and planning of economic and social affairs. Out of the smoke and destruction of the battlefield emerged forms of organization of industry and labor that provided the foundations for a new economy after the war. This new economy was based on the belief that the economic process could not be left to the private market alone; the division between economic and political power became blurred. As the state’s influence on the control of prices, labor, and resources became greater, new mechanisms of administration and bargaining were developed. In some countries (France, Germany, and Italy) the various interests (industry, agriculture, labor, and the military) became organized into corporate forms (Maier 1975).

A technocratic vision of the economy emerged out of the offices of the new engineers and professional businessmen. Taylorism, Americanism, and Fordism took deeper roots as scientific management extended its reach in its attempt to make the use of labor and capital ever more efficient. The introduction of all of these techniques cannot be underestimated. Gramsci characterized the transformation that Americanism and Fordism fostered “the biggest collective effort to date to create, with unprecedented speed, and with a consciousness of purpose unmatched in history, a new type of worker and a new type of man” (quoted in Harvey 1989, 126). This was achieved in the span of several decades, despite resistance by workers to Fordist and Taylorist work practices in the early years. The Left’s demands for democratization in the factory became entangled with the Right’s emphasis on rationalization through scientific management. In sum, the twilight of the nineteenth-century order saw, after the dark night of the war, the birth of a new order in which, despite many a great transformation, the old one still breathed at ease. “Rescuing bourgeois Europe meant recasting bourgeois Europe: dealing with unions (or creating pseudo-unions as in Italy), giving state agencies control over the market, building interest-group spokesmen into the structure of the state” (Maier 1975, 594).12

With the demise of the self-regulating market, the assumption of perfect knowledge was also discarded, especially in the late 1920s and early 1930s, when economic theory “had to come to terms with the restless anxiety of the world of fact.” “Until the 1930s,” wrote a student of the economic theory of the period, “economics was the science of coping with basic scarcity. After the 1930s, it was the account of how men cope with scarcity and uncertainty. This was by far the greatest of the achievements of the 1930s in economic theory” (Shackle 1967, 7). Pax Britannica had instilled in many people the sense of a natural, irresistible order. To continue with Shackle’s account:

“There was,” as John Maynard Keynes says, “nothing to be afraid of.” ... The most essential and powerful difference between this world and the world of the 1930s was the loss of tranquility itself. Problems of “the price of a cup of tea” as Professor Joan Robinson put it, no longer counted much against the problem of unemployment arising, so Keynes explained, from the failure of the incentive to invest, which failure itself was due to the sudden oppression of business minds by the world’s incalculable uncertainties. There was no longer equilibrium in fact, and there could no longer be equilibrium in theory. (1967, 289)

Keynes was the hero of the new revolution. He demonstrated that there could be equilibrium at levels lower than full employment—indeed, at any level of output and employment. The theories of employment and growth produced during “the years of high theory” (1926 to 1939), by economists such as Keynes, Kahn, Robinson, Harrod, Myrdal, Hicks, Kalecky, Samuelson, and Kaldor arose from the realization of the fundamental lack of information that decision makers had to confront. Perfect competition became imperfect (writing in 1926, Piero Sraffa demonstrated the existence of factors internal to the firm, called economies of scale, which made the assumption of perfect competition illusory); perfect knowledge became muddled, giving way to uncertainty; and the empty space left by the disappearance of the concern with static conditions was soon filled by inquiry into the dynamics of growth, now enshrined in the altar of theory. Because of the limitations of knowledge, the tools to manage reality had to be sharpened; hence a new emphasis on public policy and planning arose to fill the need for mechanisms of order and control.

The innovations in question reflected closely the events of the period: deflation, wage reductions, and unemployment in the 1920s, economic crisis and aggravated unemployment in the 1930s. Keynes’s prescription was for government to propend for full employment through appropriate state spending and through investment, fiscal, and budgetary policy. Economists consider the theoretical achievements of this period extremely important. For Dobb (1973, 211–27), however, the new theory did not challenge the neoclassical theory of value; it moved within its general framework (Keynes considered the neoclassical theory a “special case” of his General Theory). Its radical challenge to existing views was restricted to the assumption of a unique position of static equilibrium, which in turn entailed full employment of resources. Yet it must be admitted that Keynes’s disruption of the terribly rational and smooth neoclassical world was important. Keynes’s successors, however, soon summoned to their aid rationality and the mathematization of economics, thus overlooking what could have been the most radical lessons of Keynes’s work (Gutman 1994).13

Growth economics lent credence to this mode of theory construction according to conventional rationality and model building. In the late 1930s, and in the wake of Keynes’s General Theory, a number of economists (Harrod in 1939 and Domar in 1946) focused their attention on the rates of growth of output (national production) and income as the fundamental variables to be explained by a truly dynamic theory. The mood set in for elaborating a theory of growth that was as abstract and general in application as
that of general equilibrium. The key to such a theory was the relation between investment and general output—how the pace of investment governs the level of general output, and how the acceleration of general output in turn affects the pace of investment. Investment, it was noted, not only accelerates income but also generates increased productive capacity. A net addition to the capital stock brings about a corresponding increase in national output (gross national product, or GNP); this correspondence is expressed by what economists of the period called the capital-output ratio, which Harrod defined as the value of capital goods required for the production of a unit increment of output.

Capital for new investment must come from somewhere, and the answer was savings. Part of the national income must be saved to replace worn-out capital goods (equipment, buildings, materials, and so on) and to create new ones. What mattered then was to establish the necessary “savings ratio” (proportion of national output to be saved), which, coupled with a given capital-output ratio, would produce the desired rate of growth of GNP. Every economy would have a “natural rate of growth,” defined as the maximum rate allowed by the increase of population, capital accumulation, and technological progress; because these variables could not be controlled accurately, the process of growth was seen as necessarily unstable. This theory was thus clearly consistent not only with the “classical question” and “the classical assumption” but also with the Keynesian innovation, which related the expansion or contraction of the economy to savings and investment. Although significant variations were introduced to the original Harrod-Domar theory, this formulation shaped the nascent development economics. The consequences of the adoption of this theory, as we will see in the next section, were enormous.

Let us return for a moment to the economics of the world. The stability allegedly achieved in the most powerful countries in the late 1920s and, again, in the late 1930s was not without its contradictions. As a distinctive regime of accumulation, Fordism did not reach maturity until after 1945, when it became the basis for the postwar boom that lasted until the early 1970s. By the time Fordism started to decline, it had already become “less a mere system of mass production and more a total way of life” (Harvey 1989, 135). It had introduced not only a new culture of work and consumption but a new aesthetic, which built upon and contributed to the aesthetic of modernism, with its concern with functionality and efficiency.

Let us see how Marxist-inspired political economists explain the capitalist dynamics of the period. Fordist accumulation determined the incorporation of the periphery in novel ways.14 The horizontal (geographic) integration of the capitalist world economy had been largely completed by 1910, and a process of vertical integration—for the periphery, an increase in the rate of extraction of surplus value through means other than geographic expansion—began to take place. By 1913, the major core nations (England, the United States, France, and Germany) owned about 55 percent of all capital invested in the semiiphery (at that point composed of Spain, Portugal, Russia, Japan, Australia, and parts of Eastern Europe) and the periphery (most of Latin America, Asia, and Africa). However, certain factors created instability: increased competition from the semiiphery (especially Russia and Japan); increased anti-core ideologies and social movements in the periphery (as the pace of foreign investment and direct military intervention augmented); internal changes in the class structure of the core nations; and competition among the core nations for control of the increasingly important natural resources of the periphery.15

The growing importance of the United States in the capitalist world economy had important repercussions for the periphery. In the case of Latin America, trade with the United States increased dramatically, and so did direct U.S. investment. A large borrowing program, mainly from U.S. bankers, was initiated, especially during the 1920s. The 1920s marked the first decade of “modernization” of the Latin American continent, and the period in general (1910–1930) saw an important transition in the social and economic structure of the larger countries of the region. The Great Depression hit hard the Latin American economies. Imports by core nations from Latin America were severely reduced. The large debt obligations that many countries contracted during the 1920s became an unbearable burden (a situation not unlike that of the 1980s) and, indeed, by 1935 most of the debt was in default. The euphoric mood the boom of the 1920s created turned somber, out of which came the need either to adapt to depressed international conditions in the best possible way (the course of action most countries of the region took) or to proceed with the industrialization process through a strategy of import substitution—that is, to produce at home what was previously imported (the larger countries, such as Brazil, Argentina, Mexico, and Colombia, took this route). The countries of the periphery were obliged to abandon the old liberalism and implement active state policies to protect and develop their national economies.16

The free enterprise system was in peril after the Second World War. To save such a system, the United States was faced with various imperatives: to keep the existing core nations of the capitalist system together and going, which required continuous expansion and efforts to avoid the spread of communism; to find ways to invest U.S. surplus capital that had accumulated during the war (particularly abroad, where the largest profits could be made); to find markets overseas for American goods, given that the productive capacity of American industry had doubled during the war; to secure control over the sources of raw materials in order to meet world competition; and to establish a global network of unchallenged military power as a way to secure access to raw materials, markets, and consumers (Amin 1976;
Borrego 1981; Murphy and Augelli 1993). The pact signed at Bretton Woods, establishing the International Monetary Fund and the World Bank, inaugurated the new era. Keynesian theory provided guidelines to strengthen the private sector, expand domestic and foreign markets, and revitalize international trade under the aegis of multinational corporations. The production process of the core states was thus newly integrated with their political apparatuses as well as with the emerging international financial organizations.

“The Great Transformation,” so admirably described by Polanyi, thus marked the collapse of some of the most cherished economic principles of the nineteenth century. Laissez-faire and old-fashioned liberalism gave way to more efficient ways of managing economies and populations, more pervasive perhaps if only because they were carried out under the legitimizing wing of science and increasingly (especially with the development of welfare economics in the 1950s) for the “good of the people.” The “static interlude” was over, but the new economics did little to alter the boundaries of classical and neoclassical discourse. Theoretical refinements and sophisticated mathematical techniques—such as Leontief’s input-output analysis, in gestation since the 1930s—were developed, but they did not depart significantly from the basic discursive organization of classical economics. The imperatives the United States faced at the end of the war placed Latin America and the rest of the periphery in a well-demarcated space within the capitalist world economy.

To conclude this section, let us return to the introduction of the chapter. I referred to a certain reformist ethos in the attitude of the pioneers of development. This ethos was partly linked to the experience of the Great Depression. Indeed, as the progressive Harvard economist Stephen Marglin maintains, this experience changed economics for a generation, both in terms of the people it attracted and the problems it sought to address. Between 1935 and 1960, some economists even thought that the end of capitalism was a possibility. Scholars such as Galbraith, Kuznets, Currie, and, at the tail end of the period, Marglin acquired a political disposition toward their subject matter and the problems they wished to confront. (One also thinks of Latin American economists such as Raúl Prebisch, Antonio García, Celso Furtado, and Fernando Henrique Cardoso in a similar way). Macroeconomic theory of the period also arose in the context of decolonization, which for these economists meant the final destruction of empires. Although the needs of empire were to bring the colonized into the market, the well-being of the people suggested that they would be better off if left alone.17

For a moment then there was a contradiction in the mind of some economists between the welfare of the people and interventionist policies. Only after the Second World War would welfare and development join ranks as compatible goals. But, Marglin insists, many of the early development economists espoused a progressive agenda in the beginning years of their work. Without disputing this perception, it is important to emphasize, as this section has shown, that it was the whole movement of many decades that prepared the ground for the final arrival of development economics. Fueled by this momentum, development economists arrived in the Third World full of hopes and aspirations, eager to apply the best of their knowledge to a complex but exciting task. Their discourse, discussed in the next section, was extremely influential; it continues to be an important chapter in the cultural history of the Third World.

### The Development of Development Economics

#### The Early Theories: Structuring the Discourse

The ten years between 1948 and 1958 saw the rise and consolidation of development economics as a practice concerned with certain questions, performed by particular individuals, and entrusted with given social tasks. During those years, development economics constructed its object, the “underdeveloped economy,” out of the historical and theoretical processes reviewed in the previous section. How this construction actually happened needs to be analyzed in detail for our analysis of the politics of discourse and regimes of representation.

There were important precursors to the post–World War II concept of economic development. As Arndt (1978, 1981) has noted, when the term development was used before the 1930s, it was usually understood in a naturalistic sense, as the emergence of something over time. Two exceptions were Schumpeter, whose work on economic development, to be discussed later, was published in German in 1911, and a number of historians of the British Empire. A third exception was Marx, who derived his concept of development from the inexorable Hegelian dialectics. The clearest forerunner of the current use, mentioned in chapter 2, was the 1920 British Colonial Development Act. In the colonial context, economic development was not an inevitable historical process but an activity that had to be fostered by the government. The economic system did not develop; resources had to be developed. “Economic development in Marx’s sense derives from the intransitive verb, in [the colonial] sense from the transitive verb” (Arndt 1981, 460).

Arndt traces the use of economic development in the transitive sense to Australia and to a lesser extent Canada, where economic development did not happen spontaneously. He also mentions in passing a 1922 study by Sun Yat-sen, a Chinese nationalist leader, proposing a massive program for the economic development of China. But not until the middle of the 1940s was the term applied to the economic development of “underdeveloped areas.”
The Depression and World War II had brought to the fore the questions of full employment and growth. There was, as Arndt (1978) put it in his study of the rise and fall of the concept of economic growth, a “return to scarcity” and to the “general problem of poverty.” Growth started to be seen as a remedy for poverty and unemployment rather than as an end in itself.

The classical concern with capital accumulation became central, via contemporary growth theories, to the first attempts at applying known tools of economic analysis to poor countries. The emphasis on investment implied a focus on savings and opened the way for foreign aid and foreign investment, because it was soon recognized that poor countries seldom possessed sufficient amounts of capital to meet the investment required for rapid growth. This conclusion was reinforced by the consideration that the growth of GNP had to be greater than the growth of population, which was relatively high in most countries. Moreover, a privileged arena for investment, one in which the benefits of capital accumulation would be larger than in any other realm, was discovered: industrialization. Industrialization would pave the way for the modernization of the backward economies and for spreading among the natives the proper rationality—“training labour and accustoming it to factory discipline,” as W. Arthur Lewis wrote in 1946 referring to Jamaica’s industrialization (quoted in Meier 1984, 143); it would also be the most efficient way of putting to productive use the large pool of the unemployed and underemployed who inhabited the countryside.

Similarly, industrialization would be the only way in which the poor countries could undo the structural disadvantage that they faced in the domain of international trade as predominantly primary producers confronted with the higher prices and productivity of goods coming from industrialized countries. Through industrialization, poor countries would stop producing “the wrong things” and start producing items with a higher exchange value. That industrialization was the key to development was as “clear as daylight,” to quote again from Lewis’s report on Jamaica (in Meier 1984, 143). The actual way in which industrialization was to take place constituted the core of most development models of the 1950s. It was clear that industrialization was not going to happen spontaneously. Deliberate efforts were required if the perceived obstacles to industrialization were going to be overcome. This called for a type of planning that ensured the right allocation of scarce resources, corrected market prices, maximized savings, oriented foreign investment in the right direction, and in general orchestrated the economy in terms of a well-balanced program. Development planning was thus from the outset the twin of development economics; this was already clear at the time of the 1949 World Bank mission to Colombia.

In sum, the major ingredients of the economic development strategy commonly advocated in the 1950s were these: (1) capital accumulation; (2) deliberate industrialization; (3) development planning; and (4) external aid. The underdeveloped economies, however, were thought to be characterized by a number of features that set them apart from the economies studied by orthodox economics, which then called for modifying existing theory—what Hirschman calls the rejection of the “monoeconomic claim” (1981). Among these features were high levels of rural underemployment, a low level of industrialization, a set of obstacles to industrial development, and a disadvantage in international trade. The first three of these captured the attention of most theorists building their models. Initially, attention focused on the “obstacles” that lay in the way of development, as well as in the “missing components” that would have to be supplied to make the models work. The models proposed characterized the effort that would have to be made to remove obstacles and provide missing components in such a manner that industrialization would take off with vigor and celerity.18

Classical and neoclassical theories of growth provided the building blocks for these models. The milestones of classical growth theory, let us remember, were capital accumulation, greater division of labor, technological progress, and trade. As we saw, postwar growth theory was influenced as well by Keynes’s analysis of the interaction of savings and investments. It is useful to recall the thrust of the growth argument as postulated by Harrod and Domar. In order to grow, economies must save and invest a certain proportion of their gross national product. Given a specific level of savings and investment, the actual rate of growth will depend on how productive the new investment is, and the productivity of investment can be measured by the capital-output ratio. Investment creates new capacity to produce, which must be matched, in turn, by new demand. Income thus must rise by an equivalent proportion to ensure no idle capacity of capital goods.

The model assumed a number of features that held reasonably well for industrialized countries but not for underdeveloped economies. It assumed a constant capital-output ratio, did not analyze the effect of price changes (they were models in real terms), and presupposed constant terms of trade. But the underdeveloped economies were found to be characterized by deteriorating terms of trade for their primary products (vis-à-vis manufactured products from the industrialized countries), they were seen in need of rapid technological change, and their prices changed continually due to the inflationary bias of their economies. They also had a much lower level of savings. The main obstacle to development was thus low capital availability; moreover, although domestic savings could be increased, there would still be a “savings gap,” which had to be filled with foreign aid, loans, or private foreign investment. Despite these differences, growth theories that had developed in the context of industrialized economies shaped economic development models to a significant extent.

Let us look in detail at some of the most important models. Rosenstein-Rodan, coming from his experience with relatively depressed Eastern European economies in the 1920s and 1930s, argued for a “big push” in investment to mobilize the rural underemployed for the task of industrialization.
For this author, industrialization required a large, carefully planned initial effort in order to be successful; small, isolated efforts were very likely to fail. Other models had the same thrust: either a “critical minimum effort” was needed (Liebenstein 1957), or countries were seen as caught in a “low-level equilibrium trap,” out which only an effort of a certain magnitude would get them (Richard Nelson). Rostow’s historicist economic model (1960, 1952), which assumed that all countries went through a linear path of stages in their transition to modernity, with one of these stages being the “take-off” into self-sustained growth, became well known in the late 1950s and early 1960s. So did Nurkse’s “balanced growth” conception—which predicted that a country would escape the “vicious circle of poverty” only through a concerted application of capital to a wide range of industries—and Hirschman’s (1958) notion of “backward and forward linkages” for rationalizing the industrialization process. All of these conceptions soon found their way into the voluminous literature coming out of the United Nations and international lending organizations, and in the poor countries themselves, either because theorists visited the Third World—often for long periods of time—or through the education of Third World students in North American and British universities, a practice that became widespread in the 1960s.

The models Nurkse and Lewis developed in the early 1950s were among the most influential, and it is appropriate to examine them briefly, not from the point of view of their economic rationality, but as cultural constructs and central pieces in the politics of the development discourse. Nurkse’s book (1953), written in 1952 and based on a series of lectures delivered by the author in Rio de Janeiro a year earlier, is dedicated to analyzing the factors associated with “the vicious circle of poverty” and the possible ways to “break the deadlock” of such a circle. In his conception, poverty is produced by a circular constellation of forces that links lack of food and ill health with low work capacity, low income, and back to lack of food. This vicious circle is paralleled by a circular relationship in the realm of the economy.

A circular relationship exists on both sides of the problems of capital formation in the poverty-ridden areas of the world. On the supply side, there is the small capacity to save, resulting from the low level of real income. The low real income is a reflection of low productivity, which in turn is largely due to the lack of capital. The lack of capital is a result of the small capacity to save, and so the circle is complete. On the demand side, the inducement to invest may be low because of the small buying power of the people, which is due to their small real income, which again is due to low productivity. The low level of productivity, however, is a result of the small amount of capital used in production, which in its turn may be caused at least partly by the small inducement to invest. (Nurkse 1953, 5)

Behind this “vicious” economic circle lies implicitly the “proper” circular view that was held to underlie a sound economy. The goal of balanced growth was innocuously stated as “enlarging the size of the market and creating inducements to invest,” for which capital was obviously essential. To increase production of one commodity (shoes is the example Nurkse uses) was not enough; the increase had to take place simultaneously in a wide range of consumer goods if demand was to be sufficiently augmented. Commercial policy should then seek to direct properly the additional savings and external sources of capital in order to expand the domestic market to the degree needed for the takeoff into self-sustained development.

Interestingly, for Nurkse the problem of capital formation was not restricted to low savings capacity; it was also due to small inducement to invest. In this he was closer to Schumpeter, whom he explicitly invoked. But neither Nurkse nor any other development economist adopted a Schumpeterian view; the reasons for this are revealing in terms of the politics of discourse. Schumpeter’s Theory of Economic Development had been available in English since 1934. This book, as most of Schumpeter’s works, is tight and unifying, with an emphasis on processual aspects. (“The argument of the book forms one connected whole,” he writes in the introduction.) The surprisingly small influence of this book on postwar development thinking may have been due to several factors. To begin with, Western economists saw this book as a theory of business cycles, not as a theory of development; moreover, Schumpeter’s emphasis on the role of the private entrepreneur seemed to rule out its application to poor countries, where entrepreneurship was thought to be almost nonexistent, in spite of some allegations to the contrary (Bauer and Yamem 1957). The alleged lack of entrepreneurship was influenced by the perception of Third World people as backward and even lazy.

Schumpeter’s theory seemed pertinent to the concerns of the early development economists. He was concerned not with small changes in economic life but precisely with those revolutionary changes cherished by development economists with their “big push” and “takeoff” theories. To adhere to Schumpeter’s framework, however, would have required taking seriously a number of aspects that would have posed uncomfortable problems to most economists of the period—for instance, the fact that for Schumpeter mere growth was not development but just “changes in data,” or that “the economic state of a people does not emerge simply from the preceding economic conditions, but only from the preceding total situation” (Schumpeter 1934, 58). How could these views be translated into manageable models and planning schemes?

W. Arthur Lewis’s model of the dual economy, as influential as Nurkse’s model, if not more so, was originally published in 1954. The pivotal discursive operation of this model was the division of a country’s economy and social life into two sectors: one modern, the other traditional. Development would consist of the progressive encroachment of the modern upon the traditional, the steady extension of the money economy on the vast world of
subsistence or near subsistence. This assumption pervaded the development view of most economists and international organizations for several decades (witness, for instance, the quotation that opens the first chapter of this book, excerpted from a report prepared by a committee of which Lewis was one of five participants). From the point of view of a discursive economy, the consequences of such a dualistic construction are enormous. To begin with, Lewis’s construction equates tradition with backwardness, a burden to be disposed of as quickly as possible and a part of the economy with nothing to contribute to the process of development. Had a nondualistic view of the underdeveloped economy been adopted (Braudelian, Schumpeterian, or Marxist, not to mention one based on non-Western traditions), the consequences would have been quite different, for development would have had to involve all sectors of social life.

There is another mechanism at work in the modern-traditional dichotomy. This split distances one pole from the other, making remote the second term of the division. This feature of discourse is by no means restricted to economics. It is deeply embedded in the social sciences and in Western culture in general. In his analysis of the use of time in anthropology, Johannes Fabian (1983) found this feature, which he calls denial of coevalness, to be central to the writings about other cultures. In spite of the fact that the ethnographer or researcher/economist is mandated to share the time of the other—the “native,” the “underdeveloped”—in the fieldwork experiences or in the economists’ missions, this other is nevertheless represented as belonging to another time period (even to the Stone Age in some texts); thus time is used to construct the object of anthropology, or economics, in such a way that a specific power relation is created. By constructing the other as living in another time period, these scientists avoid having to take into account the other seriously; a monologue from the height of power results. These features are borne in Lewis’s depiction of the dual economy:

We find a few industries highly capitalized, such as mining or electric power, side by side with the most primitive techniques. . . . We find the same contrast also outside their economic life. There is the same contrast even within people; between the few highly westernized, trousered, natives, educated in western universities, speaking western languages, and glorifying Beethoven, Mills, Marx or Einstein, and the great mass of their countrymen which live in quite other worlds. . . . Inevitably what one gets are very heavily developed patches of the economy, surrounded by economic darkness. (Lewis [1954] 1958, 406)

In this discourse, the traditional segment is a world of economic darkness, where new ideas are impossible, architecture is inadequate (despite the fact that it seems adequate for its dwellers), and there are no communications (because only the airplane, the automobile, and television count as communications)—in short, another planet. It does not matter that those aliens are human beings as well (although those who belong to the modern sector are apparently more human, because they speak prestigious languages, listen to Beethoven, have memorized Einstein’s equations, and have mastered Samuelson, Friedman, or Marx) or that they constitute about 80 percent of the world. Their existence can be brushed aside, because they live in quite another age bound to be swept away by the fruits of the Enlightenment and the travails of economists. The rightness of the actions of the harbingers of modernity is corroborated by the fact that the native elite cherishes the modern world—even if their native side might pop up from time to time, for instance, when they become “corrupt” or “uncooperative.”

The economic development conception that comes out of this view is its logical extension. “The central problem in the theory of economic development,” writes Lewis, “is how to understand the process by which a community which was previously saving and investing 4 or 5 per cent of its national income or less, converts itself into an economy where voluntary saving is running at about 12 to 15% of national income or more” (Lewis [1954] 1958, 416). “This is the central problem because the central fact of economic development is rapid capital accumulation (including knowledge and skills with capital),” he adds (416). The means to achieve this feat also follows: to use the traditional sector to fuel the modern one. This would require moving “the rural underemployed,” whom, because of their large numbers, can be removed from the countryside without reducing agricultural output (in the economist’s jargon, this can be done because the marginal productivity of labor in agriculture is negligible or zero). This “surplus labor” would be hired at near-subsistence wages by the new industries set up with additional savings and foreign capital. Both the historical “record,” as well as economic rationality, attests to the fact that people will move as long as they can be secured higher wages in the modern sector.

What happened to rural people (never mind what they thought) did not matter. From an economic perspective, these people simply did not count.

We are interested not in the people in general, but only say in the 10 per cent of them with the largest incomes, who in countries with surplus labor receive up to 40 per cent of the national income. . . . The remaining 90 per cent of the people never manage to save a significant fraction of their income. The important question is why does the top 10 per cent save more? . . . The explanation is . . . likely to be that saving increases relatively to national income because the incomes of the savers increase relatively to the national income. The central fact of economic development is that the distribution of incomes is altered in favour of the saving class. (Lewis [1954] 1958, 416, 417)
Not surprisingly, theories of this type led to regressive distributions of income that reached embarrassing proportions. Not until the early 1970s did economists fully realize this fact, especially with Albert Fishlow’s empirical findings that the “Brazilian miracle” of the late 1960s and early 1970s (growth rates of more than 10 percent per year maintained for a number of years) had not only produced a more unequal distribution of income but left low-income groups worse off in absolute terms. The second important aspect that should be noted is that unemployment was not eased in most cases, nor did wages and living standards rise significantly, as theory predicted; instead a permanent condition of surplus labor was produced, which fitted nicely the needs of multinational corporations. Poverty and unemployment inevitably increased, parallel to increases in the growth of GNP. These “undesirable” consequences, these “painful realizations”—as economists often euphemistically call them when they look at the “development record”—were by no means peripheral to the models used but belonged to their inner architecture.  

A third model of economic development, which achieved significant influence, especially in Latin America, was propounded in the late 1940s and 1950s by a group of Latin American economists working within the newly established Economic Commission for Latin America (CEPAL) in Santiago. CEPAL economists based their approach on the empirical demonstration of the historical deterioration of the terms of trade against primary goods from the countries of the periphery. The terms center and periphery (radicalized into a theory of dependency in the 1960s) were coined by CEPAL as elements of their explanation for this phenomenon. The deterioration of the terms of trade was seen as a reflection of the fact that the advances in technical progress were concentrated in the industrialized center. CEPAL’s doctrine was not unrelated to Lewis’s. Because output per worker was lower in the periphery, and given surplus labor, the conclusion for CEPAL economists was lower capacity for capital accumulation in the periphery. Ergo, a specific industrialization policy was needed. The lack of industrialization severely curtailed access to foreign exchange—the crucial component for economic growth because it determined the capacity to import capital goods. The answer thus lay in programs of domestic industrialization that would allow countries to manufacture at home goods that were previously imported. Hence the name given to this strategy, “import substitution industrialization,” one of CEPAL’s trademarks.

CEPAL theorists also paid attention to other salient issues, such as inflation, and to structural obstacles to development, particularly the sluggishness of the agricultural sector and the lack of coordination among sectors of the economy. The assessment of CEPAL theories remains a matter of controversy in Latin America to this date. Albert Fishlow (1985), for instance, has rightly observed the paradoxical fact that CEPAL’s strategy of import substitution industrialization aggravated precisely those factors it sought to correct: it increased the foreign-exchange vulnerability, magnified certain aspects of sectoral disequilibriums, and exacerbated the inflationary bias of the growth process. Yet it is undeniable that CEPAL economists challenged a number of tenets of orthodox economic theory (particularly the theory of international trade), provided a more complex view of development, which included structural considerations, and showed greater concern for the standard of living of the masses. Despite these differences, economic development remained in essence, in the eyes of these economists, a process of capital accumulation and technical progress. In short, as Cardoso (1977) pointedly put it, CEPAL thinking constituted “the originality of a copy.”

This is to say that CEPAL’s proposals were easily assimilated into the established views, to the extent that they lent themselves to a modernization process that international experts and national elites were eager to undertake. Its fate was to be absorbed into the power grid of the dominant discourse. One may say generally that at the level of discursive regularities, the CEPAL doctrine did not constitute a radical challenge. This does not mean, however, that it did not have important effects. From the point of view of the history of ideas, one should acknowledge, with Sikkink (1991), the impressive contribution of the Latin American economists who articulated a particular view of developmentalism as a model in the 1940s and 1950s. The fact that CEPAL-type developmentalism was adopted among several possible models reflects, for Sikkink, the resourcefulness of Latin American economists and policymakers of the period in the face of rapidly changing international and domestic opportunities and constraints.

Marxist or neo-Marxist theories of development, finally, did not achieve significant visibility until the 1960s, through theories of dependency, peripheral capitalism, and unequal exchange (Cardoso and Faletto 1979; Amin 1977; Emmanuel 1972). Paul Baran’s influential article of 1952 and canon-setting book of 1957 was the starting point for most Marxist formulations. His 1952 article (see Baran 1958), entitled “On the Political Economy of Backwardness,” contained a diatribe against Western capitalism and the middle and upper classes of the backward countries for having failed to develop these countries. For Baran, the eradication of the feudal order of backward countries and its replacement with market rationality would have been an indication of progress. At this level he was close to the dominant discourse. Nevertheless, his dialectical approach gave him the foresight to denounce the inappropriateness of the policies then being proposed and to pinpoint the need for structural changes in the political framework and the prevailing class alliances.

To what extent did Marxist or neo-Marxist views become circumvented, appropriated, or subverted by the dominant discourse? Many of the concepts these theories used can be described according to the conceptual basis...
of classical political economy. Even if concepts such as dependency and unequal exchange were new, the discursive space in which they operated was not. Nevertheless, because they functioned within a system that had a different set of rules (that of Marxist political economy, in which concepts such as profit and capital establish a different discursive practice), they are—at the level of discursive strategies—a challenge to the dominant frameworks. In sum, although they did not constitute an alternative to development, they amounted to a different view of development and an important critique of bourgeois development economics.25

Cheryl Payer (1991) has offered a powerful indictment of the early theories of development economics from a contemporary angle, the debt crisis. Payer finds the origins of the debt crisis precisely in these early models. The early theories assumed that developing countries were “natural importers of capital” and that only a flow of external capital could guarantee their development. This myth was based on a number of fallacious assumptions: (1) that foreign capital would always be an addition to domestic savings (in many instances this was not the case: it made more sense to use grants and low-interest loans for investment and divert domestic savings to politically oriented social programs); (2) that external markets would always be available, so that Third World countries could use the foreign exchange earned from exports to pay off loans (more often than not, center countries levied high tariffs against Third World products); (3) that the industrialization that would occur due to added investment would reduce the need for imports (this was hardly the case: countries became more dependent on imports of capital goods—machinery—to produce locally what they previously imported, thus worsening balance-of-payment problems); and (4) that foreign capital would necessarily activate growth (as the historical experience of countries like Norway and Australia shows, the opposite can be the case).

The main factor economists forgot, Payer strongly states, was that loans have to be repaid. The way they solved this predicament was to assume that loans would always be available to pay past debt, ad infinitum, or to overlook completely the problem of servicing the debt. Payer refers to this as the Ponzi scheme, a scheme in which original investors are paid off with money supplied by later investors. The underlying premise was that loans would be invested properly and have high rates of return, thus making payment possible. This did not happen in many cases, for reasons such as those cited earlier. It was also assumed that there were balance-of-payments stages—again, as read from the economic history of the U.S. and the U.K.: nations would move from being young debtors (like Third World countries in the 1950s) to mature debtors (when aid is no longer required, countries having developed the capacity to use efficiently commercial loans) to new creditors to, finally, mature creditors (net exporters of capital). For this theory to work, mature creditors would have had to accept imports from debtors at a scale they never did, thus worsening the debt problem.

The main factor these models overlooked, however, was that the historical context of the Third World after World War II and that of the U.S. and England a century earlier were completely different. Although countries of the center became industrialized at a time when they could dictate the rules of the game and extract surpluses from their colonies (albeit not always and not in every colonial possession), Third World countries in the postwar period had to borrow under the opposite conditions: deterioration of the terms of trade against the periphery, extraction of surplus by center countries, and a position of subordination in terms of policy formulation. Said bluntly, whereas Europe was feeding off its colonies in the nineteenth century, the First World today feeds off the Third World, as attested by the fact that Latin America in the 1980s paid an average of $30 billion more each year than it received in new lending.

To sum up: The pioneers of development economics conceived of development as something to be achieved by the more or less straightforward application of savings, investment, and productivity increases. Their notion of development was not, for the most part, structural or dialectical—not one in which development could be seen as the result of the dialectical interaction of socioeconomic, cultural, and political factors seen as a totality. As Antonio Garcia, a prominent Latin American economist, pointed out, the notion of underdevelopment that these economists assumed was necessarily mechanistic and fragmentary:

It is mechanistic because it is based on the theoretical assumption that development is an effect induced by certain technological innovations and by certain mechanisms that accelerate the equation savings/investment. It is compartmentalizing because it is built on a view of social life as the arithmetic sum of compartments (economic, political, cultural, ethical) that can be isolated at will and treated accordingly. (1972, 16, 17)

The early models had an implicit standard (the prosperous, developed countries), and development was to be measured by the yardstick of Western progress. Their notion of underdevelopment occupied the discursive space in such a manner that it precluded the possibility of alternative discourses. By constructing the underdeveloped economy as characterized by a vicious circle of low productivity, lack of capital, and inadequate industrialization, development economists contributed to a view of reality in which the only things that counted were increased savings, growth rates, attracting foreign capital, developing industrial capacity, and so on. This excluded the possibility of articulating a view of social change as a project that could be conceived of not only in economic terms but as a whole life project, in which the material aspects would be not the goal and the limit but a space of possibilities for broader individual and collective endeavors, culturally defined.
It has often been said that classical political economy was the rationalization of certain hegemonic class interests: those of a capitalist world economy centered in England and its bourgeoisie. The same can be said of development economics in relation to the project of capitalist modernization launched by the core nations after the Second World War. Indeed, the set of imperatives the United States faced after the war—the five imperatives mentioned earlier: to consolidate the core, find higher rates of profit abroad, secure control of raw materials, expand overseas markets for American products, and deploy a system of military tutelage—shaped the constitution of development economics. Yet development economics should not be seen as the ideological or superstructural reflection of this set of imperatives. This interpretation would only relate a certain descriptive discourse (a set of assertions about a given economy: the five imperatives) to another discourse enunciated in the form of theoretical propositions (namely, development economics). That is, one should avoid falling back into the division between the “ideal” (the theory) and the “real” (the economy); instead one should investigate the epistemological and cultural conditions of the production of discourses that command the power of truth, and the specific mode of articulation of these discourses upon a given historical situation.

From this perspective, the emergence of development economics was not due to theoretical, institutional, or methodological advances. It was due to the fact that a certain historical conjuncture transformed the mode of existence of economic discourse, thus making possible the elaboration of new objects, concepts, and methodologies. Economics was called upon to reform societies perceived as underdeveloped, based on a new grid for theoretical interpretation (Keynesian and growth economics) and new technologies for social management (planning and programming). Said differently, the fact that the economic, political, and institutional changes of the period shaped the consciousness and perceptions of the economists was true in a number of ways—for instance, the need for economic expansion influenced the economists’ concern with growth; the rising tide of multinational corporations influenced the economists’ attention to capital accumulation via industrialization; and so on. Those changes, however, exerted their effect on economic discourse through other mechanisms as well: by opening new fields for the construction of economic objects; by conferring a new status on economists and their science; and by multiplying the sites from which the discourse could be produced and from which its associated practices could be set into motion.

Development economics made possible the elaboration of historical events into objects of economic discourse. What we called the economics of the world (the 1914–1948 crisis, the ensuing post–World War II situation, and the imperatives of the world economy) influenced the making up of the world of economics. The interests and struggles that made up those events found their way into the discourse and deployed their strategy in it. Throughout this period, then, a fundamental structure was laid down which united a theoretical corpus, forms of diffusing it and controlling it, a body of practices—such as planning, discussed in the next section—international organizations (in whose ambit negotiations were conducted for the establishment of a new relation between international capital and the peripheral economies), and decision-making centers in the Third World eager to drink from the cup of economic knowledge so that they could elevate their peoples, once and for all, to the surface of civilization. Beyond the models themselves, it is this system that can be properly called development economics.

The development economist played a special role in this new universe of discourse. To him (he was almost invariably a male) belonged the expertise that was most avidly sought; it was he who knew what was needed, he who decided on the most efficient way to allocate scarce resources, he who presided over the table at which—as if they were his personal entourage—demographers, educators, urban planners, nutritionists, agricultural experts, and so many other development practitioners sat in order to mend the world. Within this configuration, the economist retained for himself the less mundane role of giving overall directions, because it was his truth that circumscribed the task and gave it legitimacy in the name of science, progress, and freedom. To the latter were reserved the daily chores of social supervision and intervention, the detailed programs and projects through which development was carried out. The system as a whole rested on the economist’s shoulders; sooner or later, the Third World would yield its secrets to the gaze of the economist; and this gaze, in keeping with the best Cartesian tradition, was undeniably objective and unprejudiced.

As the discourse of development economics became consolidated, so did its associated institutions and practices: economic institutes and faculties and, more important, the planning institutions. The next section introduces briefly the discussion of planning, although a more detailed analysis of its functioning as a field of knowledge and technique of power must await subsequent chapters.


During the 1960s, economic-growth theories occupied “an exalted position” (Arndt 1978, 55). The challenge that growth not be equated with development was still a decade away. The widespread belief that growth could be planned for contributed to solidifying the growth approach. Planning had ceased to be an affair of the socialist Left and the Soviet world. Even in countries like England and France the need for some sort of long-term planning to orchestrate economic growth was recognized. But planning was not just the application of theoretical knowledge; it was the instrument through
which economics became useful, linked in a direct fashion to policy and the state. At the practical level of planning, truth spoke for itself, because it had been previously summoned by the discourse of the economist. What for the planner was a field of application and experimentation, for the economist was the locus of a systematic truth he was obliged to find and bring to everybody’s attention.

The first loan the World Bank made to an underdeveloped country was to Chile, in 1948. A World Bank official called Chile’s initial loan application, a seven-page proposal, “a completely undigested list of projects.” For World Bank economists, this was a clear indication of how far they would have to go to bring Latin American social scientists and government officials to the point where they could prepare a satisfactory project proposal. One of the early World Bank economists put it thus:

We began to discover the problem with our first mission which went to Chile in 1947 to examine a proposal that we finance a power project there. The presentation of this proposal had been made in a book handsomely bound in black Morocco leather. . . . But when we opened the book, we found that what we had really was more of an idea about a project, not a project sufficiently prepared that its needs for finance, equipment, and manpower resources could be accurately forecast. . . . Before the loan was finally made, members of the Bank staff had made suggestions about the financial plan, had contributed to the economic analysis of the scheme, had advised on changes of engineering, and had helped study measures for improving the organization of the company which was to carry out the scheme. When we finally made the loan, the project had been modified and improved, the borrowing organization had been strengthened, and the foundation had been laid for a power expansion program in Chile which has been proceeding steadily ever since. (Quoted in Meier 1984, 25)

This telling anecdote, which Meier cites as an example of the evolving “efforts” of the World Bank and other agencies, reveals “a power expansion program,” although not primarily of electric power. It reveals the pressures that Latin American social scientists and government officials faced to transform radically the style and scope of their activities to fit the needs of the development apparatus. Latin American social scientists did not know what World Bank officials meant by project, nor were they conversant with the new techniques (such as surveys and statistical analyses) that were becoming part of the empirical social sciences in vogue in the United States. The anecdote also highlights the importance of project preparation and planning in general in the expansion of the development apparatus. More important, it calls attention to the need to form cadres of social technicians who could invent and manage the discourses, practices, and symbols of modernity (Rabinow 1989), this time in the context of the development apparatus.

The case of Colombia exemplifies the route followed by those countries which embraced planning without much reservation. The Basis of a Development Program for Colombia, the report of the World Bank mission to Colombia headed by Lauchlin Currie in 1949, was the first of a long list of plans produced in the country during the last forty years. Since the late 1950s, every national administration has formulated a development plan for the country. The constitutional reform of 1945 introduced for the first time the notion of planning, making possible its institutional development. With the Currie mission, the nascent preoccupation with planning became more visible, and technical organisms for planning were established. The chronology of planning institutions includes the Consejo Nacional de Planeación and the Comité de Desarrollo Económico, established in 1950; the Oficina de Planeación (1951); the Comité Nacional de Planeación (1954); the Consejo Nacional de Política Económica y Planeación and the Departamento Administrativo de Planeación y Servicios Técnicos (1958); the Consejo Nacional de Política Económica y Social and the Departamento Nacional de Planeación (1966). It also includes the creation of a Ministerio de Desarrollo and of planning units within most of the other ministries (agriculture, health, education, and so on).27

Planning activities during the 1950s, however, were modest, due to a series of social and political factors that affected the country during that decade and that ended with the signing of the National Front Pact in 1958. The task of the Comité de Desarrollo Económico (September 1950–September 1951), for instance, was to advise the government regarding the recommendations of the Currie report, including provisions for external financing. The lack of qualified Colombian personnel was reflected in the fact that the first development plan was prepared by a foreign mission and that foreign experts advised the planning organisms of the country during the first two decades of the “age of planning,” the 1950s and 1960s (L. Currie and A. Hirschman in the early 1950s; Lebret in 1957, 1958; Watterson, from the World Bank, in 1963–1964; a Harvard mission, 1960–1970; a CEPAL mission, 1959–1962; a World Bank mission, 1970; and an International Labour Organization mission, 1970). Besides the resort to foreign experts and advice, Colombian students were sent to university centers, especially in the United States, where they could develop the knowledge of the new planning techniques and the spirit and frame of mind required for the new enterprise.

Short-term external assistance was also regularly practiced beginning in the early 1950s, sometimes financed by external sources. This type of assistance was not always restricted to national planning advice but often involved the design of specific projects. One such instance was the development of the Autonomous Regional Development Corporation of the Cauca Valley (Corporación Regional Autónoma del Cauca, CVC). An examination of the role that external assistance played in this case reveals a number of practices of advising and planning introduced in the context of development.
In October 1954 the government of Colombia approved the creation of the CVC, following a set of initiatives taken by local industrialists and agricultural entrepreneurs of the Cauca Valley region. The Departmental Planning Commission had been set up a year earlier with the objective of formulating a development plan for the region. In early 1954, David Lilienthal, former chairman of the Tennessee Valley Authority (TVA), visited Colombia on an official invitation. His report of the visit, which reflected closely the TVA’s experience, was instrumental in shaping the conception of the CVC, the statutes of which were finally approved in July 1955. In addition, the CVC requested the assistance of the International Bank for Reconstruction and Development (IBRD, better known as the World Bank) in defining the corporation’s tasks and in delineating the technical and financial procedures for their implementation.

The IBRD mission, composed of six members, arrived in Colombia in February 1955 and remained there for two months. The chief of the mission returned to Colombia in September of the same year to discuss with CVC officials the contents of the report drafted in Washington. The report (International Bank for Reconstruction and Development 1955) addressed a whole range of technical issues (flood control, electric power, irrigation, present and potential agricultural activities, agricultural programs, transportation, minerals, industry, financial considerations, and so on). It also included provisions for future external technical assistance. Ever since, the CVC became the most important factor in the capitalist transformation of the fertile Cauca River Valley region, to such an extent that it became an international showcase of regional development planning.

The establishment of the CVC exemplifies well the interests and practices of the World Bank and other international lending organizations during the 1950s. The overall goal was dictated by development economics: to promote growth through certain types of investment projects; resorting to foreign financing when possible or necessary. This goal required the rationalization of the productive apparatus, according to the methods developed in industrialized nations—the well-reputed TVA in this case, which served as a model for similar programs in various parts of the Third World, often, as in Colombia, with Lilienthal’s direct involvement. This could be done only through new practices concerning the everyday actions of an ever larger number of development technicians and institutions. The importance of these micro practices—replicated by hundreds of technicians at all levels—cannot be overemphasized, because it is through them that development is constituted and advanced.

The new practices concerned many activities and domains, including, among others, technical assessments; institutional arrangements; forms of advice; the generation, transmission, and diffusion of knowledge; the training of personnel; the routine preparation of reports; and the structuring of bureaucracies. It is through these practices that development is effected, as I will show in the detailed discussion of food and nutrition planning that follows this chapter. Although the state plays a crucial role in this process, it is not through a uniform form of intervention but through a multiplicity of sites of intervention in the economy (economic planning, planning in agriculture, health, education, family planning, and project design and implementation in many arenas). Nevertheless, the progressive encroachment of what was to become the great edifice of planning in the late 1960s cannot be divorced from the emergence of a politics of development as a national problem. Once the basic organization of the discourses of planning and development economics was in place in the early 1950s, it increasingly determined the nature of social policy and thinking—even if it did not become consolidated until a decade later, especially with most Latin American governments’ commitment to planning, agrarian reform, and the Alliance for Progress at the Punta del Este meeting in 1961.

Older styles of knowledge and assistance progressively disappeared as development economics and planning became consolidated. Pre–World War II economic inquiry could not fulfill the demands for model building and empirical research placed by the new science (Escobar 1989). Politically, what was at stake was a way of treating poverty and underdevelopment in a new fashion. After 1945, the task of governments was to make poverty useful by fixing it to the apparatus of production that planning sought to deploy. A completely utilitarian and functional conception of poverty emerged, linked inextricably to questions of labor and production. The new institutions of planning were replicated at the level of cities, departments, towns, and rural areas in relation to minute economic and welfare concerns. Through this network of power, the “poor,” the “underdeveloped,” the “malnourished,” and the “illiterate” were brought into the domain of development; it was in them that the political technologies of development were inscribed. Beyond the requirements of capital, development technologies became a mechanism of social production of unprecedented reach. As we will see, the development apparatus succeeded only partly in this task.

**SHIFTING ECONOMIC DISCOURSE:**
**LOCAL MODELS AND THE GLOBAL ECONOMY**

The 1980s: The Lost Decade and the Return to Realism

The intellectual and political climate that saw the birth of development economics started to change in the 1960s. A number of important changes have taken place within the discipline since then—the abandonment of the early *dirigisme* and the overconcern with growth, and the successive appearance, within the non-Marxist camp, of “growth-plus-distribution” strategies, ex-
port-led growth, international monetarism, neostructuralism, and neoliberalism. A certain degree of innovation and structural mutations has occurred, although always within the confines of established economic discourse, whose laws of formation have not changed. In the mid-1980s, a prominent analyst saw Latin American economics as dominated by pragmatic adaptations: neither a return to laissez-faire nor an invigorating of dirigisme but a sort of eclectic practice dictated by the consideration of special problems—particularly the debt, inflation, and the role of the state—which recombined rather than reinvented theoretical perspectives (Fishlow 1985).

The most drastic contextual changes took place in the 1980s, when large parts of Asia, Africa, and Latin America saw, according to observers of many persuasions, their worst crisis in the century. In Latin America, the 1980s are known as the lost decade. In 1982, Mexico’s announcement that it could not meet its debt service obligations unleashed the infamous debt crisis. What followed is well known by now: repeated attempts at economic stabilization and adjustment; austerity measures that translated into rapidly declining living standards for the popular and middle classes; industrial decline in many countries in the wake of strong neoliberal and free market economic policies, even negative growth rates in some countries; in sum, a reversal of development (Portes and Kincaid 1989; Dietz and James 1990). The social and political implications of these changes were equally onerous and menacing. Social exclusion and violence increased significantly. What were perceived as transitions to democracy during the first half of the decade became difficult to consolidate as the decade progressed. Even nature seemed to take issue with the region, as tornados, erupting volcanoes, earthquakes, and, more recently, the resurgence of cholera brought to the region more than its usual share of nature-related but socially aggravated hardships.

These changes fostered a significant reassessment of development economics. In the first half of the decade, a number of articles by leading development economists appeared which tried to assess the experience of the last four decades in the field.28 “Few subject areas,” read the opening paragraph of one of them, “have undergone so many twists and transformations as has development economics during the past thirty years” (Livingstone 1982, 3). Although a number of initial errors were recognized, the 1980s’ assessments emphasized considerable learning at the level of types of empirical research, concreteness and specificity, and theoretical advances in a number of subfields. Moreover, a number of competing paradigms (neo classical, structur alist, and neo-Ma rxist) were thought to have come into existence.

Trenchant critiques, however, also appeared. One of the most poignant was penned by Raúl Prebisch, CEPAL’s first director and originator of the center-periphery conception, in referring to the application of the neoclassical economic theories to the Third World:

In their striving after rigorous consistency . . . these [neoclassical] theories shelved important aspects of social, political and cultural reality, as well as of the historical background of collectivities. In making a tenacious effort at doctrinal aspesis, they evolved their arguments in the void, outside time and space. . . . If the neoclassical economists were to confine themselves with building their castles in the air, without claiming that they represent reality, that would be a respectable intellectual pastime, apt at times to arouse admiration for the virtuosity of some of its eminent exponents overseas. But the position is very different when an attempt is made in these peripheral countries to explain development without taking account of the social structure, of the time-lag in peripheral development, of the surplus, and of all the characteristics of peripheral capitalism. . . . It is worth while to recall this at the present time, when such vigorous offshoots are springing up in some of the Latin American countries. (Prebisch 1979, 168)

It must be borne in mind that those “vigorous offshoots” to which Prebisch referred in 1979 were the neoliberal experiments of the authoritarian regimes of the Southern Cone countries (particularly Chile and Argentina), which were to become the standard approach all over Latin America by the end of the 1980s.29 A similar critique was put forth by P. T. Bauer from an entirely different position. For Bauer, the development economists of the early 1950s completely misread a number of factors that characterized the economies of the less developed countries (the problem of trade, the alleged lack of capital and entrepreneurship, the vicious circle of poverty, and stagnation). Based on these misreadings, a series of ideas developed which became the core of economic development literature. “Even when some of the elements of the core have disappeared from most academic writings,” he concluded, “they have continued to dominate political and public discourse, an instance of the lingering effect of discarded ideas” (1984, 1).

For Dudley Seers, the fact that the early theories allowed economists and policymakers to concentrate on technical issues, leaving aside important social and political questions, contributed to their rapid adoption. An additional factor in this regard were “the professional convenience and career interests especially in the ‘developed’ countries, where most of the theoretical advances in the field originated” (1979, 709). Albert Hirschman (1981) analyzed the early years of the discipline from a different angle. In its initial stages, according to him, development economics was fueled with “unreasonable hopes,” a reflection of the ethnocentric behavior that has characterized Western societies’ attempts to deal with other cultures. In his words,

The Western economists who looked at [Asia, Africa, and Latin America] at the end of World War II were convinced that these countries were not at all that complicated: their major problems would be solved if only their income per
capita could be raised adequately. . . . With the new doctrine of economic growth, contempt took a more sophisticated form: suddenly it was taken for granted that progress of these countries would be smoothly linear if only they adopted the right kind of integrated development program! Given what was seen as their overwhelming problem of poverty, the underdeveloped countries were expected to perform as wind-up toys and to "lumber through" the various stages of development single-mindedly. (1981, 24)

These reflections were accompanied by concrete proposals in some cases. Seers (1979), for instance, advocated the incorporation of development economics into a broader field of development studies so that it could deal seriously with social, political, and cultural aspects of development. For Meier, development economics needed to move "beyond neo-classical economics." It is difficult to see what he meant by this, because he—as most economists—continued to uphold the belief that "the laws of logic are the same in Malawi as anywhere else. But the economic problems of Malawi may still be quite different in empirical content from those in another country" (Meier 1984, 208). This same "logic" led him to assert that "the population problem arouses more alarm than any other aspect of development" (211). One might be tempted to read these assertions in the following manner: "The laws of logic that must rule for the type of capitalist development embodied in neoclassical economics have to be the same in Malawi as in the United States. Only then would the problems of population, unemployment, and so on, be solved." Logic, for Meier, is an ahistorical fact. This is why in his discourse the economist is much more "the guardian of rationality" than "the trustee of the poor"; he argues that economists have to balance both roles.

Hollis Chenery, a leading development economist at the World Bank, held that development economics could be recast without significant reformulation. For him, "the neo-classical model has proven to be a useful starting point even though it seems to require more extensive adaptation to fit the developing countries" (1983, 859). His prescription was to adapt the model better by conducting more empirical studies and constructing "computable general equilibrium models" and more complex algorithms (859). Chenery's call for more empirical studies was mandated by the theoretical framework within which such studies would be conducted; they could only reinforce that framework. The hope was that by conducting more empirical studies, economists would finally get it right, avoiding the question of whether the framework itself was adequate. After all, economists such as Prebisch, Seers, and some neo-Marxists had shown that neoclassical economics was an inadequate theoretical apparatus for understanding the situation of poor countries.

A fundamental assumption that persisted in all of these proposals was that there is a reality of underdevelopment that a carefully conducted economic science can grasp progressively, pretty much following the model of the natural sciences. In this view, economic theory was built out of a vast bloc of preexisting reality that is independent of the theorist's observations. This assumption has fueled the sense of progress and growth of economic theory in general and of development economics in particular. In economic theory, this sense has been further legitimized by the canonization of the most important developments—such as the innovations of the 1870s and 1930s—as veritable scientific revolutions. As a prominent economic historian put it, "Appeal to paradigmatic reasoning has quickly become a regular feature in controversies in economics and 'paradigm is now the by-word of every historian of economic thought" (Blaug 1976, 149; see Hunt 1986 for paradigms in development economics).

In Latin America and most of the Third World (as in the United States and the United Kingdom), a mixture of approaches under the overall label neoliberal economics became dominant at the level of the elite as the 1980s unfolded. Statist and redistributive approaches gave way to the liberalization of trade and investment regimes, the privatization of state-owned enterprises, and policies of restructuring and stabilizing under the control of the ominous International Monetary Fund (IMF). There was, indeed, a noticeable policy reversal. Reagan's "magic of the market" speech, delivered at the North-South conference in Cancun in 1981, publicly announced this turn. A certain reading of the experience of the "newly industrializing countries" of East Asia in terms of the advantages of liberal exchange regimes (opening up to the world economy), as well as the influential Berg Report for Africa (World Bank 1981), plus rational choice critiques of the distorting effects of government intervention, all contributed to the dismantling of the economic development approaches that prevailed until the 1970s (Biersteker 1991). The World Bank's "market friendly development" (1991), the institution's strategy for the 1990s, was the final crystallization of the return of neoliberalism. Most economists see these changes as a return to realism.

Within economics, even the approaches to sustainable development have been permeated by the neoliberal turn. As the 1991 World Bank Annual Conference on Development Economics put it (Summers and Shah 1991), the achievement of "sustainable economic growth" is seen as dependent on the existence of "an undistorted, competitive, and well-functioning market" (358). As before, the allegedly improved economic theory is produced by a small elite of economists entrenched in prestigious universities and backed by the World Bank and the IMF. In Latin America, timid attempts at proposing a certain "neo-structuralism" (Sunkel 1990) have not found much support, even if a few of the countries (such as Colombia) continued to make
efforts throughout the 1980s to maintain a type of mixed economic policy, only partly committed to neoliberalism and the free market. In the Colombian case, as in most of Latin America, any resistance to neoliberalisms that could have existed had disappeared by the beginning of the 1990s. The total opening of the economy—coupled with a new round of privatization of services and the so-called modernization of the state—has become the order of the day. The policies of *apertura económica*, as the new approach is anachronistically known, is opposed from a number of fronts; yet for now the global elites seem committed to it.31

The assessments of development economics conducted during the 1980s, in short, did not lead to a significant recasting of the discipline. What we seem to be witnessing is its progressive dissolution. A break in economic development theory may come not, as the authors of the assessments reviewed here assumed, from the field of economics (for example, from the introduction of new concepts, better models, and algorithms) but from a wider critique of the field of development. Conversely, any strategy to modify development theory and practice will have to consider current economic thought and practices. This process of critique is yet to be done. Recent works in anthropology and political economy provide elements toward a more creative reformulation of economic inquiry than the recasting attempted in the 1980s.

The Cultural Politics of Economic Discourse: Local Models in Global Contexts

It should be clear by now that development economics, far from being the objective universal science its practitioners assumed it was, is, as "any model, local or universal, a construction of the world" (Gudeman 1986, 28). This chapter has shown in detail the nature of this construction. It is now time to explore the consequences of this analysis in terms of its relation to other possible constructions. If there are other constructions, how are these to be made visible? What is their relation to dominant models? How can this relation be modified, given the global political economy of discourses and power that rules the interaction between the various models and their sociocultural matrices?

Economic historians and anthropologists have investigated different economic models, either in antiquity or in "primitive" societies. Frequently, these efforts have been marred by the epistemological traps and ethnocentrism denounced by Polanyi, Godelier, Gudeman, and others with which we started our discussion of economics as culture. Succinctly stated, universal models—whether neoclassical, substantivist, or Marxist—"continuously reproduce and discover their own assumptions in the exotic materials" (Gudeman 1986, 34). In the process, they deny the capacity of people to model their own behavior and reproduce forms of discourse that contribute to the social and cultural domination effected through forms of representation.

One way to detect and investigate local constructions is to focus on popular groups’ forms of resistance to the introduction of capitalist practices. This was the route followed by the ethnographies of resistance of the 1980s, such as those by Nash (1979), Taussig (1980), Scott (1985), and Ong (1987). One of the most unambiguous expressions of the cultural basis of resistance was given by Taussig in his analysis of the spread of capitalist agriculture in the Cauca River Valley in southwest Colombia. The spread of sugarcane was met by fierce opposition by the mostly Afro-Colombian peasants of the region. There was much more at stake than material resistance. In Taussig’s words,

Peasants represent as vividly unnatural, even as evil, practices that most of us in commodity-based societies have come to accept as natural in the everyday workings of our economy, and therefore of the world in general. This representation occurs only when they are proletarianized and refers only to the way of life that is organized by capitalist relations of production. It neither occurs nor refers to peasant ways of life. (1980, 3).

Taussig invites us to see in this type of resistance a response by people “to what they see as an evil and destructive way of ordering economic life” (17). Other authors in disparate contexts derive similar lessons—for instance, Fals Borda (1984) in his analysis of the introduction of barbed wire and other technologies in northern Colombia at the turn of the century; and Scott (1985) in his study of the fate of green revolution technologies in Malaysia. The works of the 1980s, however, used resistance to illuminate practices of power more than the logic of the subaltern. Several authors have paid more attention to this latter aspect in recent years, introducing new ways of thinking about it (Guha 1988; Scott 1990; Comaroff and Comaroff 1991). In their discussion of the colonial encounter in southern Africa, for example, Comaroff and Comaroff emphatically assert that the colonized “did not equate exchange with incorporation, or the learning of new techniques with subordination” (1991, 309); instead, they read their own significance into the colonizers’ practices and sought to neutralize their disciplines. Although Africans were certainly transformed by the encounter, the lesson derived by this more subaltern actor–oriented view of resistance is that hegemony is more unstable, vulnerable, and contested than previously thought.

Ranajit Guha has also called on historians to see the history of the subaltern “from another and historically antagonistic universe” (1989, 220). There is a counterappropriation of history by the subaltern that cannot be reduced to something else, such as the logic of capital or modernity. It has to be explained in its own terms. Turning back to local models of the economy, do
they exist in “another and historically antagonistic universe”? One thing is certain in this regard: local models exist not in a pure state but in complex hybridizations with dominant models. This is not to deny, however, that people do model their realities in specific ways; local models are constitutive of a people’s world, which means that they cannot be readily observed by objectifying positivist science.

I already introduced Gudeman and Rivera’s (1990) notion of local models as conversations that take place in the context of dominant conversations. Indeed, what counts most from the perspective of these authors is to investigate the articulation of local and “centric” (dominant) conversations, including the relationship between inscriptions from the past and practices of the present, between centric text and marginal voices, between the “corporation” in the center and the “house” in the margins. Center and periphery thus emerge not as fixed points in space, external to each other, but as a continuously moving zone in which practices of doing conversations and economies get intermingled, always shifting their relative position. Marginality becomes an effect of this dynamic. Gudeman’s earlier work (see especially 1986) provides a view of the importance and coherence of local models of the economy in Panama, a view further refined through work in Colombia. For these anthropologists, the peasant model that exists today in the Colombian Andes “is the outcome of an extensive conversation”—from Aristotle to Smith and Marx—that occurred over several thousand years and continues to take place in many lands” (1990, 14). These conversations are incorporated into local social practice, producing a local model of the economy.

At the basis of the peasant model is the notion that the Earth “gives” based on its “strength.” Humans, however, must “help” the land to give its products through work. There is a relation of give and take between human and the earth, modeled in terms of reciprocity and ultimately validated by Providence (God). The land may produce abundance or scarcity; most people agree that the land gives less now, and that there is more scarcity. Scarcity is thus not given a metaphysical character (the way things are) but linked to what happens to the land, the house, and the market. If scarcity persists, it is because the Earth needs more help, although peasants know that chemical products—as opposed to organic manure—“burn the earth” and “take away” its force. Food crops draw their strength from the land; humans, in turn, gain their energy and force from food crops and animal products, and this strength, when applied as work on the land, yields more force. Work, construed as concrete physical activity, is the final “using up” of the land’s strength. This construction brings the model full circle. There is a flow of strength from the land to crops to food to humans to work that helps the land give more force.

The house has two main purposes: to reproduce itself and to increase its “base” (its stock of land, savings, and implements). The house is not purely a market participant; indeed, peasants in this part of the world try to minimize their interaction with the market, which they see as a concrete place rather than as an abstract mechanism. Peasants, however, are aware that they are being increasingly pushed into the market; they interpret this fact as a diminishing margin for maneuvering. The house model persists at the margins, where the model of the corporation (which epitomizes the market economy) has not become dominant. House and corporation are in a contrapuntal relation, the latter always trying to incorporate the contents of the former. The house economy is based on livelihood; the corporation’s, on acquisition. Peasants are aware that they participate in both types of economy. They also have a theory of how they are being drained by those who control the market.

The local model thus includes a view of the circularity and equilibrium of economic life, albeit very different from the classical and neoclassical view. The peasant model can be seen as closer to the land-based model of the Physiocrats, and the use of “force” can be related to the Marxist notion of labor force, although “force” is applied equally to work, land, and food. Beyond these differences, there is a crucial distinction between both models, arising from the fact that the house model is based on daily practice. Local models are experiments in living; the house model “is developed through use . . . it has to do with land, foodstuffs, and everyday life” (Gudeman and Rivera 1990, 14, 15). This does not contradict the assertion that the peasant model is the product of past and present conversations and their adaptation through practice.

More than the house model, in Latin America what one increasingly finds is the house business. As the site of conjunction of forms, “dynamic and multicultural yet fragile and unstable in identity” (Gudeman 1992, 144), the house business can be interpreted in terms of metaphors of “bricolage” (de Certeau 1984; Comaroff and Comaroff 1991) or hybridization (García Canclini 1990). It is composed of partly overlapping domains of practices that must be studied ethnographically. Gudeman and Rivera believe that this general dynamic also marked the development of modern economics, even if the latter became more and more technical with the development of capitalism. The implications of this view are enormous. Not only does the idea of a universal model of the economy have to be abandoned, it becomes necessary to recognize that forms of production are not independent from
the representations (the “models”) of social life in which they exist. The
remaking of development must thus start by examining local constructions,
to the extent that they are the life and history of a people, that is, the condi-
tions of and for change. This brings into consideration the relation between
models and power. Guzman and Rivera advocate a process based on “com-

unities of modelers,” in which local and dominant models are accorded a
say. But who is to belong to and organize these communities of modelers? 
Again, what we have here is a confrontation of local and global power, popu-
lar and scientific knowledge. At issue is the distribution of global power and
its relation to the economy of discourses.

There are then two levels, two vectors, that must be considered in re-
thinking development from the perspective of the economy. The first refers
to the need to make explicit the existence of a plurality of models of the
economy. This entails placing oneself in the space of local constructions. But
this by itself will not make it. Even if communities of modelers are brought
into existence as part of the process of designing development (not incon-
ceivably by the World Bank itself), the process of inscription will not stop.
A second level of concern must be added. One must have a theory of the
forces that drive this inscription and that keep the inscribing systems in
place. What needs to be studied at these levels is the mechanisms by which
local cultural knowledge and economic resources are appropriated by larger
forces (mechanisms such as unequal exchange and surplus extraction be-
tween center and periphery; country and city; classes, genders, and ethnic
groups) and, conversely, the ways in which local innovations and gains can
be preserved as part of local economic and cultural power.

Part of this inquiry has been advanced within political economy—par-
ticularly theories of imperialism, unequal exchange, world systems, and periph-
eral capitalism. Yet these theories fall short of the task, especially because
they do not deal with the cultural dynamics of the incorporation of local
forms by a global system of economic and cultural production. A more ade-
quate political economy must bring to the fore the mediations effected by
local cultures on translocal forms of capital. Seen from the local perspective,
this means investigating how external forces—capital and modernity; gen-

erally speaking—are processed, expressed, and refashioned by local commu-
nities. Local-level ethnographies of development (such as those discussed in
chapter 1) and theories of hybrid cultures (analyzed in the conclusion) are a
step in this direction, although they tend to fall short in their analysis of the
capitalist dynamics that circumscribe the local cultural constructions.

A political economy of global economic and cultural production must thus
explain both the new forms of capital accumulation and the local discourses
and practices through which the global forms are necessarily deployed; it
must explain, briefly put, “the production of cultural difference within a
structured system of global political economy” (Pred and Watts 1992, 18).
many countries; control of production by popular organizations and social movements; a new role for the state; innovations in technology to meet a new demand structure; and significant restrictions or partial delinking in relation to international markets. The obstacles to this type of restructuring of peripheral countries into autocentric economies are, needless to say, enormous. In Amin's vision, some of them might be overcome through new forms of South-South cooperation, including the formation of regional blocs of several countries along socialist lines.35

Amin's notions of polycentrism and autocentric accumulation can serve as useful principles for guiding action at the macroeconomic and political levels. It is necessary to emphasize, however, that Amin's prescriptions are written in a universalistic mode and a realist epistemology, precisely the kinds of thinking criticized here. Nevertheless, as a description of the world that seeks to explain a hegemonic order and that relies on a dominant language, realist political economy cannot be overlooked in the imagining of alternatives to that world and that language. Yet it is necessary to insist that if the analysis in terms of political economy needs to be summoned in this context, it must also be continuously destabilized. It has to be accompanied by a strategic repositioning in the domain of representation. Forms of production and forms of representation can be distinguished only for analytical purposes. Modifying political economies involves both material and semiotic resistance, and material and semiotic strengthening of local systems.

To be sure, although the social projection of subaltern languages rests largely with social movements, it calls for strategies to modify local, regional, and international political economies. The primary goal of this modification, however, should be not healthier regimes of accumulation and development, as in Amin's case, but to provide conditions that are more conducive to local and regional experiments based on autonomous (hybrid) models. Moreover, the analysis of political economy must be conducted from the perspective of its integration with local forms, as discussed earlier. It should also contribute to shifting the political economy of discourse production and the multiplication of the centers of discourse. From the classical political economists to today's neoliberals at the World Bank, economists have monopolized the power of speech. The effects of this hegemony and the damaging centrality of economics need to be exposed in novel ways. Making other models visible is a way of advancing this task. "Mediating this communication [among modelers] or formulating a conversational community across cultures is an important project of anthropology" (Gudeman 1992, 152). It is, indeed, one must add, a political project of importance.

The suggestion that we take into account people's own models is not only a politically correct position. On the contrary, it constitutes a sound philosophical and political alternative. Philosophically, it follows the mandate of interpretive social science (Rabinow and Sullivan 1987; Taylor 1985) that we take subjects as agents of self-definition whose practice is shaped by their self-understanding. This self-understanding may be grasped by the researcher or activist through ethnographic methods. This does not mean that the researcher or activist has to adopt the subjects' view or that the subjects' view is always right. Cultural relativists have often fallen into this double trap. It means that the interpretive social scientist has to take into account people's own descriptions as the starting point of theory, that is, of what has to be explained.36

What I have been talking about in this chapter is a kind of social power linked to the economy of goods and discourses. At the level of regimes of representation, this power goes on for the most part unchallenged explicitly, although it is often resisted at various levels. Social power of this kind has an insidious way of encroaching upon the most recondite corners of social life, even if in inconspicuous ways. This is no less true in those arenas in which life itself is at stake, such as in the arena of food and hunger, as the next chapter will show. I will examine in detail how today's practices in nutrition, rural development, and health care came into existence not as a result of improved consciousness, scientific progress, or technological refinements but rather as effects of power brought about by the problematization of hunger in the context of the pervasive economization of subsistence.
CONTENTS

List of illustrations vi
List of contributors vii
Preface x
Abbreviations xiv

INTRODUCTION
Imagining development
Jonathan Crush

Part I Histories of Development
1 THE INVENTION OF DEVELOPMENT
   Michael Cowen and Robert Shenton 25
2 'A NEW DEAL IN EMOTIONS'
   Theory and practice and the crisis of development
   Michael Watts 43
3 SCENES FROM CHILDHOOD
   The homesickness of development discourses
   Dong J. Porter 61
4 GREEN DEVELOPMENT THEORY?
   Environmentalism and sustainable development
   W.M. Adams 85
5 SELECTIVE SILENCE
   A feminist encounter with environmental discourse in
   colonial Africa
   Fiona Mackenzie 97

Part II Geographies of Development
6 SUSTAINABLE DISASTERS?
   Perspectives and powers in the discourse of calamity
   Kenneth Hewitt 111
Development occupies the centre of an incredibly powerful semantic constellation...at the same time, very few words are as feeble, as fragile and as incapable of giving substance and meaning to thought and behaviour.

(Esteve 1992:8)

In March 1895, on his return from a tour of duty as Commissioner in British Central Africa (Malawi), Sir Harry Johnston spoke to the Royal Geographical Society about the changing character of British rule in Central Africa. Johnston drew a vivid picture for his audience of two contrasting landscapes:

The Lower Shire district...was a marshy country, with only one European occasionally residing at a half-formed station, and with a native population...In short, throughout all this country there was absolutely no security for life and property for natives, and not over-much for the Europeans.... Everything had got to be commenced; there was no proper postal service, there were no customs-houses, no roads suitable for wheeled traffic, very little labour in the coffee plantations; the forests of the land were being steadily destroyed year by year by bush fires, and the navigation of the Shire River was entirely at the mercy of evil-minded slave traders.

(Johnston 1895:194–6)

A mere three years later, according to Johnston, the visible landscape had been dramatically transformed under the benign influence of British rule:
An increasing number of natives are able to read and write, and, above all, are trained to respect and to value a settled and civilized government. Here will be seen clean broad level roads, bordered by handsome avenues of trees, and comely red brick houses with rose-covered verandahs peeping out behind clumps of ornamental shrubs. The natives who pass along are clothed in white calico, with some gaudy touch of colour superadded. A bell is ringing to call the children to the mission school. A planter gallops past on horseback, or a missionary trots in on a fat white donkey from a visit to an outlying station. Long rows of native carriers pass in Indian file, carrying loads of European goods, or a smart-looking policeman, in black fez, black jacket and breeches marches off on some errand. You will see a post-office, a court of justice, and possibly a prison, the occupants of which, however, will be out mending roads under the superintendence of some very business-like policeman of their own colour. The most interesting feature in the neighbourhood of these settlements at the present time is the coffee-plantation, which, to a great extent, is the cause and support of our prosperity.

(Johnston 1895:202, 211)

Johnston’s was a highly stylized rendering of the reordering of space: the civilized, ordered, white, male, English landscape erases its unordered, savage, chaotic, dangerous, African predecessor. For Johnston, colonialism was about gaining control of disorderly territory and setting loose the redemptive powers of development. The African landscape is rewritten, figuratively and literally, to reflect the subsumption of one reality by another. Africans are incorporated into this landscape as garbed agents of a higher power. Their bodies and behaviours testify to the new order. The text smooths out incongruities and inconsistencies, and erases all oppositional voices and spaces of dissent. Africans become objects for the application of power rather than subjects experiencing and responding to the exercise of that power. This is the power of development: the power to transform old worlds, the power to imagine new ones.

Johnston’s audience knew exactly what these encouraging scenes meant. He was, after all, talking about the ‘cause and support of our prosperity.’ In contrast, as Michael Cowen and Robert Shenton point out in the first chapter of this volume, open almost any contemporary development text and all is confusion. Both the meaning and the purpose of development look rather like the Lower Shire in 1892: at best ‘marshy,’ more often ‘practically chaos.’ And yet, as an arena of study and practice, one of the basic impulses of those who write development is a desire to define, categorize and bring order to a heterogeneous and constantly multiplying field of meaning. In a recent spate of development dictionaries we sense an urgent, even desperate, attempt to stabilize development and bring order out of ambiguity (Eatwell et al. 1989; Welsh and Butorin 1990; Fry and Martin 1991; Sachs 1992; Hadjor 1993). These dictionaries merely confirm that development is a most elusive concept. Perhaps, as Sachs (1992:1–5) suggests, it ought to be banned. But first it would be necessary to say what exactly should be banished. Thus, in the very call for banishment, Sachs implicitly suggests that it is possible to arrive at an unequivocal definition.

This book does not attempt to provide a more precise definition of ‘development’ and none of the contributors were asked to offer one. Nor is it about ‘development theory’—the self-designated academic field which attempts to verbally model ‘real world’ processes of development—and its recurrent crises and impasses (Booth 1985; Binder 1986; Edwards 1989; Hunt 1989; Mathur 1989; Sutton 1989; Corbridge 1990; Hettnle 1990; Slater 1990; Manzo 1991; Kay 1993; Schuurman 1993; Leys, forthcoming). Much continues to be written on the theme of what development is (or should be), what it does (or fails to do) and how it can be better implemented (Toye 1987; Kothari 1988; Norgaard 1992; Alvares 1992a; Pottier 1992; Hobart 1993; Moser 1993). Rather than asking what development is, or is not, or how it can be more accurately defined, better ‘theorized,’ or sustainably practised, the authors in this volume are generally more interested in a different kind of question. Here the primary focus is on the texts and words of development—an on the ways that development is written, narrated and spoken; on the vocabularies deployed in development texts to construct the world as an unruly terrain requiring management and intervention; on their stylized and repetitive form and content, their spatial imagery and symbolism, their use (and abuse) of history, their modes of establishing expertise and authority and silencing alternative voices; on the forms of knowledge that development produces and testifies to the new order. The text smooths out incongruities and inconsistencies, and erases all oppositional voices and spaces of dissent. Africans become objects for the application of power rather than subjects experiencing and responding to the exercise of that power. This is the power of development: the power to transform old worlds, the power to imagine new ones.

The discourse of development, the forms in which it makes its arguments and establishes its authority, the manner in which it constructs the world, are usually seen as self-evident and worthy of attention. This book’s primary intention is to try and make the self-evident problematical. The concern with this issue is influenced by similar concerns in other disciplines and fields. Three connections, in particular, should be mentioned: first, there is the ‘textual turn’ in the social sciences and humanities which has focused attention on the conventions of writing and representation by which Western disciplines and institutions ‘make sense.’ Of the world (see, for example, Said 1983; McCloskey 1985, 1990; Clifford and Marcus 1986; White 1987; Atkinson 1990; Crush 1991; Barnes and Duncan 1992; Campbell 1992; Dalby 1992; Preston and Simpson-Housley 1994). Second, there is the impact of post-modern, post-colonial and feminist thought which have converged upon the truth claims of modernism and shown how the production of Western knowledge is inseparable from the exercise of Western power (for example, Said 1978, 1993; Minh-Ha 1989; Spivak 1990b; Young, R. 1990; Mohanty et al. 1991; Ahmad 1992; Norris 1992; Godlewska and Smith 1994). And third, there is the growing struggle within postcolonial thought to loosen the power of Western knowledge and reassert the value of alternative experiences and ways of knowing (for example, Fanon 1968; Thiong’o 1986; Spivak 1987, 1990b; Stauffer 1990; Nandy 1991; Long and Long 1992; Momsen and Kinnaid 1993;
Appiah 1992; Breckenridge and van der Veer 1993; Corbridge 1993; Sardar, Nandy and Davies 1993; Bhabha 1994; Crush 1994). Perhaps, it might be objected, to subject development to such an inquisition is simply another form of faddish intellectualism destined, like all the others, to bloom and fade. Certainly it is true that the work and words of development will continue on pretty well regardless. However, this form of analysis does, I believe, offer new ways of understanding what development is and does, and why it seems so difficult to think beyond it. The idea that the texts of development might be analysed as a form of writing is not altogether new (Escobar 1984, 1988, 1994; Horesh 1985; Wood 1985; Apter 1987; Ferguson 1990; Apffel Marglin and Marglin 1990; Manzo 1991; Parajuli 1991; Pieterse 1991; Slater 1992a, 1992b). But what, it might be asked, is the point of literary pursuits in such a non-literary domain? The developer will say that there is no time for such esoterica. Surely the practical challenges of development are so pressing that we can scarcely afford to bother with this kind of armchair contemplation? By bringing together a selection of the work of scholars who are currently grappling with these issues, and trying to make it accessible to an interdisciplinary audience of students of development studies, this book will hopefully further the debate around the issue of whether it is possible to extricate ourselves from the development morass.

As most of us are aware, development rarely seems to ‘work’—or at least with the consequences intended or the outcomes predicted. Why then, if it is so unworkable, does it not only persist but seem continuously to be expanding its reach and scope? Could it be that development does in fact work very well? It is just that what it says is doing it, and what we believe it to be doing, are simply not what is actually happening. And if this is so, then perhaps we need to understand not only why the language of development can be so evasive, even misleading, but also why so many people in so many parts of the world seem to need to believe it and have done so for so long.

Language is fundamental to the way in which we order, understand, intervene and justify those interventions into the natural and social world. Admittedly, most writing on development is prosaic in the extreme—leaden, jargon-ridden, hackneyed and exclusionary. In addition, the structure and form of the development text is highly stylized and repetitive. Nevertheless, for all their pedantry and pretension, the texts of development are, of necessity, also written in a representational language—a language of metaphor, image, allusion, fantasy, and rhetoric. These imagined worlds of development writing and speaking often appear to bear very little resemblance to any commonsense reality. To find out about a country, one usually does not read its development plan. In a textual field so laden with evasion, misrepresentation, dissimulation and just plain humbug, language often seems to be profoundly misleading or, at best, have only limited referential value. How then does it have such staying power?

The texts of development have always been avowedly strategic and tactical—promoting, licensing and justifying certain interventions and practices, delegitimizing and excluding others. An interest in how the texts of development write and represent the world is therefore, by extension, an interest in how they interact with the strategies and tactics of their authors and of those who lend them authority. What is expertise, after all? And why is there so much of it inside what James Ferguson (1990) aptly calls ‘the development machine’? Why does expertise license certain forms of speech and not others? What do the texts of development not say? What do they suppress? Who do they silence—and why?

In identifying an object for analysis this book focuses first on the texts of development and only secondarily on its projects and practices. In generic terms, the objects of analysis are the reports, plans, analyses, evaluations, assessments, consultancies, papers, books, policies, speeches, discussions, debates, presentations and conversations that circulate within and through the apparatus of agencies and institutions of the development machine. The authors of these texts include the legions of planners, practitioners, consultants, experts, scholars, advocates, theorists and critics in the employ of or associated with this institutional and disciplinary nexus. Their names and individual identities are generally not that important, so stylized are their texts, though like any disciplinary field, development has its authority figures whose ideas prompt genuflection and ritual obeisance by others.

In arguing that more attention should be paid to the language of development, we need simultaneously to resist the submersion of the world by the words of development. Though development is fundamentally textual it is also fundamentally irreducible to a set of textual images and representations. Even as they explore facets of the rhetoric and language of development, the essays in this volume implicitly reject the conceit that language is all there is. The primary purpose of the development text (like most others) is to convince, to persuade, that this (and not that) is the way the world actually is and ought to be amended. But ideas about development do not arise in a social, institutional or literary vacuum. They are rather assembled within a vast hierarchical apparatus of knowledge production and consumption sometimes known, with metaphorical precision, as the ‘development industry.’ This industry is itself implicated in the operation of networks of power and domination that, in the twentieth century, have come to encompass the entire globe. As Claude Alvarens (1992b:230) points out, ‘knowledge is power, but power is also knowledge. Power decides what is knowledge and what is not knowledge.’ A contextual reading of the literature of development therefore has a great deal to say about the apparatuses of power and domination within which those texts emerge, circulate and are consumed. The aim in this kind of approach is literary analysis as prelude to critique. As Said (1983: 221) has noted ‘the fascinated description of exercised power is never a substitute for trying to change power relationships within society.’

Languages are never self-referential but are instead constructed within ‘social fields of force, power and privilege’ (Polier and Roseberry 1989). The challenge, therefore, is both to situate the texts of development in their historical and social context, and to decode ‘the subtleties of contextual presences in texts’ (Cunningham 1994:45). Many of the authors in this volume come out of a political
economy tradition that argues that politics and economics have a real existence that is not reducible to the texts that describe and represent them. Textual analysis is a dangerous activity if it succeeds in supplanting political engagement with poietical reflection, in 'reducing life to language and obliterating the relations of power, exploitation and inequality that order society and history' (Palmer 1990).

Development discourse promotes and justifies very real interventions and practices with very real (though invariably unintended) consequences. To incarcerate or confine these (often catastrophic) effects within the text is to embark on a dangerous 'descent into discourse' (Palmer 1990). In this volume, poetics and politics are generally envisioned as discrete, though interwoven, strands of social life. In this way, conceptual space is made for an exploration of the links between the discursive and the non-discursive; between the words, the practices and the institutional expressions of development; between the relations of power and domination that order the world and the words and images that represent those worlds.

Development discourse is constituted and reproduced within a set of material relationships, activities and powers—social, cultural and geopolitical. To comprehend the real power of development we cannot ignore either the immediate institutional or the broader historical and geographical context within which its texts are produced. The immediate context is provided by 'the development machine.' This machine is global in its reach, encompassing departments and bureaucracies in colonial and post-colonial states throughout the world, Western aid agencies, multilateral organizations, the sprawling global network of NGOs, experts and private consultants, private sector organizations such as banks and companies that marshall the rhetoric of development, and the plethora of development studies programmes in institutes of learning worldwide.

As Arturo Escobar (this volume) suggests, development can be seen as an apparatus 'that links forms of knowledge about the Third World with the deployment of forms of power and intervention, resulting in the mapping and production of Third World societies.' Development is thus fundamentally about mapping and making, about the spatial reach of power and the control and management of other peoples, territories, environments, and places. In their chapter, Cowen and Shenton argue that development at its birth involved the crafting of a set of managerial strategies (what they call trusteeship) to cope with the disruptions of social disorder within Europe and, later, the colonial and post-colonial worlds. But, as they imply, development is not simply a closed system of 'arrogant interventionism' (Sachs 1992:2)—an unproblematical set of instruments and justifications for the application of strategic Western power and domination and the subjugation of the dismissively labelled 'Third World.'

Power, as Said (1983:221) suggests, is analogous 'neither to a spider’s web without the spider nor to a smoothly functioning flow diagram; a great deal of power remains in such coarse items as the relationships between rulers and ruled, wealth and privilege, monopolies of coercion, and the central state apparatus.' Power in the context of development is power exercised, power over. It has origins, objects, purposes, consequences, agents, and, *contra* Foucault, much of this seems to lie quite patently within the realm of the economic and the political. There are also 'ascertainable changes stemming from who holds power and who dominates who' (Said 1983:221). The imaginary and practice of development are not static entities impervious to change. Development discourse, despite enormous continuity over time, also changes its language, strategies and practices. One of the reasons is its reciprocal relationship with shifts in 'who holds power and who dominates who.'

The work of Edward Said (1978, 1983, 1993) provides a useful point of departure for a volume of this nature. Said himself actually has remarkably little to say about development as a component of Orientalism. Possibly this is because he focuses more on the novelists, scholars, and travellers of empire than the prosaic managers of the imperial and post-colonial estate, amongst whom development was and is a recurrent obsession. Said provides a clear reminder of the need to situate all Western words within imperial worlds. To argue that development (like, say, the novels of Jane Austen) needs an imperial context may seem like a statement of the obvious. But the point is that within the texts of development themselves, this context is either ignored, downplayed or (as in much neo-Marxian 'development theory') made completely determining (Peet 1990).

Orientalism, in Said’s (1978:3) oft-quoted definition, is a ‘systematic discourse by which Europe was able to manage—and even produce—the Orient politically, sociologically, militarily, ideologically, scientifically, and imaginatively.’ This definition—with appropriate substitutions (‘the West’ for ‘Europe,’ the ‘Third World’ for ‘the Orient’)—would serve for many as a working hypothesis about the power and purpose of development. But it fails in two respects inherent in the original conception. First, Said’s critics point out that he has a great deal to say about the ideological, scientific and imaginative production of the Orient, but is rather less forthcoming about its economic and political production and their interrelationship (see Sprinker 1992; Breckenridge and van der Veer 1993). Though Said could hardly be accused of always privileging the text over the material context, some of his followers are not so subtle. Second, his critics charge that he draws the Orientalist web too tightly around the diffuse representational practices of the West. The result is an image of a homogenizing disciplinary power that is too tidy, too seamless, too unitary. In the case of development, it would be a mistake to view power as emanating exclusively from one space and being directed exclusively at another. Spatially, the power of development is far more diffuse, fragmented and reciprocal than this.

Development, for all its power to speak and to control the terms of speaking, has never been impervious to challenge and resistance, nor, in response, to reformulation and change. In a startling reversal, Fanon (1968) once argued that ‘Europe is literally the creation of the Third World.’ There is a great deal about the form and content of development that suggests that it is reactive as well as formative. As a set of ideas about the way the world works and should be ordered, understood and governed, development should also be glimpsed if not as ‘the creation of the Third World,’ then certainly as reflecting the responses, reactions
and resistance of the people who are its object. Without the possibility of reaction and resistance, there is no place for the agents and victims of development to exert their explicit and implicit influence on the ways in which it is constructed, thought, planned and implemented. Put simply, we simply do not yet know enough about the global, regional and especially local historical geographies of development—as an idea, discipline, strategy or site of resistance—to say much with any certainty about its complex past.

**HISTORIES OF DEVELOPMENT**

In his review chapter in this volume Michael Watts identifies many of the conflicting intellectual currents flowing through the contemporary academic domain of development studies. He concludes that in order to give development back its history, we need to pursue both an archaeology and a genealogy of development. Genealogy traces the recurrence of the idea, imagery and tropes of development across a range of nineteenth- and twentieth-century contexts. Archaeology attempts to uncover how and why development emerged as a problem ‘grounded in the European experience of governability, disorder and disjuncture.’ Only with this two-pronged approach can we begin to comprehend the power of development to make and remake the world (see Peet and Watts 1993).

Even a cursory glance at the basic liturgy of post-World War II development discourse—the national development plan—will demonstrate contemporary development’s almost overwhelming need to reinvent or erase the past. Most plans contain a formulaic bow to the previous plan period, a technocratic assessment of its failings designed as a prelude to the conclusion that this time ‘it’ll go much better.’ But prior histories of the object of development—the people, country, region, sector or zone—are deemed irrelevant, best left to the ivory tower academic who has, by definition, no contribution to make to today’s problems and tomorrow’s solutions. Because development is prospective, forward-looking, gazing towards the achievement of as yet unrealized states, there seems little point in looking back. The technocratic language of contemporary plan writing—the models, the forecasts, the projections—all laud the idea of an unmade future which can be manipulated, with the right mix of inputs and indicators, into preordained ends. The past is impervious to change, untouchable and irredeemable. It is of no interest in and of itself. Occasionally it might have ‘lessons to teach,’ but not very often.

Not only are the objects of development stripped of their history, but they are then reinserted into implicit (and explicit) typologies which define a priori what they are, where they’ve been and where, with development as guide, they can go. Perhaps the best known of these formal typologies to students of development is Rostow’s ‘stages of growth model.’ But the basic trope—that Europe shows the rest of the world the image of its own future—is of much broader and deeper purchase. Development, as Watts argues, has rarely broken free from linearity, from organic notions of growth and teleological views of history. With the idea of an original steady state from which all evolves, ‘it became possible to talk of societies being in a state of “frozen development”’. Deeply embedded within development discourse, therefore, was a set of recurrent images of ‘the traditional’ which were fundamentally ahistorical and space-insensitive. Collectivities (groups, societies, territories, tribes, classes, communities) were assigned a set of characteristics which suggested not only a low place in the hierarchy of achievement but a terminal condition of stasis, forever becalmed until the healing winds of modernity and development began to blow.

What is the point of constructing the objects of development as existing outside, rather than as products of, the tide of modern history? Two of the chapters in this collection try to answer this question in specific contexts. In the history of Egypt in the development texts of the United States Agency for International Development (USAID), Timothy Mitchell argues that the Nile Valley is imagined as a site in which life has remained virtually unchanged for centuries, if not millennia. Rather than being a product of the political and economic transformations of the twentieth century, the Egyptian peasantry has always existed in its present state. ‘The image of a traditional rural world’ concludes Mitchell ‘implies a system of agriculture that is static and therefore cannot change itself.’ Unable to change, and no longer able to cope with the growing imbalance between population and resources, it must be changed by the injection of technology and expertise from outside. Only then can the primordial be dragged into the twentieth century.

‘Traditional society,’ though motionless and misrepresented, is not often overly-romanticized in the development text. To do this would be to run the risk of implying that there is no necessity for outside intervention and management. When Harry Johnston described the state of Mlanje before British rule, therefore, the language was traumatic not romantic—the area was practically in ‘chaos,’ virtually uninhabited and uninhabitable, racked by internal violence and insecurity. Development—the rebuilding of the landscape and the reclothing of its benighted inhabitants—is redemptive power. Without it, order cannot be restored, improvement is impossible. Johnston’s imagery is replete with another recurrent trope in development—the idea that development works on a chaotic and disorderly terrain.

The language of ‘crisis’ and disintegration creates a logical need for external intervention and management. Accompanying the imagery of crisis is an implicit analysis of causation—sometimes external, more often internal. The causes are mostly endogenous—tribalism, primitivism and barbarism in older versions; ethnicity, illiteracy and ignorance in more modern incarnations. The reality of broader connections and causes is not always spurned, however. Development animates the static and manages the chaotic. It has a powerful habit of using history to apportion blame to its immediate predecessors for the disorder it attempts to amend. In industrializing Europe, as Cowen and Shenton suggest, development emerged to mitigate the disorder of progress. In Mlanje it is the ‘evil-minded slave-traders,’ the agents of a pre-modern era, who have created the
turmoil that now needs management. In the post-colonial era, the colonial inheritance (either the destructive colonial impact or the lack of a democratic culture, education, skills, expertise, and so on) can be blamed (Watts 1991b; Leys 1994). In the current era, misguided left-wing ideologies are culpable (Berman and Dutkiewicz 1993). In each case the aim, as Mitchell points out, is always to distance development from any complicity in chaos—development is always the cure, never the cause.

The chapters in this volume place slightly different emphases on development’s own history. In the contemporary era, argue Cowen and Shenton in their chapter, the period of development is routinely assumed to be the span of history since 1945. They then turn this argument around by suggesting that there are really no predecessors—development was always implicated and from the first. The modern idea of development, they suggest, can be traced to where it was first invented, amidst the throes of early industrial capitalism in Europe. Development emerged to ameliorate the chaos apparently caused by progress, ‘to create order out of the social disorder of rapid urbanization, poverty and unemployment.’ In similar vein, Watts concludes that the trope of crisis was therefore built into development ‘from the very beginning.’ In the writings of a number of major nineteenth-century thinkers who grappled with the notion of development as an antidote to progress, Cowen and Shenton discern all of the central ideas of contemporary development. Development discourse is thus rooted in the rise of the West, in the history of capitalism, in modernity, and the globalization of Western state institutions, disciplines, cultures and mechanisms of exploitation. But this does not mean reducing all interpretation to ‘superannuated nineteenth-century conceptions of political economy’ (Said 1983) or filtering them through a functionalist master-narrative in which development is a mere instrument of Western domination, drained of ambiguity, complexity and contestation.

While not disputing the deep historical origins of development, some of the other chapters in this book have slightly different readings of its archaeology and genealogy. Escobar’s position is perhaps the most distant from that of Cowen and Shenton, though elsewhere (Escobar 1992d:132) he has also argued that development is inextricably linked to ‘the rise of Western modernity since the end of the 18th century.’ While clearly cognizant of the need to situate development in its broader historical and imperial context, Escobar discerns a sea change in the institutions and discourses of development in the post-1945 period. Clearly there is, at the very least, a disjuncture here that needs to be explained. For Escobar, the essence of the change is that a threshold of internalization is crossed. People who were once simply the objects of development now came to see and define themselves in its terms. They began, to rework E.P.Thompson’s felicitous phrase, to fight ‘not against development, but about it.’ Three other chapters—by Porter, Watts, and Manzo—are closer in spirit to Cowen and Shenton though they have slightly different perspectives on the origins of the imaginary of development. In his chapter, Doug Porter points to the profound effect of nineteenth-century natural science on the metaphorical language of development. Evolutionary science provided a ‘clutch of biological, organic and evolutionary’ images while nineteenth-century physics donated a set of images about order, stability and constraint.

While Cowen and Shenton propose a reading that is part materialist, part theological, and emphatically Western and European, Watts chooses a cultural location for development under ‘the broad arch of modernity.’ One strand of development is rooted in the general normalizing practices of the modern state—the effort to produce and reproduce disciplined citizens and governable subjects. Another is rooted in fundamental points of difference between modern and pre-modern societies. The desire for accumulation—so central to modern society and its notions of development—only had meaning in a world where ‘primitive economies’ had no desire. Thus, development was ‘neither sui generis nor simply imposed (subsequently) on the non-developed (‘uncivilized’) world, but rather… in an important way a product of the non-developed.’ Development required non-development ‘and to this extent the origins of modernity were not simply located in the West.’ Finally, if development was a cultural reaction to progress ‘generated from within the belly of capitalism,’ it was also a point of connection with the non-developed realm, an ever-present reminder of a world lost and perhaps of impending doom.

Kate Manzo develops this point, both here and elsewhere (Manzo 1991), by tracking a set of modernist images first attributable to European thinkers who gazed upon the peoples of North America from the shores of Europe and constructed a set of dichotomous images contrasting the civilized European with the untutored, natural, childlike native American. Thus, it was that ‘those defined solely by Europeans as inferior or “primitive” to themselves are presumed to

anthropology of development
imagining development
While Cowen and Shenton reinvigorate the notion of trusteeship as a central trope in development writing, Manzo focuses on the related metaphor of guardianship. Following Nandy (1987), she argues that familiar dichotomies such as white/black, civilized/uncivilized, European/native are underpinned by a parent/child metaphor. Amongst the continuities between early and late-modern discourses of development, Manzo cites the idea of the modern West as a model of achievement, and the rest of the world as a childish derivative. The metaphor of adult and child ‘continues to inform analysis of the “modern world” of development.’ Manzo tracks this metaphor to nineteenth- and twentieth-century South Africa where, she argues, it constituted a fundamental metaphorical underpinning for segregation and apartheid.

Doug Porter also finds continuity and persistence in the underlying metaphors of development despite what he sees as apparent change in the ‘fashion-conscious institutional language of development’ since 1945. Porter solves this paradox by suggesting that there are three kinds of metaphors—organizing metaphors (those pertaining to post-1945 development), master metaphors (those which recur repeatedly independent of time and place) and metaphors of practice (those that arise in particular local contexts). The logic of Cowen and Shenton’s argument is that everything is prefigured, that there are only master metaphors. But they would surely not disagree with the central role accorded by Porter to metaphors of order, stability and constraint. In his chapter, Porter traces the genealogy of several metaphors from this trilogy of types, and crucially highlights the very non-discursive implications of metaphor-making for development as practised.

In the ensuing discussion of a Philippines development project, Porter exemplifies a third method for tracking the history of development (see also Tennekoon 1988; Pigg 1992). Here the focus is primarily on the ‘privileged particles’ of the development process—the fragmented discourses that swirl around local projects and practices when general tropes are forced into direct engagement with the local histories and geographies of particular localities. By mapping these emergent local languages of development it is possible, suggests Porter, to work out both how universal master metaphors are mediated by the particularities of time and place, and how locality generates its own distinctive metaphors and tropes. That this is not an unproblematical task has been clearly demonstrated elsewhere by a vigorous debate between Beinart (1984) and Phimister (1986) over whether to give greater weight to universal explanation or local context in unveiling the vocabularies and practices of conservationism and development in southern Africa in the 1920s and 1930s.

In the same part of the world, Chris Tapscott’s chapter in this volume shows the appeal of the comforting words of development to segregation and apartheid (see also Dubow 1989; Ashforth 1990b). Many of the central spatial and organic tropes of a broader development imaginary flowed smoothly into the apartheid strategy of separate development, rationalizing rather than challenging its basic precepts. In the 1970s, development was reinvented as part of a more general strategy to, in Stanley Greenberg’s (1987) phrase, ‘legitimate the illegitimate.’ A vast development machine was constructed in which a depoliticized, technocratic language of development, bearing all the old familiar trademarks, circulated. The failure of this project to buy consent and maintain order was all too apparent by the mid-1980s. It is ironic, but hardly surprising, that the new South African government is reinventing development for a third time to manage the ravages of past policies legitimated by development. The programme for reconstruction and development may be new but the purpose and the images conjured up harken back to a time long distant.

**GEOGRAPHIES OF DEVELOPMENT**

Development discourse can do without its history but not its geography for, without geography, it would lack a great deal of its conviction and coherence. Spatial and organic images and metaphors have always been used to define what development is and does. The language of development constantly visualizes landscape, territory, area, location, distance, boundary and situation (Slater 1993). Similarly, analogies from the natural world are used to picture the process through which development occurs (McCloskey 1990). Development writing constantly delineates and divides territory by means of a relentless dualistic logic. The binary oppositions between developed (territories that have) and the undeveloped (territories that lack) created by this cartographic exercise are very familiar. But development also needs geography to link these binary oppositions, a task performed through the language of spatial dispersion and diffusion.

In this way, it is possible to visualize how dominant, superior parcels of space can (and will) supersede their inferior other. In order to map this process, the static appeal (White 1987). Roe concludes that by tinkering with the plot, more realistic narratives are possible and better development practice may result. That may be so, but what is of more interest in the context of this volume are the analytical possibilities opened up by viewing development as a form of writing amenable to narrative analysis in which geography is both stage and actor.

One of the primary elements in the development narrative is a setting of the geographical stage. Open almost any academic or development text dealing with the African country of Lesotho, for example, and you will find that it begins with the same textual ritual. ‘Lesotho’ we are always informed, ‘is a small landlocked African country completely surrounded by South Africa.’ Since anyone interested enough to pick up a learned text on the country probably already knows where it is, this incantation is hardly necessary to impart information. Is it therefore meaningless? Or is it an opening gambit by minds too hidebound to think of an original entrance? The significance of the ritual probably lies in the much broader cartographic anxiety that adheres to the imaginary of development (Porter 1991).
Indeed, one can often be forgiven for thinking that the country has no context at all — its boundaries mark the limits of its world.

What is happening, as Mitchell argues in his Egyptian case study, is the marking of boundaries, the designation of a nation-state as a ‘free-standing’ unit, lined up in physical space alongside a series of similar units. The consequences of this convention are twofold: first, it creates an illusion that the nation-state is a functional unit rather than the product of a larger constellation of forces. In the case of Lesotho, it is surely important to establish that the country is completely surrounded since this has important implications for its prospects of development. The problem is that in many of these same texts this location is subsequently ignored as a factor constraining or enabling the process of ‘development.’ Secondly, described as a self-contained, bounded object, the country is constructed as something apart from the discourse that describes it. Lesotho, Egypt, ‘the developing country,’ are all laid out as mapped objects of development, those who bring development are not in any sense part of that object’s prior history and geography.

In demarcating, dividing and sealing territories as objects of outside intervention, development simultaneously assigns each territory a characteristic morphology. Sometimes, as in many development plans, geography is a largely inert spatial inventory of physical and social facts. But the language of development also brings a powerful set of landscape images into play. When Johnston described the changes wrought by three brief years of British rule, he visualized a transforming power literally remaking the landscape. The landscape before development was at best only ‘half-formed,’ but more accurately a blank landscape, a landscape of absences: ‘uninhabited (with) no customs-houses, no roads suitable for wheeled traffic, very little labour in the coffee plantations.’

Onto this empty scene come ‘clean broad level roads, bordered by handsome avenues of trees, and comely red brick houses with rose-covered verandahs…a post-office, a court of justice, [and] the coffee-plantation, which…is the cause and support of our prosperity.’ The new landscape is a vital and living testimonial to the power that made it. Landscape description, the spreading out of a country or territory as a picture to be gazed upon from above, provides a powerful means of visualizing what it is that development does. As Gavin Williams argues in his chapter, development discourse represents whole countries or regions in ‘standardized forms’ as objects of development. This tendency finds fruition in the simplistic reaggregation of demarcated units into homogenous swathes of territory that span the globe — the ‘developing world,’ the ‘Third World,’ the ‘South.’ These global spaces are inhabited by generic populations, with generic characteristics and generic landscapes either requiring transformation or in the process of being transformed.

If the human landscape is both object of development and a testimonial to its power, so too is its physical counterpart. In Johnston’s virtually un-inhabited pre-colonial landscape, natural forests are destroyed by bush fires set by the evil-minded. This image is given analytical substance by several of the chapters in this volume. In her study of the silencing power of environmental discourse in colonial Kenya, for example, Fiona Mackenzie argues that Africans are constructed as ‘unscientific exploiters’ of the environment. Their knowledge of the local environment can then be disqualified as pre-modern and ‘unscientific.’ The peasant farmer, undifferentiated and ungendered, is established as the object in need of ‘exogenous agricultural science and expertise.’ In South Africa, the language of environmental mismanagement was also central to the idea of ‘sustainable development’ described by Tapsott. Betterment was premised on the notion that African cultivation and pastoral practices despoiled the environment. Only scientific management could redeem the environment and re-educate the despoilers. This notion resonates into the present. Development itself is never the disease, only the cure. It proceeds, Escobar suggests, by creating abnormalities which it can then treat or reform. Development discourse has a remarkable capacity for forgiving its own mistakes and reinventing itself as the remedy for the ills it causes. One of the primary mechanisms for this periodic reinvention is the appropriation of the language and imagery of other, related, modernist discourses.

In the nineteenth century, as a number of chapters in this volume point out, Christian theology and the natural sciences provided a rich well from which to draw metaphorical inspiration. In the secular late twentieth century environmental science continues to offer useful possibilities. Bill Adams, in his chapter, argues that the fashionable idea of ‘sustainable development’ needs to be located within ‘Northern environmentalism’ rather than the genealogy of development per se. Imported into development, the ideas and images of environmentalism are ‘encoded invisibly…within the simplistic problem-solving spreadsheets’ of development. In particular, reformist and technocratic images and strategies have worked their way into the idea of sustainability in development. Adams would, I think, agree with Cowen and Shenton’s claim that this is certainly not something new for, as he argues, the environmental imagery of colonial environmental science and conservatism had earlier found its way into development, where it resides still. The metaphorical power of sustainability in contemporary development, however, lies in its promise of ‘escape from the environmentally destructive record’ of past practice. Like other (re)inventions this one too, argues Adams, will fail to be much more than a transient label on a set of power relations which are much deeper and more durable than the words used to describe them.

Ken Hewitt comes at the issue of writing the environment within the ‘viewpoints of power’ of Western hazards research. ‘Natural’ hazards are discussed within these managerial texts neither as the predicaments or crises of capitalist modernity nor as failures of policy and management. Rather, hazards are constructed as problems due to external factors beyond managerial control — natural extremes, impersonal forces of demography, accident and error. Hazards are situated, metaphorically, at the frontier, part of the ‘unfinished business of modernization.’ They are explained by ‘extraordinary events to be combated by extraordinary measures.’ Similarly, in development writing, ‘natural hazards’ (and even the environment more generally) are seen as being outside and in an
adversarial relationship to development. Ecology, climate, soils, water—the physical geography of the landscape—is temperamental and threatening, punishing mismanagement by its indigenous inhabitants, but ultimately amenable to the soothing touch of development.

Geography, argues Hewitt, is also quite central to the strategic thinking and inner logic of the dominant discourse of hazards. Maps of natural agents and their relative intensity and frequencies define the incidence and basic pattern of risk for natural disasters, cordoning off areas of disorder and disorganization. The ‘bad geography’ of hazards discourse is not confined, however, to that discourse. Similar geographies are imagined in such diverse arenas (with common roots) as colonial literature, Orientalism, travel writing and development. These are the ‘the master texts of dominant views,’ crafted by ‘atlas-gazers and intelligence-gatherer’s visions,’ gazing down from the lofty heights of The Centre, the metropolis, the dominant states and institutions. But, as Hewitt goes on to argue, bad geographies are not simply mapping exercises. What the map makes invisible is just as interesting as what it includes for this says a great deal about those who compile the maps (Harley 1992; Pickles 1992). That the fruits of development practice may flow from rather than to the groups and areas ‘targeted’ is certainly not part of ‘the map of development.’ The ‘interests of power’ demand a rather different geography of development.

The final chapter in this volume, adopting an explicitly geographical purview, is Williams’s analysis of the narrative strategies of recent World Bank reports on population and the environment. Williams argues that a basic rhetorical strategy of these texts is argument by ‘common sense.’ Rather than problematizing the association between population growth, land scarcity, environmental degradation and food shortage, the relationships are assumed to be axiomatic. The Bank’s generalized analysis of African demography, he argues, ‘ignores the complex and varied historical processes which have shaped the rise, fall, and age- and gender-distributions of populations, and their patterns of settlement and migration…history is replaced by stylized transition…geography is simply ignored.’ Williams contests the stylized transitions and blank geographies with the litmus test of basic fact. Given the transparent superficiality and erroneousness of so much that passes for factual analysis, why, asks Williams, is there a depressing sameness and persistence to World Bank discourse? The answer is provided by Ferguson (1990) who has suggested that what is happening is not ‘staggeringly bad scholarship’ but something entirely different. The accuracy or plausibility of the argument to those who do not have to believe in it is irrelevant to those who do.

Ferguson’s (1990) distinction between ‘development discourse’ and academic discourse on development is a useful one in this context, though the division is far from absolute. Another project, currently in progress, is exploring precisely this interface (Cooper and Packard 1992; Packard 1994). In this volume, Terry McGee’s more contemplative chapter looks at the producers of geographical development texts on Asia. McGee charts the progress of his own personal enlightenment as a geographer caught within the conventions of representation of a discipline—geography—that was not only a child of empire (Livingstone 1992; Gregory 1994; Godlewska and Smith 1994) but has never perceived a need to break with that past. The changing geographical representation of Asia is based on many of the same spatial tropes and images to be found within development discourse. Self-reflexivity now unfortunately tends to be viewed more as a means of establishing authority than visualizing how alternative worlds might be imagined and made (Geertz 1988a; van Maanen 1988). McGee, with characteristic honesty, tries to chart a personal and general route around the spatial dualism and teleological models that underlie western representations (both academic and non-academic) of the Asian city.

The commonsense histories and bad geographies of the development agency’s text are constructions which license some forms of intervention (their own) and delegitimize others. As long as the interventions persist, so do the constructions irrespective of how ‘right’ or ‘wrong’ they may seem to everyone else. As MacCarney (1991) suggests, in an analysis of the interior of the World Bank, the images and ideas can change quite independent of any engagement with what is happening on the ground. Using the example of World Bank low-cost housing strategy, she argues that the internal bureaucracies within organizations such as the World Bank provide their own momentum to the rhetoric of development. Thus it is, that perfectly workable (and often quite effective) policies, even judged by the Bank’s own stated aims, can be marginalized by the culture of careerism and competition within the organization itself. The same is undoubtedly true of the language and images through which those policies are spoken and justified.

OTHER DEVELOPMENTS

Is there a way of writing (speaking or thinking) beyond the language of development? Can its hold on the imagination of both the powerful and the powerless be transcended? Can we get round, what Watts calls, the ‘development gridlock’? Can, as Escobar puts it, the idea of ‘catching up’ with the West be drained of its appeal? Any contemporary volume of development-related essays can no longer afford to ignore these questions. One of the most damaging criticisms levelled against Said’s (1978) notion of Orientalism is that it provides no basis for understanding how that discourse can be overcome. This book also, by definition, cannot stand outside the phenomenon being analysed. The text itself is made possible by the languages of development and, in a sense, it contributes to their perpetuation. To imagine that the Western scholar can gaze on development from above as a distanced and impartial observer, and formulate alternative ways of thinking and writing, is simply a conceit. To claim or adopt such a position is simply to replicate a basic rhetorical strategy of development itself. What we can do, as a first step, is to examine critically the rival claims of those who say that the language of development can, or is, being transcended.

To assert, like Esteva (1987:135), that ‘development stinks’ is all very well, but it is not that helpful if we have no idea about how the odour will be erased. The
authors in this volume are by no means agreed on whether the language of
development (and its associated practices) is here to stay or whether it should, or
could, be transcended. A number of them take issue with recent arguments that
suggest that this is not only necessary but possible. Anti-capitalist discourses such
as dependency and underdevelopment theory, for example, are sometimes
represented as proffering a radically different discourse of anti-development. If
this is so, no-one bothered to tell the developer. Even political movements that
once drew spiritual inspiration from this ‘alternative’ discourse have increasingly
found the development imaginary a far more appropriate and concrete vehicle for
articulating their aspirations. The extraordinary metamorphosis of the African
National Congress is only one case in point.

Watts, drawing on the work of various post-colonial scholars, suggests that the
quest for an alternative development is in some sense misplaced. The radical anti-
capitalism of the 1970s, which asserted that autonomy and delinking were the key
to ‘development,’ looks decidedly threadbare in the face of a counter-critique that
they are as guilty of ‘Eurocentric universalism’ as those they criticize. Cowen and
Shenton are even harsher in their judgement of the proponents of (an)other
development. Development, they argue, is criticized as Eurocentric, but how could
it be anything else? That accepted, the idea of ‘autonomous development,’
development from within’ or ‘development from below’ as alternatives to
development is nonsensical. And, in any case, the argument that there are real
alternatives between externally-managed and internally-generated ‘development’
is simply a reprise of an age-old image.

Deploying Derrida’s concept of logocentrism, Manzo proceeds to argue that
romantic images of indigenous societies and their authentic knowledges do not
push beyond modern relations of domination and threaten to reinscribe them in their
most violent form. Hence, ‘efforts in the post-colonial world to reinvent a pre-
colonial Eden that never existed in fact, have been no less violent in their scripting
of identity than those that practise domination in the name of development.’ This
trap—the reinscription of modernist dualisms—is also inherent in any claim that
there can be pristine counter-hegemonic discourses of anti-development which are
implacably opposed and totally untainted by the language of development itself.
Here Foucault’s notion of the ‘tactical polyvalence of discourses’ seems particularly useful. He argues (Foucault 1990:100–1) that we should not imagine a
world of dominant and dominated, or accepted and excluded, discourses. We
should think instead of a ‘complex and unstable process whereby discourse can be
both an instrument and an effect of power, but also a hindrance, a stumbling-
block, a point of resistance and a starting point for an opposing strategy.’

Watts argues that alternative discursive strategies and frameworks have always
constituted a ‘pronounced undertow’ within development discourse. There have
always been oppositions and contestations in both centre and periphery which
have structured, in complex ways, the very imagination of development itself.
This would suggest that development discourse is not hermetically sealed, impervious
to challenge or reformulation in the face of contest. As Adams argues, for example,
of ‘sustainable development,’ ‘grassroots development,’ ‘women and development,’ and so on perhaps exemplify the dangers most clearly. Why this should be so is a question that Jane Parpart addresses in her chapter on ‘women in development’ (WID). Parpart makes two basic arguments: first, that conventions of representation lodged deep within colonial discourse flowed easily into post-World War II development discourse. Where women were ‘seen’ at all, they were simply one more obstacle to modernization and progress. Second, she argues, the ‘discovery’ of women’s voices might well have presaged a radical new challenge to the whole imaginary of development itself. Instead, claims Parpart (following Mohanty), Western feminism devised a new set of tropes in which women became ‘benighted, overburdened beasts, helplessly entangled in the tentacles of regressive Third World patriarchy.’ The imaginary of poverty, powerlessness and vulnerability was readily captured by development discourse. The very rubric of appropriation—women in development—carried the message that women’s lives were now to be bounded by the power of development. They, like the colonial estate and post-colonial territory, would be managed by outside expertise. For Parpart, the way forward is through a reconstructed post-modern feminism which ‘recognizes the connection between knowledge, language and power, and seeks to understand local knowledge(s), both as sites of resistance and power.’

Like Parpart, Mackenzie believes that the recovery of unheard voices and subjugated knowledges, as an act of critical scholarship, may undermine the power of development (see also Scott 1994). The place to start, perhaps, is by asking what development has meant for those spaces and peoples who it defines as its object. There is a large social science literature which tries to answer this question, primarily by examining the material and social impacts of development strategy and practice. By and large, there are three types of answer to the question: development has had a very negative impact; people would have been a lot worse off without it; or some benefit while the majority do not. All of these answers represent the recipients of development—either as victims or beneficiaries—as homogenized, voiceless subjects of outside forces. But those defined in development discourse as the subjects of development are also active agents who contest, resist and divert the will of the developer in greater or lesser ways.

Writings on protest and rebellion in the colonial and post-colonial periods, to which a number of the contributors in this volume have elsewhere contributed, have begun to unravel the ways in which development discourse and practice have been received, internalized and/or resisted on the ground. For the student of development discourse, there are at least two fruitful ways forward from this point. One, it seems to me, is to move backwards. We do not need, in other words, only to search in the present for visions of a future beyond development. The current obsession with Western representation of ‘the other’ is a field of rapidly diminishing returns. There are still large chapters of the story of development that need to be written and told in this mould. But these stories should be told, and heard, in concert with other stories—stories of what development meant for those whose visible and hidden lives it transformed. These stories at the very least provide ‘a hindrance’ and ‘a stumbling-block’ to the discursive power of development. But they might also constitute ‘a point of resistance and a starting point for an opposing strategy.’ This is not a task which this particular book set out to achieve. However, it concludes with a short autobiography which represents one way this might be done. The power of development is the power to generalize, homogenize, objectify. One way to contest this homogenizing power, albeit in an incremental way, could be through the articulation of individual biographies and autobiographies of the development experience. Nanda Shrestha—in a chapter which can profitably be read in tandem with Pigg (1992)—casts a retrospective eye over a personal trajectory of dis-illusionment with what development has ‘done’ to Nepal. Yet, here lies the irony, for if that disillusionment had come sooner (as presumably it did for many of his confreres) then he would not now be in a position to stand outside it and cast a critical gaze over its social and profoundly personal effects. Shrestha also confirms—in his discussion of the meaning of bikas—the importance of Escobar’s point about the ‘internalization’ of development. In the curious mix of modernity and pre-modernity that is bikas are traces of the truth that development is not only internalized but rescripted by those it most affects. In ‘the hidden transcripts’ and everyday resistances of the weak (Scott 1985, 1990; Beinart and Bundy 1987; Haynes and Prakash 1992; Kirby 1994) the power of development to remake the world according to the word is relentlessly contested. In that sense, Esteva’s epigraph is correct. When confronted with the power of the ordinary, development discourse (as Sir Harry Johnston attests) is forced to assume the most fantastical forms. That is actually when it is at its most transparent, fragile and feeble.
IMAGINING A POST-DEVELOPMENT ERA

Arturo Escobar

If I knew for a certainty that a man was coming to my house with the conscious design of doing me good, I should run for my life...for fear that I should get some of his good done to me.

(Thoreau 1977:328)

INTRODUCTION

For some time now, it has been difficult to talk about development, protest or revolution with the same confidence and encompassing scope with which intellectuals and activists once spoke about these vital matters. It is as if the elegant discourses of the 1960s—the high decade of both Development and Revolution—have been suspended, caught in mid-air as they strove toward their zenith, and, like fragile bubbles, exploded, leaving a scrambled trace of their glorious path behind. Hesitantly perhaps, but with a persistence that has to be taken seriously, a new discourse has set in: that of the ‘crisis of development,’ on the one hand, and of ‘new social actors’ and ‘new social movements,’ on the other. Many scholars even propose a radical reinterpretation of social and political reality based on a new set of categories such as ‘alternative development,’ new identities, radical pluralism, historicity and hegemony.

Until recently, the relation between truth and reality that characterized political discourse was relatively clear and direct. Development was chiefly a matter of capital, technology, and education and the appropriate policy and planning mechanisms to combine these elements successfully. Resistance, on the other hand, was primarily a class issue and a question of imperialism. Nowadays this distinction has been muddled, and even imperialism and class are thought to be the object of innumerable mediations. But while innovative research into the nature of resistance and political practice is growing, the same cannot be said for development. The theory of social movements, in particular, has become one of the key arenas for social science and critical thought over the last decade or so (Touraine 1981; Laclau and Mouffe 1985; Slater 1985; Kothari 1987; Shet 1987; Melucci 1989; Shiva 1989; Calderón et al. 1992; Escobar and Alvarez 1992).

The same vitality does not characterize the second key arena with which this chapter is concerned, that of ‘development.’ While many consider development dead, or that it has failed miserably, few viable alternative conceptualizations and designs for social change are offered in its place. Thus the imaginary of development continues to hold sway. In social movement theory new social orders are clearly imaginable, but in the arena of development the picture is blurred, adumbrating a future ‘developed’ society where only ‘basic needs’ are met. But to arrive at this society (assuming that it were possible) would entail that all the fuss about plurality, difference and autonomy—concepts central to social movement discourse—would have been in vain.

The seeming inability to imagine a new domain which finally leaves behind the imaginary of development, and transcends development’s dependence on Western modernity and historicity raises a number of questions: why has development been so resistant to radical critique? What kinds of critical thought and social practice might lead to thinking about Third World reality differently? Can the hegemonic discourses of development—inscribed in multiple forms of knowledge, political technologies and social relations—be significantly modified? The emergence of a powerful alternative social movement discourse raises further questions: how do popular actions become objects of knowledge in social movement discourse? If new discourses and practices are appearing that contribute to shaping the reality to which they refer (Foucault 1985), what is the domain that this discourse makes visible? Who can ‘know,’ according to what rules, and what are the pertinent objects? What criteria of politics does it put into effect, with what consequences for popular actors? Finally, what is the relationship between the demise of development and the emergence of social movements?

This chapter aims to bridge these two areas of enquiry. The argument can be summarized in three propositions. First, most critiques of development have been suspended, caught in mid-air as they strove toward their zenith, and, like fragile bubbles, exploded, leaving a scrambled trace of their glorious path behind. Hesitantly perhaps, but with a persistence that has to be taken seriously, a new discourse has set in: that of the ‘crisis of development,’ on the one hand, and of ‘new social actors’ and ‘new social movements,’ on the other. Many scholars even propose a radical reinterpretation of social and political reality based on a new set of categories such as ‘alternative development,’ new identities, radical pluralism, historicity and hegemony.

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This chapter aims to bridge these two areas of enquiry. The argument can be summarized in three propositions. First, most critiques of development have reached an impasse. The present impasse does not call for a ‘better’ way of doing development, nor even for ‘another development.’ A critique of the discourse and practice of development can help to clear the ground for a more radical imagining of alternative futures. Second, development is not simply an instrument of economic control over the physical and social reality of Asia, Latin America and Africa. It is also an invention and strategy produced by the ‘First World’ about the ‘underdevelopment’ of the ‘Third World.’ Development has been the primary mechanism through which the Third World has been imagined and imagined itself; thus marginalizing or precluding other ways of seeing and doing. Third, to think about ‘alternatives to development’ requires a theoretical and practical transformation in existing notions of development, modernity and the economy. This can best be achieved by building upon the practices of the social movements, especially those in the Third World. These movements are essential to the creation of alternative visions of democracy, economy and society.
THE HEGEMONY OF DEVELOPMENT

The making of the Third World through development discourses and practices has to be seen in relation to the larger history of Western modernity, of which development seems to be one of the last and most insidious chapters (Escobar 1995; Watts, in this volume; Cowen and Shenton, in this volume). From this perspective, development can best be described as an apparatus that links forms of knowledge about the Third World with the deployment of forms of power and intervention, resulting in the mapping and production of Third World societies. Development constructs the contemporary Third World, silently, without our noticing it. By means of this discourse, individuals, governments and communities are seen as ‘underdeveloped’ and treated as such.

Needless to say, the peoples of Asia, Africa and Latin America did not always see themselves in terms of ‘development.’ This unifying vision goes back only as far as the post-war period, when the apparatuses of Western knowledge production and intervention (such as the World Bank, the United Nations, and bilateral development agencies) were globalization and established their new political economy of truth (see Sachs 1992; Escobar 1984, 1988). To examine development as discourse requires an analysis of why they came to see themselves as underdeveloped, how the achievement of ‘development’ came to be seen as a fundamental problem, and how it was made real through the deployment of a myriad of strategies and programmes.

Development as discourse shares structural features with other colonizing discourses, such as Orientalism, which, as Said argues:

Can be discussed and analyzed as the corporate institution for dealing with the Orient—dealing with it by making statements about it, by teaching it, setting it, ruling over it; in short, Orientalism as a Western style for dominating, restructuring and having authority over the Orient…. My contention is that without examining orientalism as a discourse we cannot possibly understand the enormously systematic discipline by which European culture was able to manage—and even produce—the Orient politically, sociologically, ideologically, scientifically, and imaginatively during the post-Enlightenment period.

(Said 1978:3)

Likewise, development has functioned as an all-powerful mechanism for the production and management of the Third World in the post-1945 period. The previous knowledge production system was replaced by a new one patterned after North American institutions and styles (Fuenzalida 1983, 1987; Escobar 1989). This transformation took place to suit the demands of the post-war development order, which relied heavily on research and knowledge to provide a reliable picture of a country’s social and economic problems. Development disciplines and sub-disciplines—including development economics, the agricultural sciences, the health, nutrition and educational sciences, demography, and urban planning—proliferated.

The Third World countries thus became the target of new mechanisms of power embodied in endless programmes and ‘strategies.’ Their economies, societies and cultures were offered up as new objects of knowledge that, in turn, created new possibilities of power. The creation of a vast institutional network (from international organizations and universities to local development agencies) ensured the efficient functioning of this apparatus. Once consolidated, it determined what could be said, thought, imagined; in short, it defined a perceptual domain, the space of development. Industrialization, family planning, the ‘Green Revolution,’ macroeconomic policy, ‘integrated rural development’ and so on, all exist within the same space. All repeat the same basic truth, namely, that development is about paving the way for the achievement of those conditions that characterize rich societies: industrialization, agricultural modernization, and urbanization. Until recently, it seemed impossible to get away from this imaginary of development. Everywhere one looked, one found the busy, repetitive reality of development: governments designing ambitious development plans, institutions carrying out development programmes in cities and countryside alike, experts studying development problems and producing theories ad nauseam, foreign experts everywhere and multinational corporations brought into the country in the name of development. In sum, development colonized reality, it became reality.

A critique of development as discourse has begun to coalesce in recent years (Mueller 1987a, 1987b; Fergusson 1990; Apfel Marglin and Marglin 1990; Sachs 1992). The critics aim to examine the foundations of an order of knowledge about the Third World, the ways in which the Third World is constituted in and through representation. Third World reality is inscribed with precision and persistence by the discourses and practices of economists, planners, nutritionists, demographers, and the like, making it difficult for people to define their own interests in their own terms—in many cases actually disabling them from doing so (Illich 1977). Development proceeded by creating abnormalities (‘the poor’ ‘the malnourished,’ ‘the illiterate,’ ‘pregnant women,’ ‘the landless’) which it would then treat or reform. Seeking to eradicate all problems, it actually ended up multiplying them indefinitely. Embodied in a multiplicity of practices, institutions and structures, it has had a profound effect on the Third World: social relations, ways of thinking, visions of the future are all indelibly marked and shaped by this ubiquitous operator.

The view of development as a discourse differs significantly from analyses carried out from the perspective of political economy, modernization, or even ‘alternative development.’ Such analyses have generated proposals to modify the current regime of development: ways to improve upon this or that aspect, revised theories or conceptualizations, even its redeploym ent within a new rationality (for instance, socialist, anti-imperialist, or ecological). These modifications, however, do not constitute a radical positioning in relation to the discourse; they are instead a reflection of how difficult it is to imagine a truly different domain. Critical
thought should help recognize the pervasive character and functioning of
development as a paradigm of self-definition. But can it go further and contribute
to the transformation or dismantling of the discourse?

First one must ask whether such a domain can be imagined. Philosophers have
made us aware that we cannot describe exhaustively the period in which we
happen to live, since it is from within its rules that we speak and think, and since it
provides the basis for our descriptions and our own history (Benjamin 1969:253–
64; Foucault 1972:130–1; Guha 1989:215–23). We may be aware of regions or
fragments of our era, but only a certain distance from it will enable us to attempt
the critical description of its totality as an era which has ceased to be ours. We may
be approaching this point in relation to the post-war order of development. The
themes of development by dependency theorists, for instance, still functioned
within the same discursive space of development, even if seeking to attach it to a
different international and class rationality. We may now be approaching the point
at which we can delimit more clearly the past era. Perhaps we are beginning to
inhabit a gap between the old order and a new one, slowly and painfully coming into
existence. Perhaps we will not be obliged to speak the same truths, the same
language, and prescribe the same strategies.

Inordinate care must be taken to safeguard this new discourse from attempts to
salvage development through fashionable notions such as ‘sustainable
development,’ ‘grassroots development,’ ‘women and development,’ ‘market-
friendly development,’ and the like, or to restructure the Third World in line with
the symbolic and material requirements of a new international division of labour
based on high technology (Castells 1986; Harvey 1989; Amín 1990; López Maya
1991). Critical thought can rouse social awareness about the power that
development still has in the present. It will also help in visualizing some possible
paths along which communities can move away from development into a different
domain, yet unknown, in which the ‘natural’ need to develop is finally suspended,
and in which they can experiment with different ways of organizing societies and
economies and of dealing with the ravages of four decades of development.

The number of Third World scholars who agree with this prescription is
growing. Rather than searching for development alternatives, they speak about
‘alternatives to development,’ that is, a rejection of the entire paradigm. They see
this reformulation as a historical possibility already underway in innovative
garbage movements and experiments. In their assessment, these authors share a
number of features: a critical stance with respect to established scientific
knowledge; an interest in local autonomy, culture and knowledge; and the defence
of localized, pluralistic grassroots movements, with which some of them have
worked intimately (Esteva 1987; Kothari 1987; Nandy 1987, 1989; Shet 1987;
Fals Borda 1988; Rahman 1988a, 1988b; Shiva 1989; Parajuli 1991; Sachs
1992). For these authors, as the links between development and the
marginalization of people’s life and knowledge become more evident, the search
for alternatives also deepens. The imaginary of development and ‘catching up’
with the West is drained of its appeal. In sum, new spaces are opening up in the

vacuum left by the colonizing mechanisms of development, either through
innovation or the survival and resistance of popular practices.

What is at stake is the transformation of the political, economic and institutional
regime of truth production that has defined the era of development. This in turn
requires changes in institutions and social relations, openness to various forms of
knowledge and cultural manifestations, new styles of participation, greater local
autonomy over the production of norms and discourses. Whether or not this leads
to significant transformations in the prevailing regime remains to be seen. The
future cannot be predicted in this respect, nor can an explicit strategy be proposed.
However, the grassroots initiatives of social movements may very well lead in this
direction. Social movements constitute an analytical and political terrain in which
the weakening of development and the displacement of certain categories of
modernity (for example, progress and the economy), can be defined and explored.
It is in terms of social movement discourse that ‘development,’ and its
foundational role in the constitution of the ‘Third World’ and the post-war international economic order, can be put to the test.

SOCIAL MOVEMENTS AND THE TRANSFORMATION
OF THE DEVELOPMENT ORDER

There is little point in speculating in the abstract about the character of a post-
development era. If we accept that critical thought must be ‘situated’ (Haraway
1989; Fraser 1989), then a discussion of these issues should be practice-oriented,
engaging with the politicized claims and actions of oppositional movements. In the
long run, it is these movements which would largely determine the scope and
character of any possible transformation. Hence it is important to link proposals
for the transformation of development with the ongoing work of social
movements.

Although there is disagreement about the nature and extent of today’s social
movements, it is clear to most analysts that ‘there has begun a change in the
structure of collective action…a new space for theory and social action’ (Calderón
and Reyna 1990:19). Questions about daily life, democracy, the state, political
practice, and the redefinition of development can be most fruitfully pursued in the
context of social movements. But how are the practices of social movements to be
studied? How can social science make visible the domain of popular practices and
the inter-subjective meanings that underlie them? How can the self-interpretation
of agents be accounted for? What is the field of meanings in which popular actions
are inscribed and how has this field been generated by processes of domination
and resistance, strategies and tactics, scientific knowledges and popular
knowledges and traditions? What are the relations between cultural definitions of
social life and political culture? How do collective actors build collective
identities, and how do they create new cultural models?

The importance of daily life and its practices for the study of social movements
is increasingly appreciated in Latin America. Reflection on daily life has to be
located at the intersection of the micro-processes of meaning production, and the
macro-processes of domination. Inquiry into social movements from this
perspective seeks to restore the centrality of popular practices without reducing the
movements to something else: the logic of domination or capital accumulation, the
struggle of the working class or the labour of parties. This procedure privileges the
value of everyday practices in producing the world in which we live. For if it is true
that the majority of people live within structures of domination that are not of their
own making, it is also true that they participate in these structures, adapting,
resisting, transforming or subverting them through manifold tactics (de Certeau

Much of the recent literature takes for granted that a significant social
transformation has already taken place, perhaps the coming of a new period
altogether. The ‘old’ is often yoked to analyses of modernization or dependency;
to politics centred around traditional actors like parties, vanguards, and the
working class who struggle for the control of the State; and to a view of society as
composed of more or less immutable structures and class relations that only great
changes (i.e. massive development schemes or revolutionary upheavals) can alter
in a significant way. The ‘new,’ by contrast, is invoked in analyses based not on
structures but on social actors; the promotion of democratic, egalitarian and
participatory styles of politics; and the search not for grand structural
transformations but rather for the construction of identities and greater autonomy
through modifications in everyday practices and beliefs.

Social movement discourse thus identifies two orders—the old and the new —
characterized by specific historical features. In the process, the many continuities
between the two regimes—as well as the ways in which, for instance, old styles of
politics are still pervasive among the new movements—are overlooked. Equally
important, the past is endowed with features that are not completely accurate (for
instance, the claim that all styles of politics in the past were clientilistic and non-
participatory). To acknowledge the continuities existing between the two periods—
both at the level of theories of politics, development, the economy, and that of
popular practices—is important (Cardoso 1987; Mires 1987; Alvarez 1989). A
more rigorous characterization of the nature of the change that is taking place is
needed.

The demise of old models is arguably brought about by the failure of the
developmentalist state to bring about lasting improvements, and of political
mechanisms, on either Left or Right, to deal with that failure. Moreover, the
untenability of the old models is reflected in the present crisis. This dual crisis of
paradigms and economies is forcing a new situation, a ‘social reconfiguration,’ as
Mires (1987) has aptly put it. For most observers, the crisis of the post-war models,
centred around the agency of the modernizing bourgeoisie and the working class,
necessarily entails the dissolution of the political discourses of these social actors
thus paving the way for new voices and political manifestations. Beyond these
general assertions, however, most talk about the crisis is imprecise at best. Crisis is
conceptualized mostly in economic and political terms, but many questions remain:

what, for instance, are the inherent contradictions of today’s models? What
specific problems of system control seem to be critical? What structures are being
strained? How are legitimation, fiscal and economic crises interrelated in specific
Latin American countries?

Still other questions are raised by the premise that culture and ideology are
embedded in production and politics: what cultural features seem to pose limits to
accumulation and the persistence of old political forms? Is the loosening of
economic and political structures leading to new traditions and identities? What
specific institutions are disintegrating? What groups of people feel their identity
particularly threatened, and in what ways? If old systems of group identity are
losing their integrating power, what are the new systems for identity formation?
What new goals and values are being formulated? What new discourses are being
put in circulation as the usual mechanisms for social and cultural discourse
production are upset? These questions do not arise simply in relation to the very
real and dramatic dislocations that Latin America suffers today. It is also necessary
to probe deeper into the shifts and fluctuations in institutional arrangements,
meanings and practices that result, in part, from the crisis.

The number and quality of studies of social movements in Latin America has
grown steadily over the last decade. Amongst those studied are urban popular
movements, Christian communities, peasant mobilizations, new types of workers’
organizations and novel forms of popular protest (for basic needs and local
autonomy, for example). Increasing attention is being paid to women’s and ethnic
movements and grassroots movements of various kinds; on the other hand, few
studies exist of the gay (McRae 1990) and ecology movements (Viola 1987;
García 1992). Human rights and defence of life issues, as well as youth forms of
protest, have also attracted some attention.

The most complete study to date is the ten-country survey carried out by the
Latin American Social Science Council (CLACSO) under the general direction of
Fernando Calderón (1986). The study examines the relationships among crisis,
movements and democracy, and the possible contribution of the movements ‘to
constructing new social orders, propitiating new models of development and
promoting the emergence of new utopias’ (Calderón 1986:12). The existence of
new tendencies towards greater autonomy and pluralism, less dependence on the
state, and new values of solidarity and participation are also explored. In sum, the
study purports to seek in the movements

Evidence of a profound transformation of the social logic... a new form of
doing politics and a new form of sociality... more importantly, a new form of
relating the political and the social, the public and the private, in such a
way that everyday practices can be included side by side with the politico-
institutional.

(Jelin 1986:21)
One question that arises immediately is how this 'profound transformation,' will be conceptualized. Here we find a tautological proposition, since social movements are defined precisely in terms of what they supposedly bring about: new forms of politics and sociality whose definition in turn is left unproblematized. The 'new forms of doing politics' comprise not a new conception of politics but an expansion of the political domain to encompass everyday practices. Even the future of the movements is seen in relatively conventional terms; small organizations will branch out vertically and horizontally, non-party formations will give way to parties, short-term protest to long-term efforts. Similarly, social scientists see social movements as pursuing goals that look very much like conventional development objectives (chiefly, the satisfaction of basic needs). More radical questions about the redefinition of the political and the dismantling of development are thus overlooked. This is compounded by the fact that there is no agreement as to what counts as a 'movement' and what makes it 'new.'

Despite these difficulties, studies of social movements have clarified a number of macro issues. The relationships among crisis, social movements and democracy have been broadly defined. The reasons for the emergence of new actors have also been identified. These include the exclusionary character of development, increased fragmentation and precarious urbanization, general social decomposition and violence, the growth of the informal sector, loss of confidence in the government and political parties, the breakdown of cultural mechanisms, and so forth. Others have argued that the displacement of spaces and identities (from the working class to new actors, from the factory to the city, from the public sphere to the household, from the plaza to the neighbourhood) accounts for the new movements. Some of the movements have arguably achieved a transition 'from the micro to the macro, and from protest to proposal' as they connect with each other in the building of coalitions and political movements, such as the Workers’ Party in Brazil, the M-19 Democratic Alliance in Colombia, and the Cardenista movement in Mexico (Fals Borda 1992).

The CLACSO project also offers a typology of social movements based on their structures of participation; their temporality, including synchronic and diachronic aspects; their multiple and heterogeneous spread within a geographical space; their relation to the crisis and to other social forces; their effect on social relations; and their self-image and conception of everyday life. Finally, other studies have identified criteria for evaluating the democratizing potential of the movements: the extent to which they undermine prevalent authoritarian practices; the extent of their pluralizing and diversifying effects on dominant, homogenizing and reductionist forces; the relative weight of autonomy versus clientilism and dependence on the State and conventional political institutions; the possibility of bringing about new economic forms which transcend the rationality of the market; and the possible role played by Latin America within the international division of labour (Calderón 1986).

The intellectual and political challenges of social movements have provoked a significant academic reappraisal of civil society, the importance of the micro-sociology and politics of everyday life, the possibility for new types of pluralist democracies and alternative ways of satisfying basic needs (Calderón et al. 1992). There is, then, a sort of 'therapeutic renewal' which, despite conflicting demands and the existence of conservative tendencies (such as neo-liberalism), is having a great impact on the social sciences in Latin America (López Maya 1991). This does not mean that European and North American theories are not important. Post-structuralism, post-modernism and post-marxism have significantly influenced Latin American social movements theory. The most influential notions are Touraine’s concept of historicity, Laclau and Mouffe’s elaboration of articulation of identities and radical democracy, and Melucci’s proposal of the social as a submerged network of practices and meanings. Touraine’s and Melucci’s work foreground the cultural aspects of collective mobilization. For the French sociologist, social movements struggle for the control of 'historicity,' defined as the 'set of cultural models that rule social practice' (Touraine 1988:8). In other words, social movement actors recognize that there is a cultural project at stake, not merely a struggle for organizational control, services, or economic production. Melucci emphasizes the cultural character of contemporary collective action at an even deeper level. For this author, social movements have a very important symbolic function; collective actions 'assume the form of networks submerged in everyday life.... What nourishes [collective action] is the daily production of alternative frameworks of meaning, on which the networks themselves are founded and live from day to day' (Melucci 1988:248). This also means that what we usually empirically observe as ‘movements’ is usually the manif estation of a larger, latent reality that involves continuous symbolic and cultural production.

For Laclau and Mouffe (1985), the collective identities that define a given movement (whether peasant, working-class, feminist, gay, ecologist, indigenous, or what have you) are never given from the start, but are the result of processes of ‘articulation.’ This process of articulation is always discursive, to the extent that it always entails a plurality of orientations and subject positions. The processes of negotiation, interaction, building of common interests, and relations to the social and political environment—like all social life—is endowed with and apprehended through meaning. From the dominant side, the process of discursive articulation results in a hegemonic formation; on the side of social movements, the logic of articulation can lead to radical democracy—groups and movements organizing in autonomous spheres, but also creating the possibility of articulations with other groups and movements, and, in the long run, the possibility of ‘counter-hegemonic’ formations.

While these works have been influential in Latin America, it should not be concluded that their application to that context, or that theory production, is a one-
way street. Indeed as Calderón et al. (1992:21) argue, one must question ‘whether in spite of the richness of these foreign analyses there may not be something present in the social movements of the region impervious to the analytical categories provided by European theorists.’ They conclude that Latin American researchers might actually be leading the way in the reformulation of social movements theory and methodology through continuous reflection on the practice of the movements. In sum, the belief that theory is produced in one place and applied in another is no longer acceptable practice. There are multiple sites of production and multiple mediations in the generation and production of theory. Social movement work provides a good example of ‘travelling’ theories and theorists in the post-colonial world (Said 1983; Clifford 1989). In the process, the West is partly reproduced as the site of enunciation, but also displaced and resisted.

In important ways Third World intellectuals, while trying to extricate themselves from the West, remain bound to it in complex ways, sharing, to a greater or lesser extent, the theoretical imaginary of the West. Yet theoretical production cannot be seen in simple terms, as produced in one part and applied in another, but rather as a process of multiple conversations in a discontinuous terrain (Mani 1989).

Jean Cohen (1985) has introduced a useful distinction between those social movements primarily concerned with resource mobilization and those which emphasize struggles to constitute new identities as a means to open democratic spaces for more autonomous action. The focus of the identity-centered paradigm is primarily on social actors and collective action. This is true of the three most influential European conceptualizations of social movements already mentioned—those of Alain Touraine, Ernesto Laclau and Chantal Mouffe, and Alberto Melucci (see Escobar 1992b:35–41 for a critique). However, as Alvarez (1989) has remarked, disregard for the North American resource mobilization paradigm has had a high cost in Latin America. Many types of popular action have been crudely characterized in terms of groups ‘reclaiming their identity’ or searching for ‘new ways of doing politics.’ This leaves unexplained complex issues that impinge on the movements, such as organizational and institutional development, the role of external factors, constraints and opportunities vis-à-vis local or national politics, and so on. Some authors (Alvarez 1989; Tarrow 1988) argue that both paradigms should be combined for a more realistic portrayal of social movements in Latin America and elsewhere.

The recent work of the Subaltern Studies group of Indian historians provides rich insights for thinking ‘the political’ in a new manner. According to this group, conventional views of Indian politics, of the Right or the Left, are indelibly shaped by the institutions of colonialism, thus overlooking the existence of a whole different political domain:

Parallel to the domain of elite politics there existed throughout the colonial period another domain of Indian politics in which the principal actors were not the dominant groups of the indigenous societies or the colonial authorities but the subaltern classes and groups.…. This was an autonomous domain, for it neither originated from elite politics nor did its existence depend on the latter…. The experience of exploitation and labour endowed this politics with many idioms, norms and values which put it in a category apart from elite politics.

(Guha 1988:401)

Recognition of the existence of the subaltern domain of politics is the basis, according to Guha, for developing alternative conceptions of popular consciousness and mobilization, independent of conventional politics. In the case of peasant resistance in colonial India, for example, mobilization was achieved through horizontal rather than vertical integration; it relied on traditional forms such as kinship and territoriality; it sometimes grew out of outrage, even crime, to insurgency and uprisings; it was collective and often destructive and total; and it practised various styles of class, ethnic and religious solidarity. Nationalist leaders, on the other hand, tried to make the masses conform to a conventional politics with recognizable organizations and strategies (Guha 1983).

Much of the discussion of social movements in Latin America assumes a single political domain. Popular struggles sometimes resemble Guha’s notion of subalternity but one of the effects of bourgeois hegemony has been the belief in a single political domain. Most analysts, in trying to get at the ‘new forms of doing politics’ or the ‘new political culture,’ still seem to be observing the movements from the conventional point of view. In other words, much of the discussion of social movements still relies on and shelters the political (and economic) culture of the West. With few exceptions, the possibility of a subaltern domain has been overlooked in Latin America even though scholars have tried to recuperate popular resistance as part of a theoretical and practical discussion of political practice and process. The conventional view of politics shapes any ‘normal’ understanding of the political, entrenched as it is in structures and everyday practices (including the state, interests groups, parties, forms of rationality and behaviour such as strikes, visible mobilizations, and so on). A redefinition of politics cannot occur without changing this political discourse. This is why, in Latin America, the question of the location of meaning is an essentially political question that has to be answered in the terrains of history, politics and dominant representations. Only by rethinking politics in this way will another space of history that registers popular experience be opened up (Lechner 1988; Quijano 1988).

Critical reflection on the politics of knowledge and the state is also crucial for transforming our understanding of social movements and development. Although social movements are usually thought of in terms of their connection to the state, they are also well beyond it. In the first place, relations of power exist outside the state, in a whole network of other relations (at the level of knowledge, the family, and so on) (Foucault 1980a, 1980b). Social movements may also hinder the consolidation of extra-social bodies such as the state. If the state is arborescent (characterized by unity, hierarchy, order), the new social movements are rhizomic
(assuming diverse forms, establishing unexpected connections, adopting flexible structures, moving in various dimensions—the family, the neighbourhood, the region) (see Deleuze and Guattari 1987). Social movements are fluid and emergent, not fixed states, structures, and programmes. They might even be considered ‘nomadic.’ In perpetual interaction with the state and other megafoms like multinational corporations, they are irreducible to them.

A similar situation is found in the field of knowledge. State science and ‘nomad’ science coexist but the former is always trying to appropriate the latter. State science proceeds by territorializing, creating boundaries and hierarchies, producing certainties, theorems, and identities. Nomad (or popular) knowledge has a very different form of operation, opposed to that of the State and the economy, with its division of social space into rulers and governed, intellectual and manual labour. Nomad science stays closer to the everyday, seeking not to extract constants but to follow life and matter according to changing variables. While state science reproduces the world according to a fixed point of view, nomad science follows events and solves problems by means of real life operations, not by summoning the power of a conceptual apparatus or a pre-established form of intervention (Deleuze and Guattari 1987).

These features of new social movements—a certain independence of the state and the existence of a domain of popular knowledge—are hinted at in some of the literature. Fals Borda (1992), for instance, sees Latin American social movements as fostering ‘parallel networks of power’ and a kind of ‘neo-anarchism’ resulting from the movements’ search for greater autonomy from the state and conventional political parties. Some see today’s social movements as ‘nomad forms’ which, although expanding the cultural and political terrain, may or may not coalesce into larger networks of action (Arditi 1988). Similarly, other systems of knowledge are involved in the literature on alternatives to development (Apffel Marglin and Marglin 1990). Such alternative forms of knowledge are practised in the popular domain, particularly among women (Shiva 1989) and indigenous people. Participatory action research is based on this belief, focusing on the encounter between modern and popular forms of knowledge (Fals Borda 1988; Fals Borda and Rahman 1991).

As self-producing and self-organizing entities, social movements can be characterized as autopoietic (Maturana and Varela 1980, 1987). Through their own action they establish a distinct presence in their social and cultural environment. They produce themselves and affect the larger social order through their own organizing processes. It is necessary, then, to examine both the internal organization of these units and the history of their interaction with their environment. The result of this history of interactions is the creation of life worlds and social orders. Thus, movements would not merely be a reflection of the current crisis or any other principle, but would have to be understood in terms of their own rationality and the organization they themselves produce. Our knowledge of this history, of course, can only be fragmentary and dependent on our own systems of interpretation. Like hypotheses of the existence of subaltern domains of politics and knowledge, we need to be aware of the mediations that inevitably condition our perceptions of people’s histories.

THE POLITICS OF NEEDS

The question of ‘needs’ is central to social movements analysis. The definition of needs presumes the knowledge of experts who certify ‘needs,’ and the institutionalization of ‘social services’ by the state. Needs discourses, as elaborated by development experts, universities, social welfare agents, and all kinds of professionals can be seen as ‘bridge discourses, which mediate the relations between social movements and the state…experts discourse play this mediating role by translating the politicized needs claimed by oppositional movements into potential objects of state administration’ (Fraser 1989: 11). Most often, the interpretation of people’s needs is taken as unproblematic, although it can easily be shown to be otherwise. There is an officially recognized idiom in which needs can be expressed: the means of satisfying ‘needs’ position people as ‘clients’ in relation to the state. Models of needs satisfaction are stratified along class, gender and ethnic lines. In other words, needs discourses constitute veritable ‘acts of intervention’ (Fraser 1989:166) to the extent that the political status of a given need is an arena of struggle over how it is interpreted. Social movements necessarily operate within dominant systems of need interpretation and satisfaction. But they do tend to politicize those interpretations by refusing to see needs purely as ‘economic’ or ‘domestic.’ This process contributes to the consolidation of alternative social identities by subaltern groups, especially if they manage to invent new forms of discourse for interpreting needs. As Fraser (1989:171) argues, ‘in oppositional discourses, needs talk is a moment in the self-constitution of new collective agents or social movements.’ It is a problematic ‘moment,’ since it usually entails the involvement of the state and mediation by those who have expert knowledge. Whereas expert discourses (such as those of the agents of development) reposition groups as ‘cases’ for the state and the development apparatus, thus depoliticizing needs, popular actors challenge expert interpretations with varying degrees of success; for instance, rural development programmes may spawn movements for the recuperation of land.

In the Third World the process of needs interpretation and satisfaction is clearly and inextricably linked to the development apparatus. The ‘basic human needs’ strategy, pushed by the World Bank and adopted by most international agencies, has played a crucial role in this regard (World Bank 1975a; Leipziger and Streeten 1981). This strategy, however, is based on a liberal human rights discourse and on the rational, scientific assessment and measurement of ‘needs.’ Lacking a significant link to people’s everyday experience, ‘basic human needs’ discourse does not foster greater political participation. This is why the struggle over needs interpretation is a key political arena of struggle for new social actors involved in redirecting the apparatuses of development and the state. The challenge for social movements—and the ‘experts’ who work with them—is to come up with new
ways of talking about needs and of demanding their satisfaction in ways that bypass the rationality of development with its ‘basic needs’ discourse. The ‘struggle over needs’ must be practiced in a way conducive to redefining development and the nature of the political. Finally, the language of ‘needs’ itself must be reinterpreted as one of the most devastating legacies of modernity and development, as Ivan Illich (1992) argues. These are open challenges that remain to be explored.

CONCLUSION

The possibility for redefining development rests largely with the action of social movements. Development is understood here as a particular set of discursive power relations that construct a representation of the Third World. Critical analysis of these relations lays bare the processes by which Latin America and the rest of the Third World have been produced as ‘underdeveloped.’ Such a critique also contributes to devising means of liberating Third World societies from the imaginary of development and for lessening the Third World’s dependence on the episteme of modernity. While this critical understanding of development is crucial for those working within social movements, awareness of the actions of the movements is equally essential for those seeking to transform development.

As regards social movement research, significant ambiguities and confusions still exist. A critical view of modernity, for instance, emphasizes the need to resist post-Enlightenment universals (such as those of economy, development, politics and liberation); a reflection on historicity allows us to foreground the cultural aspects of the new movements; the discussion of meaning and background cultural practices provides a way to study the connection between cultural norms, definitions of social life and movement organization; this discussion also provides a conceptual tool for exploring the more profound effects of social movements, namely, those that operate at the level of life’s basic norms.

Similarly, the notion of autopoiesis suggests that social movements are not merely a reflection of the crisis, but have to be understood in terms of the organization they themselves produce. They are, in important ways, self-producing, self-referential systems, even if their effects disseminate across large areas of economic, social and cultural life. In conceptualizing social movements as autopoietic entities, conventional definitions of the political, of knowledge, and of the relation between social movements and the state need to be scrutinized. Even if popular knowledge and politics are in continuous relation to the state, they nevertheless may have their own rationality and rules of operation.

To conclude, we may postulate the existence of three major discourses in Latin America with the ability to articulate forms of struggle. First, there is the discourse of the democratic imaginary (including the fulfilment of ‘needs,’ economic and social justice, human rights, class, gender and ethnic equality). Although it originates in the egalitarian discourses of the West, it does not necessarily have to follow the West’s experience. This discourse offers the possibility of material and institutional gains and the emergence of more pluralistic societies. Second, there is the discourse of difference, which includes cultural difference, alterity, autonomy and the right of each society to self-determination. This possibility originates in a variety of sources: anti-imperialist struggles, struggles of ethnic groups and women, the challenge to European ethnocentrism and conventional epistemologies, revisions of history, and so on. The potential here is for the strategic release and furthering of some of these struggles. Third, there are anti-development discourses proper, which originate in the current crisis of development and the work of grassroots groups. The potential here is for more radical transformations of the modern capitalist order and the search for alternative ways of organizing societies and economies, of satisfying needs, of healing and living.

It should be clear by now that struggles in the Third World cannot be seen as mere extensions of the ‘democratic revolution’ or the consolidation of modernity. Although they may be necessary to help weather the precariousness of life conditions and to democratize social and economic life, the recent struggles in the Third World go well beyond the principles of equality, relations of production and democracy. They constitute arenas for redefining and recovering these terms. Even the possibility of building a ‘counter-hegemonic formation’ (Laclau and Mouffe 1985) seems to be contrary to the movements’ practices and would evince a type of rationality that popular movements may not share. This does not mean that alliances are impossible. They certainly do and must occur. In fact, networks of popular movements are appearing in several countries and internationally (in the case of indigenous peoples and women). But social movements are not ruled by the logic of all or nothing; they must consider the contradictory and multiple voices present in such experiences without reducing them to a unitary logic.

In the long run, new ways of seeing, new social and cultural self-descriptions, are necessary to displace the categories with which Third World groups have been constructed by dominant forces. As Ashis Nandy puts it:

The recovery of the other selves of cultures and communities, selves not defined by the dominant global consciousness, may turn out to be the first task of social criticism and political activism and the first responsibility of intellectual stock-taking in the first decades of the coming century.

(Nandy 1989:265)

Perhaps social movements, as symbols of resistance to the dominant politics of knowledge and organization of the world, provide some paths in the direction of this calling, that is, for the re-imagining of the ‘Third World’ and a post-development era.
## Contents

List of boxes, tables and figures  
Preface and acknowledgements

### 1 Deconstructing ‘knowledge for development’

Introduction 1  
The debt crisis and the ‘Washington consensus’ 6  
Neo-liberalism with a human face? ‘The post-Washington consensus’ 7  
Neo-classical theory: a ‘colonizing’ concept? 9  
Re-politicizing development: the elusive quest for unified theory 12  
Arresting development? From development studies to area studies 15  
After Marxism: ‘what is to be done?’ 17  
Post-structuralism, postmodernism and ‘post-development’ 19  
Outline of the book 22

### 2 The ‘poverty of history’ in neo-classical discourse

Introduction 24  
The ‘problem’ of history in social science research 25  
History and positivist social science 27  
Debating positivism 29  
The tragedy of the commons 31  
Avoiding the tragedy: institutions, incentives and ‘common property regimes’ 32  
The poverty of history 36  
Inequality, efficiency and the commons 38  
Poverty, inequality and the commons: ‘entitlement approaches’ 40  
Privatizing the commons: rights, incentives and rational choice 43  
Ships in the night: history and science in commons scholarship 45

Concluding remarks 49
### Contents

**3 Exporting the model**

- Introduction 51
- Theorizing the transition: Marxism, dependency and (capitalist) development 52
- Exporting the model 53
- The dependency debate 55
- World systems theory 57
- After dependency 60
- ‘Hermeneutic Marxism’: problems of agency, identity and alienation 62
- The postmodern turn 64
- Postmodern politics: class, social consciousness and (class) struggle 66
- The development ‘impasse’ 68
- Beyond the impasse: the end of ideology? 69
- The ‘people without history’: weapons of the weak or a weak weapon? 71
- Concluding remarks 76

**4 Development as discourse**

- Introduction 79
- ‘The Foucault effect’: history, genealogy and ‘bio-power’ 81
- Debating Foucault 83
- Development as discourse: the politics of post-power 86
- Post-development histories 88
- Normalization and discourse 89
- Visions of change 91
- Debating post-development 93
- Romanticism, relativism and representation 96
- Encountering James Ferguson 99
- Discourse, agency and power 100
- Policy, discourse and praxis 103
- Concluding remarks 106

**5 Development as freedom of choice**

- Introduction 109
- Poverty as ‘capability deprivation’: theorizing the work of Amartya Sen 111
- Bridging structure and agency: Sen’s theory of entitlement 114
- Sen’s theory of public action 115
- Restricting the freedom to choose: Sen’s theory of ‘social commitment’ 116
- Political action and the freedom to choose ... what exactly? 119
- Participatory approaches: from ‘PRA’ to ‘the SLA’ 121
- Creating capabilities: the ‘sustainable livelihoods approach’ 123
- Assessing the SLA 126
- Concluding remarks 129

**6 Advancing knowledge for social change**

- Introduction 132
- ‘Making services work for the poor’ 133
- Debating the discipline: big theories, local processes and the art of comparison 136
- ‘Analytic narratives’ 138
- An ‘anti-history machine’? 141
- Bringing history back in: advancing knowledge for social change 143
- Concluding remarks 148

**Notes** 152

**Bibliography** 163

**Index** 180
3 Exporting the model
Marxism, postmodernism and development

The philosophers have only interpreted the world, in various ways; the point, however is to change it.
Karl Marx (Theses on Feuerbach)

The idea of development provided a way of narrating world history, but not necessarily a rationale for acting upon it.
Frederick Cooper and Randall Packard (1997: 7)

Classifications are the cornerstone in any theorizing.
Angkie Hoogvelt (2001: 217)

Introduction
The previous chapter explored the challenge of incorporating history into a neo-classical/positivist frame. This chapter now explores the dominant efforts within Marxism to develop a unified and predictive theory of capitalist development and social change. Its principal focus is on three central problems in Marxist social theory. One concerns the classification of economic and social relations. A second concerns the interpretation of historically contingent processes and events. A third concerns the methodological terms on which the people standing behind the structures of political economy may be represented in Marxist social theory.

In what follows I shall argue that Marxism has been deeply divided about the ways in which and the extent to which culturally contingent processes and institutions (e.g. dowry, religion, ethnicity, the caste system) may be theorized and explained in relation to an idealized understanding of capitalist transition. To make my case, I distinguish between two major traditions within Marxist social theory. The first, influenced by the goals and assumptions of nineteenth century social science, aims to identify the underlying trends and forces that explain the development of capitalism (and with it the contradictions that would lead to its ultimate demise). A second, influenced by a series of pivotal events that either contradicted or (at the very least) failed to conform to the theoretical assumptions advanced within Marxism, and began to embrace a more critical or ‘hermeneutic’ analysis of the ways in which local and locally contingent processes and events may affect class consciousness, class struggle and social change.36

The chapter proceeds with the following section, which first lays out the core ideas and assumptions that Marx used in an effort to understand and explain the development of capitalism in Western Europe. The next section then considers the ‘dependency debate’ concerning whether and to what extent European colonialism (and later the green revolution) had set in motion the kinds of investment and class differentiation that would approximate the capitalist transition. The third section explores the literature that emerged in the wake of the dependency debate, making the case that the retreat from ideology and ‘grand’ social theory in Marxism can be attributed to the postmodernism of Lyotard, Derrida, Foucault and 1968, but also to a much longer-standing struggle within Marxism to reconcile the lived experience of class conflict with an objective and universal theory of class struggle and social change. The concluding section reflects upon the wider implications on development theory and praxis.

Theorizing the transition: Marxism, dependency and (capitalist) development
As a student of economic history, Marx was centrally interested in the contradictions that underlie an economic system rooted historically in the separation of labour and capital. To explain this transition, Marx starts from the premise that all social relations – and therefore one’s understanding of these relations – are rooted in the assumption that we sustain ourselves through nature and that we do so not in isolation, but with others. As Marx writes in The German Ideology,

The first premise of all human history is, of course, the existence of all living human individuals. Thus the first fact to be established is the physical organization of these individuals and their consequent relation to the rest of nature.

(The German Ideology, quoted in Freedman 1961: 3)

Framed in this way, the crucial mode (and the crucial transition) was the capitalist mode (and the transition to capitalism), in which ‘the tie between producers and the means of production is severed for good’ (Wolf 1997: 77).37 The need to sell and the ability to purchase the power of labour therefore constitutes a crucial point of transformation between the ‘capitalist mode’ and any other mode that precedes it.

Like Hegel (see Box 3.1), Marx believed that history manifests itself in terms of identifiable epochs or stages, and that historical changes may occur as a result of ‘dialectical’ contradictions within society. Unlike Hegel, he felt that the ideational super-structure of society would change only as a result of political actions to resolve material contradictions and contradictions within society.38 At the heart of this dialectic was a fundamental contradiction between the short-term needs of capital and the long-term wealth and productivity of capitalism.

Marx argued that capitalists were under constant pressure to increase surplus,
Although he shared with Marx the idea that social change would arise as a result of contradictions within society, Hegel’s belief was that agency to change the structure of society was dependent upon the \emph{zeitgeist} or moral and ideological spirit of the times. The implication was that any effort to change material relations within society (e.g. slavery or private property) would first require an ideational change to a different social order. For Hegel, material social relations were dependent on a ‘totality’ of ideas and values, which were historically specific to particular ‘epochs’ in time (Morrow and Brown 1994: 94).

\textbf{Box 3.1 Theories of history: Hegel and Marx}

either by extending the length of the working day or by intensifying through the use of technology (i.e. machinery) the value of labour. Machinery, Marx argued, was instrumental in the sense that it reduced the ‘labour-time necessary for the labourer to produce his subsistence,’ and it also enabled the use of ‘those whose bodily development is incomplete,’ especially women and children (\emph{Capital, Volume I}, cited in Freedman 1961: 84–85). However, by ‘throwing every member of (the) family onto the labour market,’ machinery also depreciated the value of labour power and set in motion a series of forces which were, for Marx, the underlying contradictions of capitalism. Assuming that capitalism could only reproduce itself by extracting surplus value from labour, Marx theorized that the (constant) pressure to replace variable capital (labour) with constant capital (machinery) would eventually induce a falling rate of profit which in turn, would lead to economic crisis, social upheaval and revolutionary change. Capitalist accumulation therefore entailed a dialectic of conflict and contradiction, in which ‘a fall in the rate of profit speeds the process of accumulation, and accumulation hastens the fall in the rate of profit.’ (\emph{Capital, Volume III}, cited in Freedman, 1961: 175).

\textbf{Exporting the model}

For Marx, the social and economic changes that transpired between the sixteenth and nineteenth centuries in England created the necessary conditions under which the capitalist mode of production could arise. First, the English economy underwent a long series of innovations in agriculture and cottage industry, in which the traditional system of ‘putting out’ was gradually replaced by the mechanized and synchronized factory system of organized labour (Wolf 1982 [1997]: Chapters 9 and 10). Second, and part of this process, the enclosure of open and feudal land systems created a pool of labour whose only means of survival could be derived through the sale of wage labour. Third, the period witnessed a massive military-territorial expansion, which provided the English economy with new and unprecedented access to raw materials (e.g. gold, silver, spices, indigo, cotton) and eventually to overseas markets for English manufactures (Wolf 1982 [1997]).

\textbf{Exporting the model}

However, discerning whether these properties were exhibiting themselves outside of the advanced industrialized economies of Western Europe and North America was a different matter, frustrated significantly by the fact that many potential entrants or participants in the urban and rural proletariat were engaged simultaneously in capitalist forms of wage labour and in feudal forms of peasant agriculture (Ley 1996; Roxborough 1979). Although Marx identified ‘a number of different modes,’ including ‘an original, primitive, communalist mode,’ a ‘slaveholding mode of classic European antiquity,’ a ‘Germanic mode, supposedly characteristic of the Germanic peoples in their early migrations,’ ‘a peasant mode,’ a ‘feudal mode’ and ‘an Asiatic mode,’ (Wolf 1982 [1997]: 75), his writing did not theorize extensively about the conditions under which capitalism would arise outside of Western Europe.

Interpreting Marx’s body of work, Lenin theorized that Russian agriculture would follow a particular yet historically determined path of agrarian transformation and class struggle (Harriss 1982; Lenin 1982; Bernstein 1994; Brass 1991; Byres 1983, 1991). Central to this transformation was a process whereby capitalism emerges as the dominant mode of production in agriculture, creating an agrarian structure in which the peasantry is increasingly differentiated along the lines of an ‘affluent class of a “peasant bourgeoisie’ and, at the other extreme, a stratum of poor peasants who are either absorbed into agricultural labouring or into the urban proletariat (Bernstein 1983; Byres 1983, 1991; Harriss 1982; Djurfelt 1982; Lenin 1982). Within this wider spectrum of agrarian class relations, Lenin theorized that ‘bondage, usury, labour-service’ and other forms of money-lending would constrain the differentiation of agrarian classes and the development of capitalism (Lenin, cited in Harriss 1982). Framed in this way, the decline of a feudal agrarian order would entail the rise of the increasingly affluent capitalist farmer and a socially-progressive struggle against a feudal or semi-feudal landlord class (Brass 1991; Byres 1983, 1991).

Lenin therefore highlighted what was at the time (and still remains) a crucial means of organizing and extracting agricultural and rural labour. However, the notion that agrarian class relations would tend to polarize along the lines envisaged by Lenin was challenged (by Kautsky and Chayanov, among others) for suggesting that the development of capitalism would entail a class structure polarized along the lines of a land-owning bourgeoisie and a labouring proletariat. Kautsky, for instance, theorized that capitalist and smallholder ‘peasant’ agriculture could co-exist by binding peasant production to the power of the factory and of industrial production (Kautsky, cited in Harriss 1982). Chayanov took this even further by suggesting that the fate of small-holder agriculture varied not (only) with the spread of capitalism, but also with the cyclical and demographic variations of investment decisions made within the household (Chayanov cited in Djurfelt 1982).

Within development studies, the ‘classic’ debates between Lenin and his critics framed a number of long-standing debates about the ontological nature and empirical existence of capitalism outside of North America and Western Europe (cf. Roxborough 1979; Harriss 1982; 1994). Set in the context of the green revolution, many of these debates became deeply (and some would say
irreversibly) divided about the extent to which the introduction of new agricultural technologies (i.e. high-yielding varieties of rice, wheat and maize, nitrogen-based fertilizers and pesticides) had set in motion the kinds of investment and class differentiation that would approximate the capitalist transition (Booth 1985; Harriss 1994). In so doing, they raised a number of questions about the ways in which different modes of production interact and ‘articulate’ with one another, and how this affects traditional agrarian institutions governing land, labour and capital. One important area of difference concerned the extent to which preferential access to land, credit and green revolution technologies would foster processes of commercialization and consolidation in agriculture that would create and sustain a large and dependent pool of agricultural wage labour. A second concerned the extent to which the processes being described in these instances approximated the ‘capitalist’ mode of production.

The dependency debate

Perhaps the most vitriolic of the debates that ensued within the broader Marxist paradigm was the so-called ‘dependency debate,’ a long series of essays that stemmed from the idea that capitalism in the former colonies was ‘structurally constrained’ by historical and unequal relations between the peripheral and primarily agricultural economies of Africa, Asia and Latin America and the advanced industrialized economies of North America and Western Europe.

The idea that Third World societies were historically dependent on the production processes and consumption preferences of the advanced industrialized economies reflected a number of trends that, by the 1960s, were becoming increasingly difficult to reconcile with Marxist and liberal theories of modernization and development. One was a recognition (observed coincidentally by Raúl Prebisch and Hans Singer) that the performance of Third World economies was ‘structurally constrained’ by their dependence on raw material and agricultural exports and by the fact that demand for industrial goods is more elastic (i.e. it tends to be more responsive to changes in income) than is demand for primary goods (Peet and Hartwick 1999). The result was a downward trend in the price of commodities and in the terms of trade of primarily raw material exporting economies.

A second and related factor was a largely theoretical debate about whether capitalism could take form in societies affected and rendered dependent by European colonialism. Attempting to develop a predictive theory about the roots and nature of Third World dependency, Andre Gunder Frank (1969) argued that colonialism had altered permanently the internal class structures of Third World societies, rendering them necessarily dependent upon the incomes, markets and production processes of the core (whose definition was also a subject of major debate). Through unequal land ownership, debt relations and bonded labour, Frank (1969) argued, the peasantry was locked in a state that was neither capitalist nor feudal, providing labour in exchange for wages that perpetually failed to meet the needs of subsistence (forcing labour to ‘reproduce’ itself only through other forms of usury and servitude). Through foreign ownership and investment, multinational capital was able to extract and transfer the surplus of agricultural and commodity production from the periphery to the core. ‘Underdevelopment,’ in Frank’s words, was not due to the survival of

… archaic 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.

(Frank 1969 [2000: 163])

Methodologically, Frank’s interpretation (1969) was almost entirely dependent on trends and data he had extrapolated from the Latin American experience. Drawing upon case study material from Chile and Brazil, he suggested that de-industrialization and dependency were highest in the regions and periods during which ties with the core were strongest. Conversely, ‘the satellites experience their greatest economic development and especially their most classically capitalist industrial development if and when their ties to their metropolis are weakest,’ (Frank 1969 [2000: 164]). To develop a more general theory of dependency, he advanced a systematic program of research that would in theory isolate the historical instances during which ties between the core and periphery were at their weakest. Focussing on the world economic depressions of the late nineteenth and early twentieth centuries, he suggested that social scientists could observe empirically the economic implications of periods (and policies) in which peripheral economies were more or less connected to the core.

In retrospect, Frank’s assertion that the class structures of Third World societies were locked in a state of semi-feudal/semi-capitalist dependency was in a number of ways deeply problematic. For one, it appeared to lack a theory of change (Peet and Hartwick 1999). Although it provided sound descriptions of the ways in which rural class structures extracted labour and rent from the rural periphery (especially in Latin America), Frank’s emphasis on landed inequality appeared to underplay the possibility that these processes may also lead to accumulation and differentiation (Peet and Hartwick 1999). Second, the notion that foreign capital was inherently parasitic underplayed the possibility that closer ties with multinational capital may under certain circumstances lead to processes of technological innovation and industrial change (Cardoso 1979).

Perhaps the strongest (empirical) argument in favour of this position came from Bill Warren, whose posthumous study of capitalism and dependency (1980) suggested that European imperialism did not prevent or distort capitalism in the periphery but had, in fact, laid the foundations for capitalist development. Drawing largely upon macro-economic data, Warren (1980) argued that indicators of economic and social development (i.e. GNP per capita, income inequality, caloric intake, infant mortality, life expectancy and levels of industrialization) had all improved since the end of the Second World War. Moreover, he argued, these improvements had taken place in countries whose economies were closely
Exporting the model

tied to the core of European colonialism. Although he did not live to see the fate that would follow the international debt crisis and the structural adjustment experiments of the 1970s and 1980s (see below), Warren helped to articulate for many the difficulty neo-Marxist theories of dependency and underdevelopment had in explaining cases in which close relations with the core had led to substantive improvements in economic productivity and well-being.

Building upon Frank (1969), writers like Arghiri Emmanuel (1972) and Samir Amin (1974) thus began to theorize in much greater detail the historical conditions under which economic surplus was transferred from the periphery to the core. Emmanuel (1972), for instance, suggested that capital mobility, labour immobility and wage differentials (between the periphery and the core) fostered a process of unequal exchange whereby low-income countries became perpetually dependent on agricultural exports, whose labour content was high, and expensive capital goods imports, thereby depleting domestic savings and foreign reserves (Peet and Hartwick 1999). Drawing upon the Brazilian experience, Fernando Henrique Cardoso (1979) observed that economic dependency in Brazil was not a function (simply) of colonialism but, rather, of a ‘triple alliance’ among domestic capital, foreign capital and the nation state, an idea that would help to explain processes of industrialization and capitalist transition in Northeast Asia.

World systems theory

Perhaps the most ambitious of those working in the dependency paradigm was Immanuel Wallerstein (1974, 1979), whose ‘world systems theory’ suggested that the relative power of core, peripheral and ‘semiperipheral’ economies was contingent upon the ability of nation states to project and protect national economic interests through the use of military-industrial power. Controversially, Wallerstein argued that the entire world (including the developing world and the Soviet bloc) had by the end of the seventeenth century become part of a capitalist world system, suggesting that capitalism did not necessarily require the violent separation of labour and capital that Marx had theorized but, rather, simply ‘production for sale in a market in which the object is to realize the maximum profit’ (Wallerstein 1979 [2000: 197]). In greater detail, he explains the emergence of capitalism in Northwest Europe:

By a series of accidents – historical, ecological, geographic – northwest Europe was better situated in the sixteenth century to diversify its agricultural specialization and add to it certain industries (such as textiles, shipbuilding, and metal wares) than were other parts of Europe. Northwest Europe emerged as the core area of this world-economy, specializing in agricultural production of higher skill levels, which favored (again for reasons too complex to develop) tenancy and wage labor as the modes of labor control. Eastern Europe and the Western Hemisphere became peripheral areas specializing in export of grains, bullion, wood, cotton, sugar – all of which favored the use of slavery and coerced cash-crop labor as the modes of labor control. Mediterranean Europe emerged as the semiperipheral area of this world-economy specializing in high-cost industrial products … (Wallerstein 1979 [2000: 199])

Wallerstein (1974, 1979) argued that capitalism began to ‘stabilize’ around 1640, displacing in the process other ‘mini-systems’ of ‘simple agricultural or hunting and gathering societies’ (Wallerstein 1979 [2000: 192]). ‘Leaving aside the now defunct minisystems,’ he argued, ‘the only kind of social system is a world system, which we define quite simply as a unit with a single division of labor and multiple cultural systems’ (Wallerstein 1979 [2000: 192]). Whether and how these different ‘cultural systems’ engaged or disengaged with the world system was contingent upon the ability of ethnically differentiated groups (what Wallerstein called ‘ethno-nations’) to achieve, through trade, trade protection, competition and war, an advantageous position within the world system:

The functioning then of a capitalist world-economy requires that groups pursue their economic interests within a single world market while seeking to distort this market for their benefit by organizing to exert influence on states, some of which are far more powerful than others, but none of which controls the world market in its entirety. (Wallerstein 1979 [2000: 202])

Therefore, Wallerstein (1974, 1979) advanced a theory which suggested that peripheral and semiperipheral economies could change their place in the world system through business cycles (arising primarily as a result of wage differentials and transnational movements of capital), war-making and strategic efforts to disengage from the capitalist world economy. Framed in this way, the Soviet Union and the People’s Republic of China were both ‘part of’ the world capitalist system. However, the crucial point is that they had (for a time) successfully distorted the market as a means of consolidating their power in relation to the core economies of North America and Western Europe.

Although much can be said about Wallerstein’s account of the historical conditions under which capitalism began to emerge in north-western Europe, our main concern at this point is with the way in which he classifies capitalism, and how this differs from classical Marxist theory. First, Wallerstein’s assertion that capitalism began to stabilize ‘around 1640’ long pre-dates the period (of the eighteenth and nineteenth centuries) during which most Marxists would locate the emergence of an identifiable working class. Second, Wallerstein’s suggestion (1979 [2000]) that capitalism implies ‘production for sale in a market’ appeared to underemphasize the crucial separation of labour and capital. For instance, Robert Brenner (1977) argued that Wallerstein (1974) and Frank (1969) advanced what amounted to a ‘neo-Smithian’ emphasis on trade and commerce, which in his view obscured the vital importance of class relations and production in the development of capitalism. For Brenner (1977), the relations of exchange that
defined and determined relations between core, peripheral and semiperipheral regions and economies were of less importance than the specific historical factors that determined the structure of property rights in land, the (historical) creation of ‘free’ labour and (more generally) the transformation of productive forces from a feudal social order to a primarily capitalist system of farming and industry. Framed in this way, wage differentials, rates of investment, transfers of wealth, unequal exchange, etc., were all the living embodiment of historical processes (e.g. the English enclosures, peasant reforms in France, the lack thereof in Poland) that led to specific class formations, whose nature and productivity influenced ‘the rise’ and the nature of trade and investment.

Finally, Wallerstein’s assertion that countries, regions and ‘ethno-nations’ may be understood primarily in terms of the ‘function’ they provide to the capitalist world system reduced, to apparent insignificance, the particularities and nuance of human agency, history and experience (Wolf 1997, and below). Take, for instance, his treatment of the ‘semiperiphery:’

… one might make a good case that the world-economy as an economy would function every bit as well without a semiperiphery. But it would be far less politically stable, for it would mean a polarized world-system. The existence of the third category means precisely that the upper stratum is not faced with the unified opposition of all the others because the middle stratum is both exploited and exploiter.

(Wallerstein 1979 [2000: 201])

Reflecting upon this tendency to address questions of history and identity in relation to the imputed needs and functions of the capitalist world system, Eric Wolf argued that dependency theorists had become pre-occupied with efforts:

… to understand how the core subjugated the periphery, and not to study the reactions of the micro-populations habitually investigated by anthropologists. Their choice of focus thus leads them to omit consideration of the range and variety of such populations, of their modes of existence before European expansion and the advent of capitalism, and of the manner in which these modes were penetrated, subordinated, destroyed, or absorbed, first by the growing market and subsequently by industrial capitalism.

(Wolf 1982 [1997: 23])

Debates about colonialism, capitalism and dependency therefore revealed fundamental differences about what capitalism was (as an ontological category) and what (in theory) it could be. For dependency theorists, colonialism had altered permanently or necessarily (through plantations, slavery and other colonial modes of production) the internal class structures of Third World societies, thereby preventing the formation of a separate capitalist and working class. For traditional Marxists, capitalism was both possible and discernable in ‘the periphery,’ manifesting itself most significantly in the historical transformations (e.g. in Western Europe or in Northeast Asia) that separated either substantially or permanently the link between ‘free’ labour and the means of production (Roxborough 1979).

After dependency

By the end of the 1970s, the notion that Third World economies were perpetually locked in a trap of low-income dependency had become increasingly difficult to square with the empirical fact that the ex-colonial economies of South Korea and Taiwan had quite clearly experienced sustained processes of industrialization, capital accumulation, and socio-economic change (Harris 1987; Evans 1995; Kohli 2004). Whether these experiences approximated the factors highlighted within Marxism, the existence of industrialization in Northeast Asia inspired a new body of scholarship that began to theorize the ways in which the state could actively engineer the conditions for capitalist development (e.g. Johnson 1982; Amsden 1989; Wade 1990; cf. Rapley 2002). In so doing, it complemented the work of other ‘late dependency’ theorists (e.g. Cardoso 1979), whose analysis suggested that the existence of dependency or autonomy was contingent upon historically specific inter-relations among foreign capital, domestic capital and the nation state (Peet and Hartwick 1999).

In theory, the rise of the Asian newly industrializing countries (NICs) – and with it the apparent collapse of the dependency paradigm – should have reinvigorated the idea of explaining capitalism through the ‘traditional’ Marxist lens. However, the reverse, in fact, became true. Within political science and the international political economy (IPE), comparative perspectives on globalization and development began to highlight the varied ability of the Northeast Asian states to manage the entry of their economies into the world economy (e.g. Evans 1995; Weiss 1998; Kohli 2004). Particularly formative in this regard was the ‘developmental state’ literature (e.g. Johnson 1982; Amsden 1989; Wade 1990), which highlighted the ability of governments in South Korea, Taiwan and Japan to protect infant industries through the use and gradual removal of tariffs, directed credit and other economic subsidies.

Although they emphasized questions of power and political economy, the aims and assumptions of the developmental state literature were now a far cry from the kinds of politics being advanced by ‘traditional’ Marxism (Fine 2001; Hoogvelt 2001). First, the notion that economic development could be explained primarily in terms of class conflict and class relations was no longer central. Although the rise of the Asian NICs inspired newfound interest in the possibilities of ‘late industrialization’ (Amsden 1989), the central focus was primarily on state capacity and industrial policy, not on the organization (and suppression) of industrial labour (Deyo 1987; Fine 2001). Second, the intellectual and ideological terms of discourse had quite clearly shifted from one that emphasized the dialectical nature of class struggle to one that defined itself primarily in terms of ‘market versus state’ (Fine 2001: Chapter 8). Indeed, one could argue that the ‘developmental state theory’ of Johnson (1983), Amsden (1989) and Wade (1990) had more in common
Exporting the model

With the German theorist Friedrich List than it did with Engels or Marx (cf. Fine 2001; Chang 2002). A second body of scholarship was the ‘regulation school,’ an area of neo-Marxist scholarship that aimed to understand the social and historical conditions under which capital adapts to periodic crises and contradictions inherent to the capitalist system (Hoogvelt 2001). Central to the work of Michel Aglietta, Alain Lipietz and Charles Boyer (all reviewed in Hoogvelt 2001: 115–17) was the idea that capitalism operates and adapts in relation to a ‘regime of accumulation,’ which constitutes a ‘relatively stable and reproducible relationship between production and consumption defined at the level of the international economy as a whole,’ (Hoogvelt 2001: 116). One important area of research concerned the perceived shift from ‘Fordist’ to post-Fordist regimes, in which stable, site-specific modes of production and consumption (upheld by Keynesian policies of full employment and public investment) had been replaced by mobile, temporary arrangements in which outsourcing, just-in-time practices and increasingly flexible labour arrangements facilitated a new international division of labour within the world economy (Harvey 1990; Peet and Hartwick 1999; Hoogvelt 2001).

Whether these processes would lead to industrialization and capital accumulation, the regulation school generated considerable discussion and debate about the nature and extent of real capital formation in the developing world, fostering new theoretical insights about the social organization of markets, commodity chains and capitalism writ large (Hoogvelt 2001; McMichael 2004). However, in contrast to the ‘traditional’ focus of classical Marxism on revolutionary action and class struggle, the regulation school appeared far more inclined to document and describe the conditions under which capitalism could reproduce its existence than to search for instances in which capital accumulation and class differentiation may lead to revolutionary change. On the ‘regulation school,’ for instance, Angkie Hoogvelt suggests:

There is no conception of social progress; no eschatological belief in the forward march of history; no political commitment to surrender the freedom of the intellect to a course that history has charted.

(Hoogvelt 2001: 115)

Rather, she argues,

There are no certain outcomes predetermined by inherent tendencies. What the new mode looks like is entirely contingent, both historically and nationally. It depends on the outcomes of specific, local, social and political struggles, strategies and compromises, and the pre-existing local institutional context. Hence its research agenda has been focused on precise, detailed and empirical analyses of the content and the actual contingent movement of capital, which is so diverse in its manifestations that it leaves considerable scope for historical and national variation.

(Hoogvelt 2001: 116)

In short, the ‘Marxism’ that emerged in the aftermath of the dependency debate was in many ways a shadow of its former self. To understand the retreat from grand social theory, the following section explores two bodies of criticism that began to question the idea that history could be used to understand and advance a universal and predictive model of social change. One criticism concerns the interpretation of historically contingent processes and events while the other concerns the representation of individual worldviews and experiences in Marxist social theory.

‘Hermeneutic Marxism’: problems of agency, identity and ‘alienation’

By the end of the nineteenth century, the notion that Marxism could be used to understand the diversity and complexity of human experience had become the object of considerable critical scrutiny. One early and important figure in this regard was Ludwig Wittgenstein (1889–1951), whose ‘linguistic philosophy’ suggested that the desire of Marxism and especially positivism to develop a pure and formal representation of reality understated the ontological challenge of connecting objective or universal words and concepts with inter-subjective meanings and experiences (Morrow and Brown 1994). Another important figure was John Austin (1911–1960), who argued that the ability of language to confer meaning was dependent upon the social and cultural context in which different ‘speech acts’ about the nature of reality and of discourse were made (Morrow and Brown 1994). Ian Shapiro captures the essence of this important idea:

Social reality is linguistic reality on this view. When human beings do things like create obligations or social contracts they do this through language, not by some other means that is then described by language. Understanding reality means understanding the linguistic processes that give rise to it.

(Shapiro 2005: 5)

Doubts about the scientific claims and assumptions of positivism and Marxism also led to more critical forms of inquiry about the nature of human consciousness and social action. Edmund Husserl (1859–1938), for instance, rejected the idea that positivism could represent subjective realities in objective terms, and sought instead to uncover the hidden meaning that individuals associate with social practices (Morrow and Brown 1994). Husserl’s work became known as phenomenology, which emphasized ‘the idea that human subjects are formed by the historical cultural practices in which they develop’ (Dreyfus and Rabinow 1983: xxii). A related field was hermeneutics, pioneered by Husserl’s student Martin Heidegger (1899–1976), which suggests that subjective realities may be captured by uncovering the ‘lived experience’ and everyday practices of social life.

Early forms of linguistic philosophy, phenomenology and hermeneutics therefore challenged Marxism, positivism and other forms of nineteenth century social science for the largely uncritical ways in which they separated facts and the collection of facts from their social and cultural context. Where phenomenology
Exporting the model

Exporting the model 63

If Marxism represents one of the most ambitious efforts to understand and advance the ‘course’ of history, it was its failure to understand and predict the conditions under which revolutionary action failed to happen that would lead to major efforts to develop alternative ways of knowing and changing the world. Nowhere was the paradigm put to a greater empirical test than during the ‘Lost Revolution’ of the German Weimar Republic between 1918 and 1923 (Morrow and Brown 1994). An issue that pre-occupied (and continues to pre-occupy) many Marxist theorists was the fact that the existence of class oppression in what had become a highly differentiated capitalist society had failed to yield the kind of revolutionary action that Marxism would have predicted and that (correspondingly) would have prevented the rise of Hitler and with it the isolation of the Soviet Union and (arguably) the rise of Stalin (Morrow and Brown 1994; Harman 1982).

Writing in long retrospect, Chris Harman (1982) suggests that the lack of revolutionary action reflected a more pervasive lack of coordination and leadership within the German Communist Party, which, he argues, could have ‘produced a layer of militants’ capable of toppling the Weimar regime. However, others began to reflect more critically about the cultural and psychological factors that affect the ways in which people experience exploitation and oppression in capitalist society. One early and important figure within this literature was Georg Lukacs (1885–1971), a Hungarian social theorist who shared with Hegel a desire to understand the broader ideological factors that shaped human agency and social identity in the context of capitalist social relations (Morrow and Brown 1994). For Lukacs, the idea that exploitation within capitalism thrives on the basis of ‘external coercion’ (or leadership) failed to capture what he felt were the dynamic ways in which individuals perceive and support the legitimacy of prevailing social orders. Reflecting upon the inability of the German working class to resist the rise of fascism in Weimar Germany, Lukacs argued that legitimacy and social order entailed a process of ‘reification,’ whereby ‘social agents came to identify falsely with a social reality that they perceived as “natural”’ (Morrow and Brown 1994: 95).

Box 3.2 The lost revolution

aimed ‘to make explicit the truth of primary experience of the social world’ (Bourdieu 1977: 3), hermeneutics sought to recover the ‘hidden truths and meanings from our everyday practices or from those of another age or culture’ (Dreyfus and Rabinow 1983: xxiii).41

Influenced by the subsequent discovery of Marx and Engel’s earlier and hitherto unpublished work on ‘alienated labour,’ Marxist scholars in the 1920s and 1930s also began to challenge the idea that Marxist theory and analysis could identify universal and predictive laws about the nature of history and society, and embraced instead a more critical or ‘hermeneutic’ interpretation of the way in which the lived experience of alienation may shape the dialectical relationship between individuals and society (Morrow and Brown 1994: Chapter 4).

Perhaps the most important manifestation of this was the so-called ‘Frankfurt School’ of Marxist scholars formed originally in 1923, and later forced into exile after the rise of Hitler (Morrow and Brown 1994). What made the Frankfurt School’s work so important was its financial and therefore political autonomy from the German Communist Party and a (related) desire on the part of its principal researchers – Max Horkheimer (1895–1973), Theodor Adorno (1903–1969) and Herbert Marcuse (1898–1979) – to develop an empiricist approach to the study of class relations and revolutionary action (Morrow and Brown 1994). Central to their work was an effort to establish, through empirical research methods, the factors explaining the lack of revolutionary action between 1918 and 1923 (Morrow and Brown 1994).

With the release of Marx’s unpublished work on alienation, with the ‘lost revolution’ in Germany and with the establishment of the Frankfurt School, Marxism began to move in directions that rejected the idea of establishing universal laws of history, and embraced instead a more critical interpretation of the ways in which cultural and psychological factors may affect revolutionary action.

As Morrow and Brown (1994) have argued, the Frankfurt School would have a lasting effect on two major bodies of Western European thought. One was the ‘critical theory’ of Jurgen Habermas and Anthony Giddens, whose work we take up shortly. A second was the post-structuralism of Jacques Derrida and Michel Foucault, whose impact we take up next.

The postmodern turn

Historically, post-structuralism emerged in critical response to the aims and assumptions of structuralism, a field that after the end of the Second World War began to dominate European (and especially French) social theory (see Box 3.3). Rejecting the idea that social action is somehow structured and constrained by universal codes of human discourse, writers like Derrida (1966) and Barthes (1977) began to look at the ways in which written texts and spoken discourse give rationality and meaning to social experience (Morrow and Brown 1994). Derrida (1966) for instance, questioned the idea of ‘the self,’ and argued that individuals embody multiple and often contradictory identities which affect the ways in which they interpret and act within the social world (Sarup 1989).

Influenced by Saussure, Derrida made an important distinction between the ‘signifiers’ we use to convey meaning and purpose and the images and ideas (i.e. the ‘signified’) we actually infer from social discourse. For Derrida, language was inherently ‘unstable’ in the sense that it conveys meaning (i.e. we understand the world through language), but through repetition, misinterpretation,
miscommunication and writing, it also constructs particular types of meaning that uphold certain views of the world, and exclude others. Language and (especially) writing, he argued, were ‘intrinsically violent’ (Parfit 2002: 95) in the sense that they defined and classified what was reality.

To counter the ‘epistemic violence’ of language and of knowledge, Derrida favoured a ‘principle of least violence,’ – an ethical position that would, in theory, liberate the conceptual and institutional mechanisms by which discourses (of Enlightenment, madness, criminality, etc.) ‘descend’ and shape ‘modern’ social practice. For Foucault, discourses have a ‘judicative’ and a ‘veridicative’ function, suggesting the existence of terms and concepts that establish rules and norms concerning what may be included in a particular discourse (judicative) and what constitutes truth and falsehood (Parfit 2002). In *The Order of Things*, Foucault argues that any claim to knowledge may be founded upon a series of ‘serious speech acts,’ statements which contain within them implicit and explicit norms upon which validity may be established by ‘a community of experts’ (Peet and Hartwick 1999: 130). For Foucault, the transition to modernity entails a crucial intellectual and cultural break whereby the construction of knowledge goes from a ‘natural’ process of naming and ordering the world to an *episteme* that is structured by a set of highly specific rules and discourses which determine what constitutes valid ways of knowing.

By exposing the cultural means by which the ‘human sciences’ ascribe meaning and validity to symbols and language, Foucault’s treatment of power, truth and knowledge therefore draws our attention to the social construction of knowledge and to the difficulty of using the language and methodology of modern science to understand the human condition. It also brings to light the notion that knowledge constitutes a form of power, whose disciplinary discourses shape and define what is knowable and what is desirable within the *episteme*.

**Postmodern politics: class, social consciousness and (class) struggle**

Alongside these intellectual discussions and debates were a number of historical processes and events that, during the 1960s and 1970s, made the ‘postmodern message’ increasingly attractive to scholars and social activists jaded by the inability of Marxism to advance a clear and coherent alternative to modern capitalism. One was the perceived ‘corruption’ of state socialism. By the end of the 1960s, the notion that the Soviet Union and/or the People’s Republic of China could advance a model of progress had been shattered by the revelation that these and other models of ‘actually existing socialism’ had allowed, and in many cases conspired to commit, unspeakable acts of human suffering, including *inter alia* the Stalinist purges of the 1930s and 1940s, forced collectivization in China and the Soviet Union and the ‘Great Leap’ famine of the late 1950s (Bernstein 2005; Sarup 1989). Whether these atrocities reflected the limitations of ‘actually existing socialism’ or whether they reflected the historical paths taken (or not taken) during pivotal historical junctures (Harman 1982), the idea that socialism could advance the human condition on the basis of Marxism had, by the end of the 1960s, become increasingly untenable.
Reinforcing these doubts were the French student riots of 1968. As thousands of students converged on the streets of Paris (originally in response to student protests about the administration of courses and curriculum at the Universities of Paris and Nanterre), the French Communist Party and French trade unions advised their members to abstain from joining or formally supporting the students, substantially undermining the idea that orthodox Marxism and/or Marxist political parties could (or should) represent the interests and ideals of myriad social movements (Sarup 1989). From the Party’s perspective, the perception was that the aims and actions of the French students were chaotic, contradictory to the interests of organized labour and ‘out of control.’ However, for many others the decision to abandon the students gave the impression of a movement that had lost touch with the ‘real’ needs and interests of society, and that future efforts to advance a progressive social agenda would therefore need to take place outside of the traditional Marxist paradigm.

Within this context, post-structuralism and postmodernism offered an attractive challenge to the perceived determinism of the grand development orthodoxies, especially Marxism. First, they questioned the ability of intellectuals and other revolutionaries to speak and act on behalf of the proletariat, the subaltern, the peasantry, etc. In Hegemony and Socialist Strategy, Ernesto Laclau and Chantal Mouffe argued that ‘there is not one discourse and one system of categories through which the ‘real’ might speak without mediations’ (Laclau and Mouffe 1985 [2001: 3]). In so doing, they challenged the idea that revolution and revolutionary consciousness of the working class would ‘arise spontaneously’ as a result of the underlying contradictions of capitalism or – more controversially – as a result of intellectual efforts to ‘read in the working class its objective destiny,’ (Laclau and Mouffe 1985 [2001: 85]). The ‘direction of the workers’ struggle,’ they argued, ‘depends … upon its forms of articulation within a given hegemonic context’ (Laclau and Mouffe 1985 [2001: 87]).

Second, they questioned the idea that material forces and relations can exist independently of the concepts, ideas and discourses we use to describe them. A central assertion being made here was that Marxian concepts like class, modes of production, alienation, contradiction, etc., were essentially social constructions of theorists attempting to understand the complexity of reality. For instance, Barry Hindess and Paul Hirst (1977) questioned the foundational belief – of Marx and of orthodox Marxism – that material ‘activity and intercourse’ can ever fully explain the diversity, complexity and inter-subjectivity of human consciousness, arguing controversially (see below) that theories ‘only exist’ as discourses.

Third, scholars began to reject the centrality/totality of a narrative/strategy aimed at understanding/acting upon the contradictions/injustices of modern capitalism. A subject of considerable criticism was the idea that unseen, historical forces and contradictions may evolve in ways that approximate the telos of orthodox Marxism and/or that these factors and processes may be associated with the ‘needs’ of the capitalist system or ‘totality’ with historical events and agency. Deleuze and Guattari (1977), for instance, argued that Marxism was essentially a narrative of salvation, which transformed what was effectively an interpretive system into ‘an instrument of political and physical domination’ (Sarup 1989: 101). Along similar lines, Hindess and Hirst argued that Marxism advanced ‘an extremely limited range of economic class relations and the consequent neglect of the conceptualisation of more complex forms of class relations’ (Hindess and Hirst 1977: 2).

In short, the postmodernism of Derrida and Foucault gave rise to a deeper mood of skepticism which, in the context of 1968, began to challenge the idea that revolutionaries could speak on behalf of the proletariat, the peasantry, etc., and that class analysis may be used to reveal the underlying laws of capitalist development and social change.

**The development ‘impasse’**

Within this dynamic social context, development sociologists began to question the theoretical relevance of using Marxism and dependency theory to understand and address the political economy of development. Drawing upon Laclau and Mouffe (1985 [2001]) and Hindess and Hirst (1977), David Booth (1985), for instance, argued that Marxist theories of dependency and development had become increasingly detached from the real needs and concerns of the developing world, displacing what he suggested were more fruitful lines of inquiry. Booth’s central claim was that Marxist debates about capitalism and dependency had led to a series of intellectual ‘cul-de-sacs,’ stemming from what he perceived to be a ‘meta-theoretical commitment’ on the part of Marxist scholars to demonstrate the necessity of capitalist transition.

At the heart of this ‘impasse’ was the notion that Marxist and neo-Marxist (i.e. dependency) approaches entailed an ontology that failed to capture the complexity of (non-European) development and an epistemology that required an implicit or explicit comparison with an idealized and primarily European development experience. For Booth (1985), scholars were effectively ‘reading off the text’ of Marxist political economy, searching for instances of class formation and capital accumulation, without considering in sufficient detail the ways in which non-European factors (such as gender, religion and caste) may affect the nature and form of capitalist transition. Not only were they teleological, Booth argued, but the deterministic Marxism and structuralism of the 1960s and 1970s had ‘been pursued at the expense of other, logically unproblematic and empirically challenging, research strategies’ (Booth 1985: 772).

For Booth (1985), dependency scholars failed to define development or dependency in a way that could be validated (or falsified), and the inability to distinguish dependency from underdevelopment produced a circular reasoning in which underdevelopment was both the result of and a feature of unequal and dependent relations between the periphery and the core. Booth (1985) also highlighted the arbitrary nature of dependency concepts such as autonomy, exploitation and unequal exchange, which he argued were often characterized in relation to ‘an ideal type of purely capitalist exchange’ (Booth 1985: 771). Such comparisons, he argued, were developed on the basis of an arbitrary and often implicit assumption that Third World social relations could and should be understood on the
basis of an idealized and de-contextualized understanding of capitalist social relations.

Booth’s critique questioned not only the means by which Marxist and dependency scholars classified the units of their analysis, but also the ways in which they theorized the meaning and significance of historical processes and events. In so doing, he suggested that the tendency to privilege one theory or concept over another reflected an attachment (on the part of Marxists and of scholars in general it would seem) to a mode of explanation rooted in the assumption that societies are structured by rules and processes, which constitute a system, and that patterns and properties may be identified in relation to this system. Because they were so necessarily bound to the assumption that the spread of capitalist exchange relations would or should lead to the spread of capitalist relations of production, Booth argued, scholars became disproportionately obsessed with the seemingly unusual and ‘continued’ existence of peasant enterprise and informal non-capitalist relations.

Subject to criticism was the idea that the most deterministic variants of Marxist political economy had embraced a worldview which conflated the ‘needs’ of the capitalist system with historical events and agency. Framed in this way, historical events and processes, such as the formation of a working class, the (related) disenfranchisement of the peasantry, the class struggle, etc., were all part of a larger narrative that explained the nature and form of capitalist transition. In other words, these processes had to happen because they were necessary for the development of capitalism (Wolf 1982 [1997]; Booth 1985).

Beyond the impasse: the end of ideology?

In retrospect, Booth’s article (1985) helped to capture a more general feeling of skepticism about the idea of documenting or explaining social relations in relation to the imputed ‘needs’ of a social system or to a particular telos or end. However, the idea that Marxism was primarily or necessarily pre-disposed towards the kinds of systems-based teleology he describes in his essay was deeply problematic for a number of scholars. For instance, Stuart Corbridge (1990) argued that Booth ignored the traditions within Marxism that aim to understand the ways in which perceptions of alienation and agency may shape the dialectical relationship between individuals and society. Similarly, Richard Peet (1991) takes issue with Booth (1985) (and also with Corbridge’s earlier work, Capitalist World Development, 1986) for his use of post-structural theory and, especially, of Hindess and Hirst (1977).

At the heart of Peet’s critique (1991) is the idea that theories and concepts can exist ‘outside’ of reality, and can be assessed, validated and employed with no explicit connection to history or to historical modes of production. For Peet (1991), the work of Booth (1985) and especially Hindess and Hirst (1977) implied an artificial understanding of knowledge and epistemology, in which theories and concepts are somehow separate and distinct from the ‘real world’ of material production relations among human beings and between humans and nature.

Contrasting the work of classical Marxism with the structural-functionalism of Talcott Parsons, Peet makes the case that Marxism in fact provides ‘a successful synthesis of structural imperative and human behaviour’ (Peet 1991: 176), suggesting that Marxist understandings of alienation, exploitation and human nature had ‘systemic’ qualities and that systems do in fact have needs. These needs are reflective of systemic contradictions between the structural imperatives of capitalism and the struggle to change (through revolutionary action) or maintain the very conditions of life (Peet 1991). In his own words,

… this struggle is deeply felt exactly because it occurs in fundamental, essential activities – people’s acts of collective self-creation. If multiple social contradictions become fused in common experience, revolutionary acts take place and society may change. (Peet 1991: 176)

Drawing upon the work of Eric Wolf (1982 [1997]), Peet argued that Marxism and a ‘fine sense of historical and geographical detail’ (Peet 1994: 340) could be combined to produce an analysis that could be sensitive to matters of context and contingency.

Others (such as Vandergeest and Buttel 1988 and Corbridge 1990) advanced the idea that the way forward entailed a stronger emphasis on the ways in which people actually experienced processes of exploitation, alienation and social change. Central to this perspective was the idea that class formations and social relations are shaped not only by historical social forces and processes but also by the efforts of individuals to understand and act upon the structures and processes that have meaning and bearing in their lives. One important source of inspiration in this regard came from Pierre Bourdieu whose conceptualization of habitus suggested that social structures are reflective of the durable routines and practices that satisfy through social means the material needs ‘characteristic of a class condition’ (Bourdieu 1977: 72). A similar argument was advanced by Anthony Giddens (1979, 1984), whose theory of ‘structuration’ suggested that social structures are shaped not only by the forces and contradictions of capitalism, but also by the conscious effort of individuals to understand and act upon these structures. ‘Structuration,’ Giddens (1979: 5) argues, is rooted in the (seemingly universal) premise that every actor ‘knows a great deal about the conditions of reproduction of the society of which he or she is a member.’

Rejecting the idea of reducing social experiences and realities to the imputed needs of systems and forces, scholars also began to advance the idea of defining social concepts and histories in relation to a specific and primarily local social context. For instance, Vandergeest and Buttel (1988) argued that conceptualization and explanation of social phenomena may be deeply grounded in a reflexive phenomenology of lived experience:

… development sociologists must take into account why people do as they do in terms of the subjective meaning attached to what they do, rather than
simply explain all action by appealing to economic or other formal laws and models of society.

(Vandergeest and Buttel 1988: 690)

To pursue these lines, the authors made the case that ‘power in particular cases (could be) conceptualized in terms of how class, gender, ethnicity and other sectional relations are experienced by the historical actors themselves’ (Vandergeest and Buttel, 1988: 688), suggesting that structure still mattered to the explanation, even if structure was defined, interpreted and negotiated in conjunction with local actors and contexts. Similarly, Booth (1985) argued that social relations and conditions could be understood primarily in terms of their specific social context, and not in relation to what he suggested was a foreign or idealized understanding of development and change.

By rejecting the more functionalist and deterministic forms of Marxist teleology, scholars embraced a new form of ‘post-Marxism,’ in which the concepts of Marxism (i.e. surplus value, labour theory of value, etc.) could be used to understand (but not necessarily advance or address) the dialectics of capitalism. Stuart Corbridge helps to capture the essence of this important idea:

Post-Marxism suggests both an intellectual tolerance of non-Marxism and a recognition … that Marxism functions best as a critique of capitalism and not as a blueprint for socialism. More exactly, post-Marxism accepts that regimes of accumulation under capital are contradictory, are founded on asymmetry and are prone to crisis; but it denies that these contradictions work to a consistent set of spatial outcomes or lead to some form of apocalyptic denouement. Post-Marxism encourages us to see differences as well as uniformities; it returns to radical development studies a sense of time and a sense of place.

(Corbridge 1990: 634)

The literature that emerged in critical response to Booth’s original essay therefore challenged the idea that Marxism was only or necessarily pre-disposed towards determinism and teleology. For many scholars, the way forward entailed a deeper emphasis on the ways in which people actually experienced processes of exploitation, alienation and social change. However, the idea that Marxian concepts of labour, capital and class could be employed without an explicit ideological commitment to class struggle and revolutionary change was for a number of scholars deeply problematic.

The ‘people without history’: weapons of the weak or a weak weapon?

The retreat from grand social theory entailed a strong desire among many scholars to document what Eric Wolf (1982 [1997]) has called the ‘people without history.’ For instance, Charles Tilly argued in 1985 that the tasks of social history were (1) to document large structural transformations, such as the development of capitalism and the formation of nation states; (2) to reconstruct ‘the experiences of ordinary people in the course of those changes’; and (3) to connect the two (Tilly 1985: 31; cited in Skocpol, 1987: 22). Similarly, Wolf’s history of ‘the people without history’ (Wolf 1982 [1997]) starts from the premise that scholarly treatments of non-European history tend to extrapolate the events and processes (and analytical concepts) of the Europe experience(s) to the periphery of world economic power and scholarship:

… when social scientists began to examine these new men more closely, they treated them mainly as social problems – problems created by a severance from their roots through detribalization or immigration – rather than as social actors in their own right, responding to new conditions … Research thus concerned itself mainly with what was absent – conditions and characteristics that had once been and no longer were, or conditions yet to come. Less was said of what was present, the relational matrix and context of working class existence.

(Wolf 1997: 354–5)

Influenced directly by Wolf (1969, 1982 [1997]) and Tilly (1984), as well as Giddens (1979) and Bourdieu (1977), James Scott (1985) aimed to document the lived experiences of those ‘lost’ in the grand histories and meta-narratives of social science theorizing about socio-economic development and change. Particularly glaring for Scott (1985: xv) was the tendency among scholars ‘on the left’ to glorify large-scale peasant rebellions, and to assign to them a relevance defined only in relation to wider epistemic and geo-political concerns about security and/or national liberation. Of central importance to Scott was the idea that large peasant rebellions – of the kinds he considered in The Moral Economy of the Peasant (see Box 3.4) – were rare, and they rarely reflected the ‘real’ interests of peasants. Far more common, he argued, were the ‘everyday forms’ of resistance, such as ‘foot dragging,’ ‘false compliance, pilfering, feigned ignorance’ and so on (Scott 1985: xvi).

Scott therefore wanted to document and explain ‘the prosaic but constant struggle between the peasantry and those who seek to extract labour, food, taxes, rents, and interest from them,’ (Scott 1985: xvi). Towards this end he spent two years in a village in the Malaysian state of Kedah. The selection of the village enabled Scott to document, through informal interviews and participant observation, the subtle ways in which innovation (through double cropping) and mechanization (with the introduction of combine harvesters) of agriculture affected class relations, class conflict and associated practices of domination and resistance. In his own words:

The struggle between rich and poor in Sedaka is not merely a struggle over work, property rights, grain, and cash. It is also a struggle over the appropriation of symbols, a struggle over how the past and present shall be understood and labeled, a struggle to identify causes and assess blame, a contentious effort to give partisan meaning to local history.

(Scott 1985: xvii)
Drawing directly upon the work of Giddens (1979) and Bourdieu (1977), Scott aimed to move beyond the kinds of ideological/theoretical construction ‘in which actors conform to a normative order that is somehow outside and above themselves’ (Scott 1985: 305). Here he was referring partly to the structural functionalism of Talcott Parsons, but also to the Marxian idea that the peasantry constitutes a class whose false-consciousness, mystification and identity impede socially progressive forms of action. Like Giddens (1979) and Willis (1977), he assumed that social relations of domination and resistance are embedded in and contingent upon the specific ways in which local actors construct, interpret and respond to ‘commonplace material practices’:

The main point for my purposes is that the peasants of Sedaka do not simply react to objective conditions per se but rather to the interpretation they place on those conditions as mediated by values embedded in concrete practices.

(Scott, 1985: 305)

Scott’s analysis advanced an ontology that left open theoretical and ideological assumptions regarding the nature of class and the historical conditions under which the development of particular forms of capitalist relations of production and exchange would take form. However, the emphasis on local, specific struggles to define social realities appeared to undermine the ability of scholars, researchers, activists, etc., to extrapolate insights from local and locally defined research that would, in theory, inform future courses of action.

Perhaps the most critical response to the kinds of ethnography advanced by Wolf, and especially by Scott, was Tom Brass (1991), who argued that Scott had shifted the intellectual and ideological focus away from the large and theoretically ambitious terrain of socialist revolution to what he felt was more mundane politics of local resistance, foot-dragging and survival:

Unlike Lenin, for whom capitalist development not only benefits rich and poor peasants in different ways but also prefigures socialism, for ‘moral economists’ it merely provokes a return to pre-capitalist socio-economic structure, and thus cannot prefigure anything.

(Brass 1991: 182)

For Brass (1991: 179), the political economy advanced by Scott (1985) and Wolf (1969) understated dramatically the ontological connection between capitalist modes of production and the historical formation of class relations and identity. Associating Weapons of the Weak with Scott’s earlier work (1976) on peasant rebellions in Southeast Asia (see Box 3.4), Brass argues that Scott’s conceptualization of class reified an ahistoric and ‘natural’ ethic of subsistence, in which the peasantry is somehow transformed from ‘passive accepters of existing ideology into its active challengers’ (Brass 1991: 182). Brass associates the work of Wolf (1971) and Scott (1985) with Chayanov’s idea of an independent middle peasant, which is ‘not located between the rich and the poor peasantry but
Drawing upon neo-classical theories of collective action and rational choice (e.g. Olson 1965), Samuel Popkin (1979) rejected Scott’s essentialization of peasant society, and embraced instead the idea that the likelihood of peasant insurgency will reflect the relative costs and benefits of engaging in agrarian struggle. Framed in this way, rational decisions about collective action are governed by the incentives individuals (as opposed to classes or societies) have to support or resist the existing agrarian order. Popkin’s main contention was that the willingness and ability to resist the penetration of markets in land would depend on:

- security of land title: ‘when there is private land with secure title, the opposition to outside land ownership becomes far less pronounced’ (Popkin, 1979: 65);
- the ability to understand and penetrate key land-granting institutions within the state;
- the resultant demand for labour;
- the ability to access and control key marketing arrangements, all of which determine;
- the ultimate distribution of benefits.

Popkin’s findings were controversial – not least because they were funded by the American military (Salemink 2003). Set in a context that was becoming increasingly hostile towards America’s involvement in Vietnam, they also suggested that potentially rebellious peasants could be pacified through market inducements, especially ones provided through secure land title. In so doing, they helped to legitimize the American government’s effort to counteract rural insurgency through redistributive land reform (Putzel 1992; Salemink 2003). By contrast, Scott’s analysis (1976) suggested that rural insurgency reflected not only the individual costs and gains of engaging in collective action but also a political effort to resist the violation of what he suggested were basic norms of fairness, reciprocity and social welfare. For this reason, his position was more strongly linked with the ‘dissident view’ (Salemink 2003: 186) that political resistance to French and American power in Indochina was legitimate.

For an excellent treatment of the historical, political and ideological factors that framed the ‘Scott-Popkin’ debate, see Salemink (2003).

**Box 3.4** The ‘moral economy debate’

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Among the ‘grand’ theories of development, Marxism represents what is possibly the most ambitious effort in human history to understand and advance the ‘course’ of history. Rooted in the belief that human suffering results not from a timeless understanding of human nature, nor from a natural process of evolution, but rather from a particular history of class struggle, Marxism offered a powerful means by which human societies could liberate themselves from the exploitation of modern capitalism. However, the notion that history could be studied and changed through a science of history raised difficult questions about (1) the idea that the study of history may reveal underlying trends and universal laws on which future action may be based; (2) the extent to which human agency and free will may inform the construction of theory and practice; and (3) the extent to which individual subjectivities, ideologies and intellectual practices may affect the interpretation and construction of history.

By the end of the 1970s, the notion that Marxism could offer a viable means of understanding or addressing the political economy of development had lost considerable ideological appeal. Alongside the interpretive trends that were...
now sweeping the social sciences, the ‘lost decade’ fostered new doubts about the ability of states and societies to create the conditions for material progress and social change. Influenced by the work of Anthony Giddens (1979, 1984) and Pierre Bourdieu (1977), scholars like David Booth (1985), James Scott (1985) and Eric Wolf (1982 [1997]) began to question the notion that class formation and social change could be modelled on the basis of an essentialized image ‘in which actors conform to a normative order that is somehow outside and above themselves’ (Scott 1985: 305). In so doing, they pioneered new ways of conceptualizing and documenting the ways in which people actually experienced processes of poverty, exploitation and social change.

In retrospect, the 1980s and 1990s were liberating times for the study of development (Booth 1993; Schuurman 1993; Harriss 2005). Reflecting upon his original thesis, David Booth argued in 1993 that ‘the heavy atmosphere of intellectual stagnation’ he described in 1985 had to a very large degree been replaced by an agenda that now studied and appreciated the complexity and diversity of the ‘social, political and spatial’ aspects of development (Booth 1993: 52). Empirical research on issues concerning race, gender and the rise of the Asian NICs, he argued, had produced new and important insights about the nature of capitalism, development and ‘historically grounded variations in national economies’ (Booth 1993: 53). Others have reached similar conclusions about the period in question: Frans Schuurman (1993), for instance, has argued that the empiricism of the 1980s and 1990s fostered new directions in development theory, including the regulation school, actor-network theory and the study of new social movements in Third World politics. Similarly, John Harriss has more recently called the period ‘a time of creative research and the flourishing of new ideas’ (Harriss 2005: 33), highlighting theoretical advances made on the basis of empirically grounded research on globalization, gender, famine and the environment.10

Within feminist theory, writers like Naila Kabeer (1994) began to highlight the ways in which gender inequalities affected the distribution of labour and income within the household. In so doing, they fostered new insights about the ways in which gender ascribes roles to men and women, and how the production and reproduction of gender roles may shape and constrain the range of economic opportunities for women, men and for society at large. Similarly, within sociology, anthropology and political science, scholars began to challenge the idea of reducing social movements to ‘simple’ social constructs, such as scarcity or class, highlighting instead the ethnic, regional and religious cleavages that underlie environmental and other ‘new’ social movements (see, for instance, Watts 1983; Peet and Watts 1996; Walker 2000; Vandergeest 2003; Agrawal 2005).

Underlying the retreat from the ‘grand’ theoretical narratives of Marxism and dependency was a fundamental desire on the part of scholars like Scott and Wolf to give the objects of social science (i.e. ‘ordinary people’) the opportunity to define through their own interpretations and practice the terms on which their values, experiences and histories were used for the purposes of social science scholarship. In so doing they sought to construct a theory that would account for action, revolution, etc., on terms that their respondents could recognize and understand. However, the notion that history and hermeneutics could be combined to inform social theory appeared to imply an ideological retreat from the larger structural and historical transformations that were now shaping the political economy of development. Colin Leys (1996), for instance, questioned the idea that the grand total of ‘mini-narratives’ of local case histories would ever lead to the construction of new or ‘better’ theory. Particularly troubling for Leys was what he felt was a lack of explicit connection between the descriptive and explanatory detail of micro-level analysis and larger-scale processes of development and change.

Within this latter critique we can detect the writing of post-colonial authors such as Spivak (1988) and Said (1979), in which social science methodologies are challenged for extracting insights and knowledge of poor and marginal peoples, and using these ‘data’ to advance the careers of scholars and practitioners in primarily industrialized countries (Kapoor 2002, 2004). We can also detect a hostility towards the application of ‘foreign’ concepts and agendas to issues and events that are best understood on their own terms, which are assumed to be historically specific and contingent.

The challenge of forging a path between critical awareness and social action we shall take up in Chapter Four.
1 Introduction

1.1 Motivation

The measurement of individual welfare levels is central to the assessment of distributive justice and the design and evaluation of redistributive social policies (see e.g. Elster and Roemer [48]). Measures of individual welfare levels are the basic input to all inequality, poverty, or mobility analyses. While there is agreement in economics and the social sciences that measurement of individual welfare is important, no consensus exists on how welfare should be conceptualised theoretically or measured empirically (see the different approaches in Elster and Roemer [47]). In economics the dominant view is to conceptualise welfare as utility, and measure it empirically by unidimensional indicators such as income or expenditure (Sen [119], Atkinson and Bourguignon [11]). Alternative views, which conceptualise welfare e.g. as standard of living, quality of life, or subjective well-being exist within economics (Sen [122],[123]), but also in the social policy literature (UK Government [59]), sociology (Hagerty et al. [62], Townsend [134]), social psychology (Kahneman and Varey [72]), political philosophy (Nussbaum and Glover [94], Nussbaum and Sen [95]), and theology (Finnis [59]).

When empirically implemented, these alternative welfare concepts are usually measured by a range of indicators which capture different dimensions of welfare, e.g. the 15 headline indicators on income, health inequality, housing conditions, crime rates etc. published yearly by the UK government to assess their sustainable development strategy [59]. The Human Development Index

(HDI) published by the UNDP ([5],[136]) is an aggregate (composite) index of welfare at the country level, comprising the dimensions education (measured as school enrolment rate and adult literacy), health (measured as infant mortality), and material welfare (measured as income).

The theoretical reasons in economics for measuring individual welfare as a multidimensional phenomenon were brought forward in the late 1970s by Kolm [76] and Sen ([121],[122],[124],[127]). Kolm argues that the symmetry postulate usually assumed in welfare analysis is better achieved, the more attributes of the individual are included in the welfare measure, Sen focuses on the impact of non-market goods and services and individual heterogeneity on welfare achievement. Traditional unidimensional measures of individual welfare cannot capture these factors. Instead, Sen recommends a multidimensional assessment of individual welfare in the space of standard of living measures such as health, nutrition, education, or shelter. His approach is known as the capability approach and will be described in more detail in Sect. 1.2.3.

Building on Kolm’s and Sen’s contributions, two strands of literature on multidimensional welfare measurement have emerged in the last two decades: the first in the realm of applied welfare and development economics (e.g. Klaesn [74], Qizilbash [109]); and the second in the theoretical inequality and poverty literature (Atkinson and Bourguignon [9],[10], Bourguignon and Chakravarty [25],[26], Maasoumi ([83],[86])). The first strand – we will call it here the empirical capability literature – concentrates on implementing an empirical measure which best captures Sen’s concept of individual welfare. The second strand focuses on the development of axiomatically sound measures of inequality or poverty based on multidimensional measures of welfare in general. We call this latter strand the theoretical measurement literature.

Of particular empirical importance in both strands of literature is the fact that comparisons between income-based and multidimensional welfare analyses always show significant differences in their results. For example, country rankings based on GDP per capita are significantly different from rankings based on the HDI (UNDP [136]). Other examples are the low correlations between individual welfare measures based on income and those based on several dimensions (see e.g. Schokkaert and Van Ootegem [116], Klaesn [74]); and the significant differences between distributions of income and distributions of other dimensions of welfare as measured by “statistical distance” in the form of entropy (Hirshberg, Maasoumi and Slottje [60]).

One might expect that these findings would attract the attention of policy makers and analysts who mostly base their analyses on monetary welfare measures. However, the impact of the capability literature on standard welfare

1 In this book, “welfare” is used as a generic term, which is meant to encompass the other concepts mentioned in this paragraph. Each strand of literature has its own convention when naming this generic concept. For example, in the literature on Sen’s approach “well-being” is sometimes used as an alternative generic term, whereas “welfare” is used to describe a narrower concept such as utility. In contrast, in the social psychology literature, “well-being” refers only to subjective perceptions, and is not identical to what the capability literature means by it. We follow Sen ([122],[2]) in calling this generic concept “welfare”.

2 The symmetry postulate or anonymity axiom requires that a social welfare measure based on individual welfare measures is independent of any characteristics of the individual other than the welfare level. If only income is used as a measure of the individual’s welfare level, this postulate is violated, because important factors affecting welfare are left out. See Chap. 4 for details.
1.2 Individual Welfare Measures

Welfare measurement can be defined as the allocation of numerical values to levels or changes of welfare at the individual or aggregate (social) level. For the purpose of measurement the theoretical welfare concept (e.g., utility, standard of living) has to be operationalised, i.e., the abstract concept has to be filled with an empirically measurable content (e.g., income). An important requirement for the analysis of social welfare is that the individual measures be comparable among individuals (see Elster [48:2]). In the following subsections we interpret the development of different welfare measures in economics as the outcome of an attempt to improve the interpersonal comparability of these measures. We start with the income measure, then outline the adjustments made to it in order to make it more comparable among units of analysis, and finally introduce Sen's multidimensional approach.

1.2.1 Income

The empirical welfare measure par excellence in economics is income. Its simplicity and clarity has led it almost without competition in economic welfare analysis (see Goodman and Shepard [57]). Income is a straightforward measure of standard of living, but under certain assumptions, income is also ordinarily equivalent to utility. Yet the simple, unadjusted income measure has been criticised on a number of grounds. For example, it is subject to measurement error, it measures welfare at the household instead of the individual level and thereby disregards differences in needs among households and intrahousehold allocation issues. Moreover, an income measure of welfare neglects important issues such as welfare derived from home production, non-market goods and services, and in-kind transfers. All these can lead to a noncomparability of the welfare measure and violation of the symmetry axiom in social welfare analysis.

1.2.2 Adjustments of Income

We now recount briefly how standard welfare economics has tried to tackle these critiques. The measurement error problem may have two sources. The first is the fact that individuals often underreport their income. The second source of measurement error is that, even if reported correctly, current income might not reflect appropriately the long-run level of individual welfare. This is the case when the household has a temporally higher or lower income than usual during the period of reporting. A simple solution to this problem is to employ expenditure data. Under the assumptions that households report expenditure more truthfully than income, and that they smooth their income over time when making consumption decisions, expenditure is a better proxy of long-run welfare levels than current income (see Blundell and Preston [23]).

Measurement of individual welfare in terms of income or expenditure at the household level introduces two further problems. First, households of different size and composition need different levels of income to achieve the same level of welfare. Second, unequal intrahousehold allocation of resources is ignored. This latter point can be important, e.g., in India where these differences in intrahousehold allocation lead to an even higher mortality of infant girls than boys (see Deaton [44]:223-225). In a case like this, social welfare may be overstated if equal welfare is attributed to each household member. The first problem can be solved by using equivalence scales. The application of these scales to income or expenditure makes the welfare measure comparable among households. The issue of intrahousehold allocation is treated in theoretical bargaining models (see Deaton [44]:231-241 and references therein). The methodology allows to test for unequal intrahousehold allocation (see e.g. Subramanian and Deaton [132]), but does not provide a tool for adjusting household welfare for this unequal distribution.

3 All goods are marketable, all individuals face the same prices and have the same preferences.

4 This might be because when reporting expenditure they are less afraid of tax consequences than when reporting income, or because expenditure data is usually collected based on diary data rather than a simple recall, as income is.
1.2 Individual Welfare Measures

A further source of bias in interpersonal comparability is the impact of non-market goods and services, in-kind transfers, and home production on an individual’s welfare level. While the imputation of in-kind transfers and, say, agricultural home production is straightforward if these data are provided in a household survey, the accounting for access to non-market goods and more general home production (e.g., sewing one’s own clothes or cooking one’s own food) is more difficult (Deaton [44]:183).

Although we see that standard welfare economics has adjusted the simple income measure to incorporate some of the critiques made towards the interpersonal comparability of monetary welfare measures, several problems remain. These include the presence of non-market goods in an individual’s resource constraint, and the effect that non-monetary constraints have on an individual’s consumer choices. These non-monetary constraints are relevant for interpersonal comparisons of welfare, since individuals with different constraints (such as a disability, for example) need different levels of income to achieve the same level of welfare. In the capability approach, which will be introduced in the next subsection, Sen focuses precisely on these two points.

1.2.3 Multidimensional Measures – Sen’s Approach

An alternative way of taking into account all these critiques at once is to use multidimensional welfare measures as proposed by Sen ([121],[122],[124],[127]). This approach will be formally described and analysed in detail in Chap. 2; here we just give a very brief and intuitive introduction.

In its most basic form the capability approach conceptualises welfare as standard of living, and measures it as functionings. Functionings are defined as the achieved states of being and activities of an individual, e.g. being healthy, being well-sheltered, moving about freely, or being well-nourished. Welfare measurement in the functionings space takes into account the presence of non-market goods and services in an economy, home production, and adjusts for non-monetary constraints in decision making, because functionings are outcome-based (as opposed to resource-based) welfare measures.

To see this more clearly, imagine the individual as a firm that produces output (the individual’s states of being and activities). The inputs of the production process are the individual’s resources, such as market and public goods at her disposal, infrastructure, or genetic resources. The level of output is determined by the level of inputs, but also by technical factors that determine the rate of conversion from inputs into outputs, e.g. the individual’s intelligence, presence of a physical disability, and her metabolic rate. These are the non-monetary constraints to decision-making. Sen calls these technical constraints conversion factors. Even if the same resources are used as inputs in the “production process”, the individual may achieve a lower level of welfare if or she suffers, say, from a physical disability.

An extended version of the capability approach conceptualises welfare as well-being freedom, and measures it as an individual’s capability, defined as

6 The distinction between functionings and capabilities is equivalent to the outcome vs. opportunities distinction in standard welfare economics, and especially social choice theory.
1.3 Aims and Structure of this Book

Our survey suggests that measurement in the functioning space gives complementary insights to the standard methods which focus on income and expenditure. We identify two problems in empirical applications: the predominant use of rather exploratory measurement techniques such as scaling and factor analysis, which hardly bear any relation to the standard measurement and econometric modelling literature; and second, the fact that only very few attempts have so far been made to operationalise Sen’s concept of capability.

- Chapter 3 takes up the first problem of empirical applications identified in Chap. 2. It contributes to the multidimensional welfare measurement literature inspired by Sen’s functioning concept by introducing a measurement technique which has so far not been used in this area of research. After reviewing the different statistical techniques used in multidimensional welfare measurement, we suggest structural equation modelling as an appropriate alternative to measure and model the achievement of welfare. Functionings are conceptualised as latent variables which can only be measured with error. In an application to the measurement of the functionings “being healthy” and “being well-sheltered” in the UK, we assess what determines the achievement of the functionings, and compare the numerical functionings values with income in a simple poverty analysis. We find that resources such as income and education have little impact on the achievement of these functionings. Furthermore, we note that poverty analysis in the functionings space leads to significantly different results from poverty analysis in the income space.

- Chapter 4 aims to use the insights of the theoretical measurement literature in an empirical application of the capability approach. For these purposes we introduce Masoomi’s multidimensional extension to Theil’s inequality measures. We apply these measures to the functionings calculated in Chap. 3, and compare the results with income and a composite welfare index, which comprises the three functionings health, housing, and income. We design and perform a sensitivity analysis to investigate how this composite welfare measure reacts to changes in weights and substitution elasticities between functionings. This allows us to assess how fragile the results based on such composite measures are, and in what way these measures represent an alternative to income. We find that inequality analysis based on a composite welfare index is more informative than an analysis purely based on income. We also find considerable robustness of our measures with respect to weighting and substitution schemes.

- Chapter 5 examines how the concept of capabilities may be operationalised by assessing empirically the capability set of the disabled in the UK. We formulate the assumptions under which capability can be interpreted as needs-adjusted disposable household income, and use a psychometric equivalence scale methodology to estimate it for households in the UK. We identify a positive cost of disability to the households and demonstrate to what extent a disability can reduce an individual’s capability set.

8 1 Introduction

The use of the capability measure instead of traditional income in poverty analysis leads to a dramatic increase in poverty among the families with disabled members. Although the application deals with the specific aspects of disability, the method employed here may be seen as a general approach to capability measurement.

1.4 Contribution of this Book

This book aims to make several contributions to both the theory and practice of welfare economics. While the traditional approach has its merits, it is argued there is much to be gained from a proper consideration of Sen’s approach for both scholars and policy makers alike. To make this point, this book firstly bridges the gap between the standard welfare economic literature and the literature on the capability approach in order to systematically assess the theoretical contributions of the latter. It also contains a comprehensive review of the empirical literature on the capability approach (Chap. 2). Furthermore, this book investigates the insights that can be gained from cross-fertilising the two seemingly independent strands of literature on multidimensional welfare measurement, i.e. the one specifically designed to implement Sen’s capability approach, and the other one designed to tackle statistical problems of multidimensional welfare measurement in general (Chaps. 3 and 4).

On another level, this book also contributes in two specific ways to the methodological advancement of interpersonal welfare comparisons: in Chap. 3 we apply a new technique to the assessment of standard of living in the functionings space; and second, in Chap. 5, we employ a standard welfare economic technique (estimation of equivalence scales) to assess individual capability sets.
Sen’s Capability Approach to Welfare Economics

Wiebke Kuklys and Ingrid Robeyns

2.1 Introduction

Amartya Sen’s capability approach is a framework for the evaluation of individual welfare, and as such can provide the theoretical basis for inequality, poverty, and policy analyses. The capability approach assesses people’s welfare in terms of their functionings and capabilities, which are defined as an individual’s actual and potential activities and states of being respectively. When he started to develop the approach in the early 1980s, Sen found that while the (roughly equivalent) GNP per capita of Brazil and Mexico are more than seven times the GNP per capita of India, China and Sri Lanka, functionings performance in terms of life expectancy, infant mortality and child death rates were most favourable in Sri Lanka, better in China compared to India, and in Mexico compared to Brazil (Sen [122]:46-51). Although Sen used only three very basic functionings, he showed that ranking of countries based on GNP per capita can be quite different from the ranking based on the selected functionings. In another study he examined sex discrimination in India (Sen [122]:52-69). He found, among other things, that females have worse achievements than males for a number of functionings, including age-specific mortality rates, malnutrition, and morbidity. Since 1990, the United Nations has adopted the basic ideas of the capability approach in its annual *Human Development Reports* (Fukuda-Parr [51]), which measure the state of a country’s development by analysing people’s life expectancy at birth, education (measured by adult literacy and educational enrolment rates), and adjusted real GDP per capita, which serves as a proxy for the material aspects of welfare. Comparisons of rankings of these indices with GNP per capita show significant differences (UNDP [136]).

Sen’s capability approach has also found wide resonance in a number of academic disciplines, including heterodox economics (Fukuda-Parr [51],

Gasper [64], Robeyns [112], development economics (Alkire [2], Qizilbash [108]), development ethics (Crocker [39], Gasper [53]) and economic and political philosophy (Daniels [42], Nussbaum [96], Pettit [100], Williams [137]). This literature is characterised by its highly interdisciplinary nature and by philosophical and conceptual rather than formal methods. The impact and development of the capability approach in mainstream welfare economics has so far been much more limited, a few exceptions notwithstanding (Atkinson [8], Basu and López-Calva [17], Maasoumi [86]). There are several ways in which this could be explained. It might be the case that the capability approach is ‘old wine in new bottles’, and has very little to offer to welfare economics. If this were true, then why would welfare economists pay any attention? Another possible explanation is that most of the work on the capability approach has been written in a jargon and disciplinary style that is too philosophical to be appealing to most economists. Or is it the fact that there is little consensus on how to operationalise the capability approach, or the lack of empirical applications in prestigious economic journals? To establish whether the capability approach has something to offer to standard welfare economics we need a characterisation and analysis of the capability approach using the methodology and language standardly employed in welfare economics. That is the aim of this chapter.

We first briefly describe the capability approach and present a formalisation in Sect. 2.2. Then we define standard welfare economics and present a basic model in Sect. 2.3. In Sect. 2.4 the assumptions of this model are scrutinised from a capability perspective. This allows us to understand better whether the capability approach represents a genuine theoretical alternative to the standard welfare economic model. In addition, we not only need a theoretical comparison of the standard welfare economic model with the capability approach to welfare economics, but we also need to know to what extent the capability approach makes an empirical difference. This question is addressed in Sect. 2.5 where we provide a survey of the quantitative empirical applications of the capability approach. The last section concludes.

2.2 Sen’s Capability Approach

The capability approach is an evaluative framework for individual welfare. The core concepts are functionings and capabilities. Sen ([129]:5) defines a functioning as an achievement of a person, i.e. what he or she manages to do or be. Functionings comprise an individual’s activities and states of being, for example, being in good health, being well-sheltered, moving about freely, or being educated. Capability is a derived notion and reflects the various functionings he or she can potentially achieve, and involves the person’s freedom to choose between different ways of living.

---

1 See Robeyns [114] for an interdisciplinary theoretical introduction to the capability approach.
For a formal description of this approach, we introduce some notation, following Sen ([122]:7-10).

\[ x \in X \]

is a vector of commodities and \( X \) is the set of all possible commodity vectors.

\[ c = c(x) \]

is a vector of characteristics of commodities, where \( c \)
is a function that maps commodities into the characteristics space as in Gorman [68] and Lancaster [80].

\[ h = f(c(x|z_1, z_2, z_3)) \]

is a vector of activities and states of being (functionings) where \( f \in F \)
is a conversion function that maps characteristics of commodities into the space of functionings, \( F \) is the set of all possible conversion functions and \( z_1, z_2, z_3 \)
are conversion factors at the individual \( i \), social \( s \) and environmental \( e \) level, which determine the rate of conversion from characteristics to functionings.

\( Q \)
is the capability set comprising all potential functionings an individual can achieve.

The evaluation of an individual’s welfare involves the analysis of her capability set, \( Q_i \), which is defined over the different potential functionings \( b \) of individual \( i \):

\[ Q_i(X_i) = \{b_i | b_i = f_i(c(x_i|z_1, z_2, z_3)) \ \forall f_i \in F_i \ \forall x_i \in X_i \}. \quad (2.1) \]

The functionings achievement of an individual depends on the employed commodities, \( x_i \) and the conversion factors, \( z \). These conversion factors can be distinguished in personal factors \( z_i \) (such as sex, physical disabilities, intelligence), social factors \( z_s \) (such as population density, but also legal regulations) and environmental factors \( z_e \) (e.g. climate, proximity of rivers, level of environmental pollution). They can also be interpreted as non-monetary constraints of the individual. \( Q_i \) is the set of all possible \( b_i \) given the resource constraint \( X_i \).

The vector of commodities \( x_i \) is akin to the demand for goods in the standard model. Note that Sen explicitly includes non-market goods and services, such as infrastructure and access to safe water in this vector. Similarly, resources \( X_i \) correspond to the standard budget constraint, but also include the availability of non-market goods and services.

The space of functionings \( b \) is the space of states of being and activities, while the space of capabilities \( Q \) is the space of potential functionings. The functionings space is related to the goods and characteristics space through the personal conversion function \( f_i \). The capability space is related to the functioning space in that it comprises all functionings an individual can potentially achieve. It is thus the individual’s choice set, and could be interpreted as an augmented budget set, which also takes account of non-market goods and services, and non-monetary constraints.

Two examples are discussed by Sen [122]. A bicycle (commodity \( z \)) provides transport (characteristic \( c \)), and depending on an individual’s physical ability and the state of the roads (conversion factors \( z \)), she can cycle or not (capability \( Q \)). Food provides nutritious capacity, which is converted into ‘being well-nourished’, depending on physical circumstances such as the metabolic rate and presence of parasites. The individual’s capability includes then the freedom to either be well-nourished, to fast for religious reasons or to go on hunger strike for another’s sake.

Other examples of functionings, taken from Sen [128] are ‘being alive’, ‘being in good health’, ‘being well-sheltered’, ‘moving about freely’, ‘having self respect and respect of others’, or ‘taking part in the life of the community’. One could add many other functionings, such as ‘being employed’ or ‘being educated’.

The capability approach clearly operates at two levels: at the level of realised welfare, which is measured by functionings; and the level of potential or feasible welfare, which is measured by capabilities. This is equivalent to the outcomes vs. opportunities distinction in standard welfare economics, in social choice theory, and normative political philosophy.

2.3 Characterisation of Welfare Economics and its Tools

In this section we offer a characterisation of welfare economics and present a benchmark model. Our aim is to briefly outline the field of welfare economics before we re-examine it in light of the capability approach in Sect. 2.4.

2.3.1 Definition and Characterisation

Welfare economics is concerned with the evaluation of the level of individual and social welfare, and the welfare impact of economic and social policies (see e.g. Dutta [46], Sen [128] and Suzumura [133]). The welfare of individuals is represented by utility, usually understood as desire fulfillment or preference satisfaction. Although there is some debate on the exact properties and characterisation of the notion of utility, there is general agreement that utility as used in economics is a unidimensional concept. In applied welfare economics utility is routinely measured by monetary variables. This is only valid under restrictive assumptions about the individual and the market, which will be discussed in Sect. 2.4.
2.3 Characterisation of Welfare Economics and its Tools

Social welfare is an aggregation of the individual welfares by means of
an aggregator function, which can be interpreted as a social welfare
function. Social welfare functions can have different forms, implying that some
of them will take distributional considerations into account while others are
distribution-insensitive. If the social welfare function is the maximisation
of the unweighted sum of the individual welfares, then it is a utilitarian social
welfare function.

Most research in welfare economics uses individual utilities (in applications:
income or expenditure) as the exclusive basis of welfare judgements.
This tradition, which has been dominant for the last two centuries, is called
welfarism (Sen [120]). However, in recent decades several important
departures from welfarism have been made by including non-utility
information in the evaluation of individual welfare. Pattanaik [97] distinguishes
between two broad areas of non-welfaristic research in welfare economics. The first
area is the work on individual rights and liberties, which was pioneered
by Sen's work on the liberal paradox (Sen [117],[118]). The second area concerns
the measurement of the standard of living, inequality and poverty whereby
the information used is not restricted to utility or a monetary representation
thereof. It is in this second line of departure from welfarism that the capability
approach can be situated. In Sect. 2.4, we will analyse welfare economics
from a capability perspective, but first we present a simple formalisation of
standard welfare economics.

2.3.2 The Model

Let us take as point of departure the basic textbook model for welfare evalua-
tion in a many consumer market economy where all consumers face the
same consumption prices. Assume an economy without uncertainty, with n
identical utility maximising consumers, who can all choose among a vector of
goods \( x \), and who are subject to a budget constraint:

\[
\max_{x} u_{i} = u(x) \quad \text{subject to } p \cdot x = m_{i}, \quad i = 1, \ldots, n.
\]  

(2.2)

where \( m \) is the exogenously given income, and \( p \) is the vector of market
prices corresponding to goods \( x \); \( u_{i} \) is individual \( i \)'s utility, \( n \) is the number of
individuals under analysis; \( u \) is the individual's continuous and differentiable
utility function, for which \( \frac{\partial u_{i}}{\partial x} > 0 \). The indirect utility function \( v \)
can be written

\[
v_{i} = v(p, m_{i}).
\]  

(2.3)

The level of indirect utility can be measured by the individual's income
if all individuals have the same preferences and face the same prices.
Assuming prices to stay constant, the impact of social and economic policy on
an individual's welfare can be evaluated by

\[
dv_{i} = \frac{\partial v_{i}}{\partial m_{i}} \frac{\partial m_{i}}{\partial \pi}.
\]  

(2.4)

14 Sen's Capability Approach to Welfare Economics

where \( \pi \) is the implemented policy.

In this basic model overall social welfare \( W \) is an aggregate of the individ-
uals' utilities. This is expressed by the social welfare functional \( G \),

\[
W = G(v_{1}(p_{1}, m_{1}), \ldots, v_{n}(p_{n}, m_{n})).
\]  

(2.5)

Social welfare functions comprise, for example, a large class of inequality
and poverty indices. They are also used as a tool for policy analysis. Under differenti-
ability, continuity, separability and ratio-scale measurability assumptions,
the social welfare functional \( G \) can be used to calculate a welfare change
induced by a small change in income, namely

\[
dW = \sum_{i=1}^{n} \frac{\partial W}{\partial G} \frac{\partial G}{\partial m_{i}} dm_{i} = \sum_{i=1}^{n} \beta_{i}(m_{i}) dm_{i},
\]  

(2.6)

where \( \beta_{i}(m_{i}) \) corresponds to the marginal social utility of income \( m_{i} \). If the
marginal social utility of income is assumed to be constant and equal across
individuals, it can be normalised to \( \beta = 1 \), and \( G \) corresponds simply to the
sum operator, so that

\[
dW = \sum_{i=1}^{n} dm_{i}.
\]  

(2.6)

The overall welfare change owing to a change in individual incomes is equal
to the sum of these changes; this would correspond to a utilitarian analysis of
welfare changes induced by the implementation of a policy.

2.4 Welfare Economics Revisited

In the light of the capability approach we will now take a second look at this
model. We want to analyse in which way Sen's approach is an extension of this
model, and to what extent it is different from other strands of research within
welfare economics. The core critique offered by the capability approach is the
exclusive use of utility, which is represented by income or expenditure as the
measure of welfare. More specifically, there are three problems with the use of
income: the omission of the impact of non-market goods and services on
the individual's welfare; secondly, a disregard of interpersonal heterogeneity
in converting income into welfare, particularly in poverty and inequality analysis;
and thirdly, the neglect of the intrinsic value of choice.

To analyse this critique in detail, we study one by one the assumptions
about the market and the individuals which are implicit in the benchmark
model. We give a brief account of the criticisms offered by the capability
approach, and formalize this criticism in the language of the basic model.
We then present recent research in welfare economics, and assess whether
the capability approach offers a genuine alternative to the existing framework. We
will systematically distinguish between the measurement of individual welfare
levels along the lines of (2.3) and the evaluation of changes in welfare induced by economic and social policies as in (2.4). This distinction is made because our analysis will show that both types of research are to a different degree vulnerable to the capability critique.

2.4.1 The Market

The individual utility function and the budget constraint in (2.2) are defined over a vector of goods and services which can be bought in the market. In the basic model it is assumed that all consumers face the same consumption prices, that there are neither externalities nor public goods and that all goods are always available. Many economists, including Sen, have pointed out that not all objects over which an individual's preferences are defined are marketable. The market might be subject to imperfections such as externalities or rationing, or simply not provide certain goods and services at all. For example, the income of individuals living close to a polluting factory is not compensated for the effect of the pollution on their welfare. The cost of hiring an elderly care worker is not necessarily equivalent to the welfare effect of care by loving relatives.

One could, in principle, include externalities and other non-market goods and services into the benchmark model. These extensions could be introduced ceteris paribus into the model by defining the utility function in (2.2) over a range of market consumption goods $x$, the average consumption of these goods, $\overline{x} = \frac{1}{n} \sum_{i=1}^{n} x_i$, a public good $x^{pg}$, a rationed good $x^r$ and a good which is not buyable in the market $x^{nm}$ so that for $i = 1, \ldots, n$

$$
\max u_i = u(x, x^{pg}, x^r, x^{nm}) \quad \text{subject to}
$$

$$
p \cdot x = (1-t) m_i
$$

$$
x^r = x^r
$$

$$
x^{nm} = x^{nm}
$$

$$
x^{pg} = \sum_{i=1}^{n} t_i m_i,
$$

where $t$ is the tax rate, $x^r$ and $x^{nm}$ are the available amounts of the rationed good and the non-market good respectively, $\frac{\partial u_i}{\partial x^{pg}} > 0$ as before, $\frac{\partial u_i}{\partial x^r} > 0$ if the good has a positive externality, $\frac{\partial u_i}{\partial x^{nm}} < 0$ if it has a negative externality, and $\frac{\partial u_i}{\partial x^r} = 0$ if there is no externality; further, $\frac{\partial u_i}{\partial m_i} > 0$, $\frac{\partial u_i}{\partial t_i} > 0$, $\frac{\partial u_i}{\partial x^{nm}} > 0$.

The basic model in Sect. 2.3.2 generally does not reflect current research on evaluating the effect of policy-induced changes on individual welfare. For example, policy-oriented research specifically focussing on public goods, non-market goods, or on externalities takes these additional complexities into account (see e.g. Garber [52], Train, Goett and Hudson [135], Gayatri and Bumet [55]).

2.4.2 The Individual

However, if the focus of research is not on welfare change induced by policies, but on measurement of individual welfare levels as used in poverty or inequality analysis, Sen's critique has bite. The money metric utility function in (2.3) can, strictly speaking, only be used to represent an individual's welfare in terms of utility if the market assumptions hold, which is generally not the case. Nevertheless, income or expenditure is routinely used as the best possible approximation of an individual's utility (see e.g. Atkinson and Bourguignon [11]). Inequality and poverty analysis (based on (2.5)) as well as project analysis (based on (2.6)) hence disregard non-monetary sources of welfare and non-monetary constraints to decision making (see e.g. Cowell [36], Goodman, Johnson and Webb [56] and Harberger [64]).

One way to avoid potential bias in individual welfare measurement as a consequence of this is to use the expanded indirect utility function in (2.7) as the underlying model. Analogous to (2.3) an extended indirect utility function $v^{ext}$ can be derived for individual welfare measurement in money metric terms:

$$
v^{ext} = v(p, p^*_0, p^{pg}, p^*_0, p^{nm}, m),
$$

where $p^*_0, p^{pg}, p^*_0, p^{nm}$ are the shadow prices (individual valuations) of the good with externality $x^r$, the public good, the rationed and the non-market good respectively.

Considering the difficulties with welfare measurement and functional forms in the simple model in Sect. 2.3.2, it is not surprising that (2.9) is not the route chosen by researchers who would like to take account of rationing, market goods, public goods, and externalities in welfare measurement. Measurement of shadow prices of goods whose market prices do not reflect their marginal utilities is in general difficult. Measuring indirect utility according to (2.9) for each individual in a society as an input to inequality or poverty analysis would imply a prohibitive effort, if it were at all possible. Instead, economists recently have begun to study inequality and poverty in terms of other variables than income; they study outcome variables directly. We will review this literature in Sect. 2.5, but first we analyse the capability critique of the assumptions about the individual in the standard model.
Sen questions all these assumptions. In what follows we will not examine Sen's critique of maximising behaviour, as this critique is independent of whether welfare is defined in terms of utility, income or capability (Sen [126]). Instead, we focus on the irrelevance of the intrinsic value of choice, and interpersonal heterogeneity.

Intrinsic Value of Choice.

Sen ([122],124;39) suggests that individuals derive welfare both from the range of options in the choice set, and from the possibility to perform the act of choice themselves. Compare the following three choice sets: $A = \{a\}$, $B = \{a,b\}$ and $C = \{a,b,c\}$ with $a$, $b$ and $c$ not identical and the range in $C$ larger than in $B$ than in $A$. The individual prefers $a$ over $b$ and $c$. In standard welfare economics individual $i$'s utility derived from the sets $A$, $B$, and $C$ is the same as only the element of the choice set that provides the highest utility counts. Sen, in contrast, argues that the loss of freedom of choice in $B$ compared to $C$, and $A$ compared to $B$ should be reflected in the measurement of individual $i$'s welfare. The intrinsic value of choice consists of two components: the act of choosing itself (absent in $A$, present in $B$ and $C$) and the range of valued options (largest in $C$). This critique has triggered a large literature on the ranking of sets in social choice theory and non-welfarist economics, which started with Pattanaik and Xu [98].

Of course, welfarism could be interpreted as being sensitive to some of these aspects. If the act of choice itself generated utility, then being able to choose from $B$ would generate more utility for individual $i$ than $A$, even though the utilities derived from the option that is picked alone ($a$) will be the same. The problem thus lies in the fact that studies in applied welfare economics generally do not compare the utility generated by having option set $A$ or $B$, but instead compares the option picked from $A$ or $B$. Similarly, welfarism could take account of some welfare consequences of the range of the choice set. For example, a person who chooses a certain chocolate bar among five alternative bars might derive more utility from this chocolate bar than a person who could not choose. Alternatively, a further brand of dishwashing liquid might make the decision making process among these liquids more difficult and hence produce disutility for the decision maker. But while the latter situation is sometimes modelled as disutility provoked by information costs, the earlier finds no echo in standard welfare economics.

This critique applies in particular to theoretical welfare analyses in the utility space. Empirical welfare analysis in the income space may be interpreted as reflecting a certain value of choice. To see this more clearly, we interpret the budget set as a choice set of the individual which covers all marketable goods (see Deaton and Mullbauer [43];10). The individual can choose any combination of goods he or she can afford, given his budget constraint. One could even argue that the higher the income, the bigger the range of choice an individual has. It is here where the similarity of the budget set to a
The notion of heterogeneity of needs could be formalised within the basic model by defining the utility function over outcomes $o$, which are in turn a function of goods, and conditioning it on a vector of conversion factors, $z$, such as disability or intelligence. Hence, (2.2) becomes

$$\max u_i = u(o(x|z)) \quad \text{subject to} \quad p.x = m_i \quad i = 1, \ldots, n.$$  

(2.10)

These outcomes $o$ (which differ from functionings because non-market goods and services are not included in the resource constraint here) have parallels in existing welfare economics research, as early as in Becker's ([118]) reformulation of consumer theory (commodity production function in the household) and in Atkinson and Stern's activities model ([129]). While Becker (see also Becker and Stigler [131]) insists that preferences are stable and equal across individuals, Atkinson and Stern accept the need to control for heterogeneity of expenditure patterns by including socio-demographic variables in their regressions.

This is in line with empirical research in policy evaluation, where heterogeneous preferences are routinely modelled by conditioning the estimations on a range of sociodemographic characteristics. However, such techniques only allow for a crude differentiation of utility functions across demographic subgroups. This literature has recently been enhanced: for example, the importance of differential responses to policy because of heterogeneous preferences is analysed by Browning, Hansen and Heckman [28] and Heckman [65]. Yet, despite this improvement, this research is still not able to disentangle preferences and needs.

In the measurement of individual welfare levels, as used in inequality and poverty measurement, individual heterogeneity hardly plays a role: equivalence scales accounting for differences in size and composition across households are the only way in which heterogeneity is taken into account. While the methods of estimating such scales are becoming more and more sophisticated ([Bellmann, Meleen and van Soest [19], Cowell [97], Murti [93]]), they concentrate only on assessing the additional cost that children present to the household. Jones and O'Donnell [71], Kuklys [76] and Zaidi and Burchardt [130] estimate equivalence scales in the presence of disabilities, thus taking into account one additional type of needs. However, equivalence scale estimation can only account for a small amount of heterogeneity, both for econometric reasons (taking account of more heterogeneity reduces degrees of freedom in econometric estimation) and data limitations (household surveys provide only a small set of needs indicators). In addition, the sources of individual heterogeneity can be either voluntary choices or exogenous differences, but the equivalence scale technique assumes that all heterogeneity is exoge-

2 The empirical distinction between preferences and needs is not solved in the literature on capability or in standard consumer theory. For a detailed discussion of this topic see Chap. 5 in this book.

3 This paper provides the basic for Chap. 5 in this book.
2.5 Evidence on the Measurement of Functionings and Capabilities

In such applications. In particular we want to investigate whether measurement of functionings and capabilities makes a significant difference relative to traditional welfare measurement in the income or expenditure space.

In his survey article 'Empirical Approaches to the Measurement of Welfare', Slesnick does not discuss the capability approach "because of the relative scarcity of empirical applications" ([130]:2109). It is true that, even seven years onwards, there are still relatively few studies, and very few are published in highly ranked journals in economics. However, we think that a survey of empirical studies can even at this stage be a useful exercise. In Sect. 2.5.1 we focus on the methodological issues involved in the measurement of functionings (the assessment of vector $b_i$). Section 2.5.2 reviews the applied literature on the measurement of welfare levels as used in poverty and inequality analysis, and Sect. 2.5.3 discusses the capability literature on policy evaluation.

2.5.1 Methodological Issues

In the quantitative empirical literature on the capability approach, four main methodological problems are addressed: the selection of the relevant functionings, the measurement of these functionings at the individual level, the aggregation of these functionings into a composite (scalar) measure of individual welfare, and finally, the aggregation of individual welfare to social welfare. These topics will be addressed in the next three subsections.

Selection of Relevant Functionings

In most empirical contributions the selection of functionings is done in an ad hoc way, in accordance with the researchers' values (see for example Klassen [74] and Chiappero Martinetti [89]). In a number of instances (see, for example, Schokkaert and Van Ootegem [116], Lelli [81] and Balestrino and Sciocline [14]), a wide range of potentially relevant variables from household surveys are submitted to exploratory factor analysis to "let the data decide" which are the relevant functionings. In this case the factor scores resulting from this analysis are used as the functionings representing an individual's welfare.

Robeyns [113] has developed a methodology for selecting relevant functionings in a less ad hoc way. She proposes that the selection of functionings or capabilities be structured along a number of methodological criteria. These criteria require making the selection as explicit as possible, justifying the selection method used, making the selection sensitive to the context, distinguishing between different levels of generality, and achieving a selection of functionings which is as complete as possible. If the capability approach is not applied to the analysis of a large data set (for example a country-wide assessment of individual welfare), but instead is focussed on a local situation with few affected individuals, then participatory methods can be used, as has been done by Alkire [2]. While having its own limitations and drawbacks (see Ruggieri Laderchi, Sath and Stewart [79]), the participatory method allows to give the affected individuals a greater voice on the selection of functionings which will be held relevant for assessing their welfare.

Measurement of Functionings at the Individual Level

The measurement of functionings at the individual level entails two problems: first, assigning a numerical value to achieved levels of functionings; and second, aggregating functionings into a composite (scalar) measure of individual welfare.

In traditional money-metric analysis, measurement of individual welfare levels is relatively straightforward. Welfare is derived from goods only, and since the relative market price of these goods represents the individual's relative valuation of the goods and services in terms of utility, these prices can be used to calculate a composite measure of individual welfare, i.e. the budget constraint. This is conveniently expressed in currency units, which can be compared among individuals and used in poverty and inequality analysis. In contrast, functionings measurement and aggregation are more difficult, because there is no established measurement scale for functionings, nor do there exist relative valuations between functionings which could be used for aggregation that are generally accepted.

At this stage, there is little consensus how to address the problem of functionings measurement. Both statistical and non-statistical methods are used to measure and aggregate functionings. The statistical methods comprise confirmatory factor analysis (used by Lelli [81]), principal components analysis (see e.g. Klassen [74] and Ram [111]), and time series clustering (recently employed by Hirschberg, Maasoumi and Slotte [66]).

The non-statistical methods comprise scaling (used in the calculation of the Human Development Index [136]) and an extension of it, fuzzy sets theory, pioneered by Chiappero Martinetti [89] in this area. All methods are used to either aggregate extremely disaggregate functionings (such as different health problems) to a broader functioning (such as being healthy) or to aggregate functionings to a composite, unidimensional measure of welfare. The statistical and non-statistical methods differ in the determination of aggregation weights. While the statistical methods use information contained in the data (the covariance matrix of the functionings or measures of entropy between the functionings distributions) to derive the weights, for these purposes the non-statistical methods rely on the arbitrary judgments made by the researcher.1

It is also possible to not work with a composite welfare measure but analyse inequality in terms of each functioning individually (see e.g. Robeyns [112]).

1 In Chap. 3 we will discuss in detail the problems, advantages and disadvantages of each of these methods.
2.5 Evidence on the Measurement of Functionings and Capabilities

Aggregation across Individuals

To assess social welfare it is necessary to aggregate individual welfare into an overall social welfare measure, e.g. an inequality or poverty index. While the primary literature on the capability approach is not explicit about how to do this, the issue has to be faced for most types of empirical inequality or poverty analysis. In principle, two possibilities exist in a multidimensional setting: using a composite measure, i.e. a unidimensional aggregate of functionings in standard unidimensional inequality or poverty indices, or using the functionings without first aggregating them in a multidimensional inequality or poverty analysis. Massoumi and Nicksburg and Brandolini and D’Alessio [27] have used multidimensional inequality indices, while Atkinson and Bourguignon ([9], [10]) have prepared the way for multidimensional stochastic dominance rankings of functionings distributions. Bourguignon and Chakravarty address the issue of multidimensional poverty indices [28] and multidimensional poverty (stochastic dominance) orderings [29].

2.5.2 Measurement of Welfare Levels

We now turn to a review of the quantitative empirical applications of poverty and inequality measurement. Table 2.1 lists the studies and describes the datasets used, the functionings that were analysed, and the main findings. The studies listed in Table 2.1 illustrate that the capability approach can be applied to investigate diverse questions, and at different levels of aggregation. At the highest level of aggregation, as in the first study by Sen ([122]: 46-51), and the work of the UNDP ([136]), the capability approach is applied to data at the national level. While such data represent aggregates and are arguably crude, they can reveal interesting insights when compared with GNP per capita. Sen’s other early study ([122]: 52-69) used Indian data at different levels of aggregation to investigate gender biases. Over the last two decades this kind of quantitative research based on aggregate data has become widespread, especially in development studies. Other studies use data at the provincial or regional level, such as those by Balestrino and Sicilone [14] and Qizilbash [109]. Still other applications do not rank regions or countries, but measure levels of welfare directly based on micro-data. Schokkaert and Van Ootegem [116], Balestrino [13], Ruggeri Laderchi [77], [78], Phipps [101], Chiappero-Martinet [59], Klassen [74], Lelli [81], and Robeyns [112]. All these papers measure functionings, not capabilities.

As far as we are aware, there are only three attempts, so far, to partially measure capabilities or self-perceived capabilities instead of achieved functionings (Burchardt and Le Grand [30], Anand and van Hees [4], and Aman, Hunter and Smith [3]). Nevertheless, it should be noted that many capabilities that have been argued to be relevant in the capability approach are not sufficiently covered in the datasets used in these studies (like the British Household Panel Survey), or are even not included at all. Needless to say that a lot of work remains to be done in the collection of new data on capabilities rather than achieved functionings, and their subsequent analysis.

2.5.3 Policy Evaluation

As an evaluative approach, the capability approach can also be used for both policy evaluations and policy design. However, in this area only limited applied research has been done. At the level of applied policy research, the UNDP [136] includes in its annual Human Development Report analyses of good practices of countries who have implemented policies that have enlarged people’s capability sets, and gives a number of policy recommendations on how this could be done.

But it is also possible to apply the capability approach in a more scientific way to policy evaluation in micro-settings, for example when a local government redesigns the public infrastructure in a neighbourhood, or when a development NGO wants to evaluate its projects. Formally, and starting from the conversion function $b_i = f_i(x_i, z_i)$, the change in functionings induced by policy implementation $\pi$ can be expressed as

$$\Delta b_i = \frac{\partial f_i}{\partial x_i} \Delta x_i + \frac{\partial f_i}{\partial z_i} \Delta z_i.$$  

The policy has an impact on functionings through its impact on market and non-market resources ($a$), but also through its impact on conversion factors ($b$). Thus, $a$ is akin to the traditional effect of a project on income, while $b$ is not recognised in traditional analysis.

Alkire [2] evaluated changes in functionings and capabilities in three Oxford poverty reduction projects in Pakistan: goat rearing, female literacy classes and rose garland production. A standard cost-benefit analysis would evaluate the goat rearing project as a sound economic investment, with a number of non-quantifiable capability changes, such as the acquisition of useful knowledge and the cultivation of friendships. The capability evaluation of the goat rearing project yields positive results for both the quantifiable and intangible effects. The female literacy project, on the other hand, is a prime example of a project that would no longer be funded if it were evaluated based on a standard cost-benefit analysis alone; as this project has hardly any effects on women’s earnings, because there are no markets for female employment in this area of Pakistan. But Alkire found that it had a fundamental and transformative effect on the students, for which no shadow prices exist.

These intangible effects include that they learn that women are equal to men,
Table 2.1. Review of Measurement Studies

<table>
<thead>
<tr>
<th>Author</th>
<th>Datasets</th>
<th>Functionings</th>
<th>Main Findings, Policy Conclusions</th>
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<tbody>
<tr>
<td>Sen ([122]:52-69)</td>
<td>India (1981-1983)</td>
<td>Mortality, nutrition, morbidity</td>
<td>Women have worse functionings outcomes than men.</td>
</tr>
<tr>
<td>UNDP [136]</td>
<td>Data at national level, all countries</td>
<td>Life expectancy at birth, education, material welfare (GNP per capita)</td>
<td>Country rankings based on GNP per capita differ from rankings based on functionings indices; each year the UNDP focuses on one area of functioning wellbeing and discusses best practices for policies.</td>
</tr>
<tr>
<td>Balestrino and Sciclone [14]</td>
<td>Italy (1991)</td>
<td>Being healthy, educated, employed, living in a comfortable house, in a gross regional product per capita correlated safe area, and in a non-polluted environment</td>
<td>Rankings of regions based on functionings and living in a comfortable house, in a gross regional product per capita correlated safe area, and in a non-polluted environment strongly, but rankings differ for 7 out of 20 regions.</td>
</tr>
<tr>
<td>Quizilbash [109]</td>
<td>Provincial level data from the South African Census</td>
<td>Education, access to water, refuse removal, cooking facilities, rooms</td>
<td>Expenditure poverty and functionings poverty rankings of the nine provinces differ significantly.</td>
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<td></td>
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<td>per household, and employment</td>
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Table 2.1 continued

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<th>Author</th>
<th>Datasets</th>
<th>Functionings</th>
<th>Main Findings, Policy Conclusions</th>
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<tr>
<td>Schokkaert and Survey among Belgian un-</td>
<td>Social functioning, psychological Material factors are almost irrelevant in the determination of the functioning wellbeing of the unemployed, thus non-financial policy instruments targeted at specific groups might have a larger welfare improving effect than financial ones.</td>
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<tr>
<td>Van Ootegem employed (1979) [116]</td>
<td>functioning, physical functioning, micro-social contact, activity levels,</td>
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<td></td>
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<tr>
<td>Balestrino ([13]) 281 Italian households officially registered as poor</td>
<td>Education, nutrition, health</td>
<td>73 households are only functioning poor, 71 are only income poor, and 137 are both functioning and income poor.</td>
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<tr>
<td>Ruggeri Laderchi Chile (1992) ([77])</td>
<td>Education, health, child nutrition</td>
<td>Income variables are an insignificant determinant of shortfall in all three functionings</td>
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<tr>
<td>Ruggeri Laderchi ENNIV Survey, Peru (1994) ([78])</td>
<td>Education, health</td>
<td>In order to achieve a higher overlap between analyses based on monetary welfare measures and functionings, the monetary poverty line has to be significantly increased. 22.8% of the stunted children and 22.4% of the children 12-15 years old with less than 5 years of schooling are not financially poor.</td>
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<tr>
<td>Author</td>
<td>Datasets</td>
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<td>Main Findings, Policy Conclusions</td>
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<tr>
<td>Phipps [101]</td>
<td>Children Surveys for Low birth weight, asthma, accidents</td>
<td>The functionings welfare of Canadian and US children cannot be unambiguously ranked, but Norwegian children fare better than either of them.</td>
<td></td>
</tr>
<tr>
<td>Chiappero Martinetti [89]</td>
<td>Italian Household Survey Housing, health, education, social interactions, psychological wellbeing</td>
<td>Women, elderly, people living in the South of Italy, housewives and blue-collar workers have lower functionings achievements than other groups.</td>
<td></td>
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<tr>
<td>Klasen [74]</td>
<td>SALDRU Household Survey, South Africa (1994)</td>
<td>Education, income, wealth, housing, water, sanitation, energy, employment, deprived than suggested by the expenditure measurement; 17% of the people who are functionings deprived are not identified as poor by the expenditure index.</td>
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<tr>
<td>Lelli [81]</td>
<td>Panel Study of Belgian Households (1998)</td>
<td>Psychological wellbeing, social interactions, economic conditions, cultural activities, working conditions, functionings and income are low, with absolute shelter, health values ranging from 0.02 to 0.39.</td>
<td></td>
</tr>
<tr>
<td>Robeyns [112]</td>
<td>British Household Panel Survey</td>
<td>Physical well-being, mental well-being</td>
<td>Women are worse off than men on some dimensions; men's well-being in terms of social support domestic work and non-market care, and relations is worse. Correlations between functionings and income measures is weak.</td>
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<tr>
<td>Author</td>
<td>Datasets</td>
<td>Functionings</td>
<td>Main Findings, Policy Conclusions</td>
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<tr>
<td><strong>Capabilities: micro analysis</strong></td>
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<tr>
<td>Burchardt and BHPS (1998-1999) LeGrand [30]</td>
<td>Being able to hold a job</td>
<td>The capability to hold a job is identified by testing whether a person’s being unemployed is the outcome of a decision by herself (10% of the unemployed) or due to constraints she faces.</td>
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<tr>
<td>Anand, Hunter, BHPS (2000) Smith [3]</td>
<td>Health, housing, social relations, This study mapped the available data on the list leisure, having a partner, being em- of capabilities which has been theoretically developed by Martha Nussbaum [96]. The available data on capabilities are strongly correlated with data on subjective wellbeing.</td>
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that they do not need to suffer abuse, that literate women can solve their own problems, that they learn how to read, and their subjective experience of great satisfaction at being able to study. The evaluation of the rose cultivation project also showed a contrast between the negative internal rate of return and a number of valuable non-economic intangible effects. Summing up, a standard welfare economic evaluation would conclude that the goat-rearing project dominates the literacy and the rose garland production projects, but from a capability perspective no project clearly dominates the other. Alkire concludes that “the choice cannot be made on technical grounds but rather is a morally significant choice” (2012:286).

2.5.4 Concluding Remarks

From the above literature review we derive the following conclusions. Firstly, it is possible to measure welfare in the functionings space. Second, welfare levels measured in the functionings space differ significantly from those measured in the income or expenditure space. As a consequence, rankings of welfare levels of countries and regions are different when they are performed according to standard welfare economics or the capability approach. In addition, not all who are income-poor are functioning poor and vice versa, which can have important implications for poverty reduction policies.

Our review also suggests that it is much more challenging to measure capabilities than functionings. It holds for both the measurement of functionings and capabilities that this literature is relatively recent and many of the applications are of an exploratory nature. Much more work needs to be done before a definite empirical assessment of the capability approach to welfare economics can be made.

2.6 Conclusions

In this chapter we have characterised and analysed the capability approach from the perspective of standard welfare economics. We have argued that the capability approach offers profound critiques of the underlying assumptions of the standard welfare economic model. Taking on board these critiques can be done in two ways. Either one modifies the standard economic model to account for non-market goods and services, public and rationed goods, externalities, interpersonal heterogeneity and the intrinsic value of choice. Applied policy research in economics increasingly takes up this challenge, but poverty and inequality analysis has not, so far, sufficiently incorporated these concerns. The alternative strategy is to measure outcomes and opportunity directly, which is being advocated by the capability approach with its focus on functionings and capabilities. Our survey of empirical applications suggests that welfare measurement in the functionings space gives complementary insights to the standard methods which focus on income and expenditure. The survey also identifies two problems of empirical applications of the capability approach: first, the predominant use of rather exploratory measurement techniques such as scaling and simple factor analysis, which hardly bear any relation to the standard measurement and econometric modelling techniques; and second, the fact that so far only very few attempts have been made to operationalise Sen’s concept of capabilities. In the next chapters we aim to advance on these issues.
The Capability Approach and the Praxis of Development

Séverine Deneulin
Development consists of the removal of various types of unfreedoms that leave people with little choice and little opportunity of exercising their reasoned agency. The removal of substantial unfreedoms is constitutive of development.

Amartya Sen, Development as Freedom, p. xii

In 1990 the United Nations Development Programme launched its first Human Development Report. This marked a radical paradigm shift in development thinking. Gone are the days in which development was seen as a process of change from an ‘underdeveloped’ to a ‘developed’ stage, as a process of industrialization and economic growth through which ‘underdeveloped’ countries would replicate the evolution undergone by industrialized countries. Development is from now on ‘human development’. It is a matter of widening people’s choices in all areas of their life, economic, social and cultural, and increasing their level of achieved well-being. Development no longer sacrifices people’s lives for the sake of increasing the numerical value of some economic outputs such as Gross National Product or Income. People, and the nature of the life that they are living, is the sole end that matters.

The end of development is multidimensional. There are components of human well-being that the income measure cannot capture, such as greater access to knowledge, better nutrition and health services, more secure livelihoods, a sustainable environment, security against crime and physical violence, political and cultural freedoms, and participation in community activities. In that respect, special attention is paid to institutional mechanisms which enhance these components. Examples of such institutional mechanisms include land reforms, adequate structures of public spending oriented towards priority sectors.
like primary health care and primary education, and the elimination of discrimination barriers which prevent minority groups from entering the job market.

Another hallmark of this new development paradigm is the emphasis put on people’s agency. It is the people themselves who decide what kind of development they want. There is no genuine development without respecting people’s freedom to make decisions about their lives. People are to be empowered so that they themselves may define their local priorities as well as choose the best means to meet these. For example, referring to the choice between cultural tradition and poverty on the one hand and modernity and material prosperity on the other hand, Amartya Sen (1999b, p. 31) writes that, ‘If a traditional way of life has to be sacrificed to escape grinding poverty or minuscule longevity, then it is the people directly involved who must have the opportunity to participate in deciding what should be chosen.’ This focus on people’s empowerment can be seen as the fundamental difference with the basic needs approach, which has often been seen as the human development paradigm’s twin sister.1 People are no longer needy persons who await their governments to meet their needs of food, health or education. People are agents of their own lives and not objects of actions that are being made for them.

This radical shift in development thinking has not remained alien from events which occurred in welfare economics during the same period.2 For more than a century, a utilitarian conception of human well-being had prevailed. Sen distinguishes the following characteristic features of utilitarian economics: 1) consequentialism, according to which all choices must be judged by their consequences or the results they generate; 2) welfarism, which restricts judgements of state of affairs to the utilities in the respective states (welfarism combined with consequentialism requires that every choice must be judged by the utility levels it generates); and 3) sum-ranking, for which the goodness of one’s action is the sum of all the utilities generated by it (Sen, 1999b, pp. 58–9). Martha Nussbaum (1995b, 1997b) underlined two further assumptions underpinning this utilitarian approach to well-being: commensurability, which requires that all the consequences of one’s choices can be measured according to some measurement values; and unicity, which requires that there exists only one value according to which all choices and their consequences could be measured. Given these assumptions, income (or consumption) was quickly adopted as the major constitutive element of utility, and hence the unique measure according to which the consequences of any action could be measured.

The works of Amartya Sen and his attempts to find an alternative way of assessing human well-being in the ‘capability space’ instead of the ‘utility space’, have challenged at its deepest roots the way economics has come to understand human well-being. Sen’s pioneering works in welfare economics and social choice led him to be awarded the Nobel Prize in Economics in 1998. His ‘capability approach’ to human well-being has questioned each one of the assumptions of utility-based welfare economics. In relation to utility-consequentialism, Sen has argued for a broad consequentialism which includes other relevant information to judge states of affairs such as capabilities and human rights. In relation to the assumption of welfarism, he has argued that capabilities, and not utility levels, best represent a person’s human well-being. He has argued against the assumption of sum-ranking, affirming that each person should be considered as an end. It is the well-being of each individual human being as such which matters and not the average sum of the well-being of a population. And finally, he has challenged the assumptions of commensurability and unicity by arguing that the components of human well-being are incommensurable. There is no common measure of value to assess for example whether an increase in health standards can compensate for a decrease in educational attainments.

These new welfare economics foundations have laid down the basis of the human development paradigm.3 Development thinking is no longer based on the utility but on the ‘capability’ or ‘freedom’ view of human well-being: ‘Development can be seen, it is argued here, as a process of expanding the real freedoms that people enjoy’ (Sen, 1999b, p. 3). So opens Development as Freedom, a book which summarizes Sen’s forty year-long work in welfare and development economics. The next sections describe Sen’s capability approach to development around its three foundational elements: 1) human well-being is assessed in terms of the ‘freedoms that people have reason to choose and value’; 2) individuals are seen as the subjects of development and individual agency as central to promoting human well-being; and 3) political participation is considered as the way through which people can be agents of their own development. This book argues that these foundations will need to be expanded if the capability approach is to be a guide for development policy-making.

1.1 Human well-being and freedom

The essence of Sen’s freedom-based approach to development is amazingly simple. What matters for assessing human well-being is the nature
of the life that people are actually living, for the standard of living lies in
the living and not in the possession of commodities. Development
might well have been concerned with the achievement of better human
lives since its emergence after the Second World War, but by focusing on
the possession and consumption of commodities, it failed, Sen argues, to
take into account the fundamental aspects of the life that a human being
succeeds in living (Drèze and Sen, 1995, 2002; Sen, 1983, 1988, 1989,
1999b).

Human well-being is to be assessed not in terms of the commodities
that people consume but in terms of what people are or do like being
healthy, reading or writing, taking part in the life of the community.
Sen calls these functionings. More specifically, he considers freedom
to be one of the most basic aspects of human life. Therefore, well-being
is to be assessed not as much as in terms of what people are or do as in
terms of what they are able to be or do should they choose so. Sen calls
these capabilities, like being able to be healthy, being able to read and
write, being able to participate in the life of the community (Sen, 1980,
1985a,b,c, 1987a,b, 1992, 1993, 1999b). He defines a capability as
‘a person’s ability to do valuable acts or reach valuable states of being’
(Sen, 1993, p. 30). He emphasizes that ‘there is no difference as far as
the space is concerned between focusing on functionings or on capabili-
ties. A functioning combination is a point in such a space, whereas
capability is a set of such points’ (Sen, 1992, p. 50). While functionings
are distinct aspects of living conditions or different achievements in
living a certain type of life, capabilities reflect the real opportunities
people have to lead or achieve a certain type of life. As a consequence,
if development is a matter of increasing people’s well-being, and if
capabilities are the constitutive elements of human well-being, devel-
opment processes are to be judged in terms of capability expansion:
‘Assessment of progress has to be done primarily in terms of whether
the freedoms that people have are enhanced’ (Sen, 1999b, p. 4).

By assessing human well-being in the capability space, the capability
approach conceives the human good in a particular light. By setting
the informational basis of well-being in what people are able to do or
be, the capability approach involves conceiving the human good as
being composed of some objective components, independent of a
person’s tastes or preferences. It does involve assessing a person’s well-
being in terms of a substantive judgement about what makes her life
better. Sen has repeatedly stressed the deficiencies of subjective
approaches to well-being, especially in their inability to acknowledge
that preferences are adaptive. Deprived and oppressed people often
adapt themselves to their situations, and adjust their preferences to
their situations. For example, in sexist oppressive societies, women will
often tend to form a negative value regarding education because they
have internalized the belief that women should not receive education.
Given that preferences can be adaptive, and that people adjust their
preferences to their circumstances, Sen has argued that preferences are
a very poor guide for assessing well-being.

In contrast, in the capability approach, states of affairs, like being
able to be healthy or being able to pursue knowledge, have an intrinsic
value, independently of whether they are objects of people’s subjective
preferences. Insofar as an objective theory of the good is defined as a
theory which conceives the human good independently of an individ-
ual person’s tastes or preferences (Arneson, 1999), the capability
approach constitutes an objective and not a subjective theory of the
good. Things are not good because they are desired – being desirable
does not mean necessarily being valuable, and something can be valu-
eable even if it is not desired – but because they are part of an objective
conception of human flourishing. For example, it might be claimed
that knowledge is intrinsically good. Yet, even if some people do not
desire knowledge as part of what constitutes for them ‘good living’,
this does not mean that knowledge has no value. The capability
approach differs in this way fundamentally from a subjective theory
of the good like the utilitarian view of well-being. The capability
approach ‘makes room for a variety of doings and beings as important
in themselves (not just because they may yield utility, nor just to the
extent that they yield utility)’ (Sen, 1992, p. 43).

Despite the fact that the capability approach embeds an objective
theory of the good, Sen is very reluctant to put forward a comprehen-
sive conception of the good: ‘The evaluation of capabilities does not
have to be based upon a particular comprehensive conception that
orders ways of life’ (Sen, 1992, p. 83). He deliberately avoids identify-
ing the capabilities that are valuable to promote. He talks diplomati-
cally about the ‘capabilities that people have reason to choose and
value’ without specifying the reasons people might have to choose
and value certain capabilities instead of others. He asserts that the
capability approach only ‘specifies a space in which evaluation is to
take place, rather than proposing one particular formula for evalua-
tion’ (Sen, 1988, p. 18). Proposing such formula is extremely difficult
given that the different capabilities will vary in importance and prior-
ity across different societies (for example, the capability to read and
write might be the priority in one society, while the capability to
access university education might be the priority in another). Also, given informational availability, one will have to focus in some contexts on the achievements themselves and not the capability set. Moreover, capabilities do not exhaust what is relevant for well-being evaluation. Rules and procedures can be equally important information for assessing well-being as outcomes (Sen, 1999b, p. 76).

All these reasons lead Sen to conclude that the capability approach is ‘inescapably pluralist’ (Sen, 1999b, p. 76), and that, ‘there is no escape from the problem of evaluation in selecting a class of functionings – and in the corresponding description of capabilities’ (Sen, 1992, p. 44). The choice of relevant capabilities has to be related to the underlying social concerns and values within a particular society. It is the public reasoning in each society which is to determine which capabilities are valuable to promote (Sen, 2004a,b). There is no single easy way out of the problem of valuing the freedoms that people have reason to choose and value, as Sabina Alkire’s pioneering book, _Valuing Freedoms_, has testified.

This inescapable pluralism is coupled with incompleteness (Alkire, 2002b). By refraining from specifying the content of the constitutive elements of human well-being, the capability approach is open to many different specifications of what the valuable capabilities are, and is open to many different ways of specifying these. The description of human well-being can only ever be fundamentally incomplete. Even if it was not erroneous to try to find a complete ordering of what constitutes human well-being, we could not identify it in practice. This is what Sen calls the ‘fundamental and pragmatic reasons for [the] incompleteness’ of the capability approach (Sen, 1992, p. 49).

Despite its incompleteness, he argues that the capability approach still has a ‘cutting power’, ‘both because of what it includes as potentially valuable and because of what it excludes from the list of objects to be weighted as intrinsically important’ (Sen, 1992, p. 49). Even if it is impossible to determine quality of life in an exhaustive and precise way, the capability approach is superior to the utilitarian approach as a way of assessing human well-being, for ‘it is better to be vaguely right than precisely wrong’ (Sen, 1987a, p. 6), and for ‘babbling is not, in general, superior to being silent on matters that are genuinely unclear or undecided’ (Sen, 1992, p. 134).

In addition to conceiving the human good as objective, plural and incomplete, the capability approach sees the human good within the particular light of freedom. It first distinguishes achievements from the freedom to realize these achievements, whether in terms of agency or well-being. While individual agency is ‘the realisation of goals and values a person has reasons to pursue, whether or not they are connected with her own well-being’ (Sen, 1992, p. 56), agency freedom is ‘one's freedom to bring about the achievements one values and which one attempts to produce’ (Sen, 1992, p. 57). While well-being is constituted by the set of valuable beings and doings that a person actually achieves, well-being freedom is ‘one's freedom to achieve those things that are constitutive of one's well-being’ (Sen, 1992, p. 57). The capability approach then affirms that what matters as far as human well-being is concerned is not so much the achievements in themselves, but the freedom to achieve them. Human freedom is the core constituent of a ‘good human life’. Sen often gives the example a fasting monk and a starving child. Both may show the same levels of nutritional deficiency, but the monk has the capability to be adequately nourished. He has the freedom to choose between eating and not eating, while the starving child does not have such freedom.

Sen defines freedom as ‘the real opportunity that we have to accomplish what we value’ (Sen, 1992, p. 31). He further divides this notion of freedom into the opportunity and process aspects of freedom. The opportunity aspect pays attention ‘to the ability of a person to achieve those things that she has reason to value’, and the process aspect pays attention to ‘the freedom involved in the process itself’ (Sen, 2002a, p. 10). The notion of capability refers to the opportunity aspect of freedom (Sen, 2004b, p. 332). In this respect, what matters is not so much control over one’s decisions but indirect freedom. One’s freedom (in the opportunity sense) is not reduced when one has what one would anyway have chosen to have (Sen, 1983, 1993). For example, even if one has not been able to have a say in the policy of a country to eradicate malaria, one’s freedom has not been reduced as one would anyway have chosen to live a malaria-free environment.

Sen concludes that this focus on freedom rather than on achievement ‘can provide a general framework for analysing individual advantage and deprivation in a contemporary society’ (Sen, 2002a, p. 83). Such freedom can even been seen as ‘constitutive of the goodness of the society which we have reasons to pursue’ (Sen, 1992, p. 151). If freedom constitutes the good that societies ought to pursue, and if development is a process which seeks to promote the good of societies, it then naturally follows that development ought to be concerned with expanding such freedom.
1.2 The freedoms of individuals

By assessing quality of life in capability space, the capability approach ‘treats the freedoms of individuals as the basic building blocks [of development]’ (Sen, 1999b, p. 18). This implies that individuals are the very subjects of development. They are the ends of development and the means through which it occurs. Development is to be assessed in terms of whether the freedoms that individuals have are enhanced, and it is to be achieved through the free agency of individuals. For example, speaking of the deep afflictions of humankind in the forms of hunger, malnutrition, preventable diseases, poverty, oppression, Sen underlines that ‘we have to recognize the role of individual freedoms of different kinds in countering these afflictions. Indeed, individual agency is, ultimately, central to addressing these deprivations’ (Sen, 1999b, p. xi).

Individuals are obviously not considered in isolation from their social setting. Individuals are ‘quintessentially social creatures’ (Sen, 2002b, p. 81). The thoughts, choices and actions of individual human beings cannot be separated from the particular society in which they live. Individual freedom is itself a ‘quintessentially a social product’ (Sen, 1999b, p. 31), for the freedom and agency that each individual possesses is ‘inescapably qualified and constrained by the social, political and economic opportunities that are available to us’ (Sen, 1999b, p. xi–xii). As Jean Drèze and Amartya Sen (2002, p. 20) conclude in their book *India: Development and Participation*, such ‘a freedom-centred view [of development] calls for an institutionally integrated approach’. For example, the capability of women to read and write may often be deeply hindered by social arrangements or social norms affecting women’s lives, the capability to be healthy may greatly be enhanced by the social arrangement of family kinship (and their implicit duty of mutual help), the capability of indigenous people to maintain their language and traditions cannot exist without an adequate legal framework that fully protects and implements the rights of cultural minorities. As chapter 6 will discuss, the capability of Costa Ricans to be healthy is crucially dependent on the existence of key welfare institutions, or their capability to live in a clean environment is deeply connected to the collective belief that bio-diversity cannot be forsaken for economic interests, and to the existence of a legal and enforcement framework reflecting that collective belief.

Development and the expansion of freedoms cannot therefore occur without the presence of institutions. But the capability approach does not consider the relationship between individual freedoms and institutions as one-way. While social arrangements are crucial for promoting the freedoms of individuals, these are in turn crucial for making social arrangements more effective in promoting freedoms. For example, the freedom to participate freely in elections can be a way of transforming social arrangements by voting for a political party which will strive towards universal health coverage. Referring to the case studies of this book, it is because Costa Ricans voted for decades for the same party, the party which was the driving force behind the expansion of welfare institutions, that the necessary institutional arrangements for them to exercise their capability of being healthy were guaranteed. By voting for other parties in recent years, the Costa Ricans are themselves undermining the guaranteeing of such institutions. In the Dominican Republic, it is because political participation has been characterized by decades of political clientelism that the necessary institutional arrangements for universal health coverage have yet to come into existence.

Given that the actions of individuals are central for development, the capability approach pays careful attention to the motivations which inhabit individual actions, and especially to those which are conducive to the enhancement of individual well-being. In contrast to neo-classical economic theory, which has tended to consider human beings as self-interested individuals who act only to maximize their own utility level, the capability view of well-being gives ample consideration to the role that people’s concerns for others’ well-being play in the pursuit of individual well-being. Following Adam Smith, Sen (1982) identifies two crucial moral sentiments for human action to be conducive to well-being enhancement: sympathy, where concern for others directly affects one’s own welfare, and commitment, where concern for others is independent of one’s own welfare and one’s choice is not motivated by its effects on one’s own welfare. These other-regarding concerns act as powerful and necessary instruments to promote development and increase the individual freedoms of those who suffer from destitution (Sen, 1999b, p. 270). Sen gives the following example. One can help a destitute person because one feels unhappy and uncomfortable at the sight of this destitution. Helping the poor as a way of alleviating one’s unhappiness and making oneself more comfortable would then be a sympathy-based action. But one can also help a destitute person because one thinks that it is not fair for someone else to suffer from destitution while one is not. In this case one’s action would be based on commitment.
Despite the stress upon the sets of motivations needed to promote individual freedoms, and despite the crucial role of social arrangements in the construction of these freedoms themselves, Sen’s capability approach considers only individual human beings as the proper subjects of development, not some supra-individual subject. For example, ethnicity, family structures or a society’s democratic culture may well be very important elements in enhancing or impeding individual freedoms, but these social arrangements remain to be ‘investigated in terms of their contribution to enhancing and guaranteeing the substantive freedoms of individuals’ (Sen, 1999b, p. xiii). As Sen (2002b) emphasizes, the effects of all actions finally bear upon the lives that human beings live, lives which are lived only by individuals and not by some kind of supra-individual subjects. Individual lives are deeply dependent and inter-connected, but they are not in fusion. This is why he concludes that ‘the intrinsic satisfactions that occur in a life must occur in an individual’s life, but in terms of causal connections, they depend on social interactions with others’ (Sen, 2002b, p. 85).

1.3 Agency and political participation

The capability approach does not consider individual freedom as only the end of development, but also as the means through which development occurs. The ‘achievement of development is thoroughly dependent on the free agency of people’ (Sen, 1999b, p. 4). Each person has to be seen as a ‘doer and a judge’ and not a ‘beneficiary’ (Sen, 1985b, p. 208). People are not to be considered as passive spoon-fed patients of social welfare institutions, but as active subjects of their own destiny. Development rests on ‘the ability of people to help themselves and to influence the world’ (Sen, 1999b, p. 18).

Given this, the capability approach grants a fundamental role to public debate and democratic decision-making, or in more generic terms, to the ability of people to participate in the life of the community and to take decisions in matters that affect their own lives (Alkire, 2002b, pp. 129–143; Sen, 1999a). It distinguishes three specific roles that public debate has in development. First, democratic freedom is of fundamental intrinsic worth – it is one of the most fundamental capabilities constituting human well-being. Such ability ‘to do something not only for oneself but also for other members of the society’ is ‘one of the elementary freedoms that people have reason to value, [...] even among people who lead very deprived lives in material terms’ (Drèze and Sen, 1995, p. 106). Second, given the open-endedness and the plurality of the different capabilities that people have reason to choose and value, democratic freedom plays a crucial role in specifying and choosing the capabilities which are worth being promoted. The ‘role of public discussion and interactions in the emergence of shared values and commitments’ (Sen, 1999b, p. 253), is essential in specifying a society’s underlying values and in choosing the capabilities which are valuable and worth pursuing. As Sen notes, ‘there is a strong methodological case for emphasizing the need to assign explicitly evaluative weights to different components of quality of life (or of well-being) and then to place the chosen weights for open discussion and critical scrutiny’ (Sen, 1999b, p. 81). For example, if a community has to choose between being economically poor with breathtaking landscapes and being moderately prosperous blanketed with unsightly features and smokestacks, the decision should depend on the underlying social concerns and values that people who form the community express through public discussion. The role of participation also extends to the choices of the means that will bring about the chosen priorities, and hence to the kind of policies required to promote the chosen capabilities. And finally, democratic freedom is of constitutive importance in value formation. It clarifies and constructs a society’s values and priorities, it builds consensus and achieves compromises that prevent conflicts.

Despite the crucial role of democratic decision-making for promoting the freedoms that people have reason to choose and value, the capability approach does not go beyond a consequential assessment of development. Sen defines consequential evaluation as ‘the discipline of responsible choice based on the chooser’s evaluation of states of affairs, including consideration of all the relevant consequences viewed in the light of the exact circumstances of that choice’ (Sen, 2000a, p. 477). He defends a broad consequential approach to decision-making, where the informational basis of evaluation is broadened beyond the space of utilities to include individual freedoms and rights. The success of public debate in choosing the valuable capabilities and actions that promote these, is to be assessed in terms of their consequences for individual freedoms. Sen warns especially of the dangers of adopting policies according to a procedural framework irrespectively of the consequences that policies entail. The only criteria for decision-making are that public decisions be democratically agreed upon – in some ways, one can say that the exercise of political freedom is the only procedure the capability approach adopts – and that these decisions have positive consequences for the expansion of the freedom of people to lead lives they have reason to value.
1.4 From development theory to praxis

Analysed through the conceptual framework of the capability approach, a society is more ‘developed’ when its individual members have benefited from a greater freedom to achieve what is constitutive of their well-being, or alternatively, when that society has removed the unfreedoms (such as the lack of economic opportunities, lack of access to public services, lack of respect, intolerance, tyranny of abusive states) which prevent its members from achieving what they have reason to choose and value. As Sen summarizes it, ‘Development consists of the removal of various types of unfreedoms that leave people with little choice and little opportunity of exercising their reasoned agency. The removal of substantial unfreedoms is constitutive of development’ (Sen, 1999b, p. xii).

As underlined earlier, the capability approach marks a very welcome shift in development thinking. Its conception of well-being, with its focus on the nature of lives that people are actually living, its multidimensionality and incompleteness, and its stress on public debate to determine the ends and means of development, have brought human beings at the centre stage of the development process. However, despite proposing a new way of conceiving development, the capability approach does not claim to be a complete theory of development, like modernization theories of development were in the 1950s or 60s or the basic needs approach in the 1970s. According to Alkire, the major insights of the capability approach lie in the affirmation that ‘the objective of both justice and poverty reduction should be to expand the freedom that deprived people have to enjoy “valuable doings and beings”’ (Alkire, 2005b, p. 117).

Alkire defines the capability approach as a proposition because it does nothing more than propose to set the evaluation of social arrangements in the space of capabilities. The capability approach states only that any policy should be undertaken with the ultimate purpose of expanding the capabilities that people have reason to choose and value. It limits itself to focusing on the informational basis for ethical judgements – ethical judgements are informed by the expansion of people’s freedoms. It does not advocate some specific way of identifying what people might have reason to choose and value – except public debate and democratic decision-making –, and even less some programme of actions to realize the ends it advocates. Alkire (2005b) concludes that the objective of expanding the freedoms of people to enjoy valuable beings and doings is the fundamental strength of the capability approach. Development rests on that objective.

As such, the capability approach does not claim to be a theory of development. It is an approach to development. It does not pretend to be a theory designed to specify ways according to which societies should be arranged. Sen emphasizes that the idea of capability refers to ‘characteristics of individual advantages’ but that it ‘fall[s] short of telling us enough about the fairness of or equity of the processes involved’ (Sen, 2004b, p. 336). The capability approach limits itself to finding an alternative evaluative space to utility for assessing human well-being, and is not concerned with the fairness, equity and efficiency of the processes involved in expanding freedoms. The capability perspective is thus not a fully-fledged theory of justice, but is ‘primarily a framework for thought’ (Robeyns, 2005, p. 96).

However, looking beyond its objective of expanding the capabilities people have reason to choose and value, the capability approach seems to hide more than simply a ‘proposition’, or a ‘framework for thought’ when assessing human actions according to certain ends. If its self-assigned task is the ‘removal of various types of unfreedoms that leave people with little choice and little opportunity of exercising their reasoned agency’, the internal logic of the capability approach would seem to require a more fully-fledged theory of development than a proposition. By limiting itself to specifying a particular space in which actions ought to be assessed, the capability approach implicitly entails that societies should be arranged in some ways rather than others, namely in ways that will enable people to enjoy the capabilities they have reason to choose and value.

As an approach which offers new ways of looking at poverty, the capability approach is implicitly a call to (ethical) action. It does not limit itself to simply assessing poverty as a lack of freedoms, and to finding ways of measuring these freedoms, but is an invitation to act in order to remove the obstacles which prevent these freedoms to be fulfilled. It is in this respect similar to utilitarian economics, which, by setting the evaluation of well-being in terms of utility levels, defined certain frameworks of action to increase people’s levels of utilities. By setting the evaluation of well-being in the capability space, the capability approach defines certain frameworks of action which will be ethically acceptable given the overall objective of promoting the freedoms that people have reason to choose and value. In other words, the capability approach is a development theory which is called, by its very essence, to be development praxis.
The word ‘praxis’ has heavy Marxist connotations. The reader might expect to find in this book inspiration for a revolutionary praxis that would see the birth of a new society without poverty and unnecessary suffering, that would make development a freeing process from whatever prevents people from living a life they would have reason to choose and value. By affirming that the capability approach is a development theory called to be development praxis, I am referring, not to the Marxist notion of praxis, but to its Aristotelian roots. I am referring to praxis as ethical action.

Aristotelian ethics distinguishes two forms of human actions: making (poësis/technê) and doing (praxis), the former belonging to the technical domain and the latter to the ethical. The notion of praxis specifically refers to the ethical action in the political community: how to take action as a community towards the good life together (Nicomachean Ethics 1103b2–5, 1140b5–10). Taking Paul Ricoeur’s Aristotelian definition of ethics as aiming to live a good life, with and for others and in just institutions (Ricoeur, 1992, p. 172), the praxis of development reters to actions which build just institutions so that the well-being of the members of a certain society can be ensured. Precisely because the capability approach contains the ethical proposition that actions have to be assessed according to their consequences for the expansion of human freedoms, it sets a framework for ethical action. It prescribes that actions which increase human freedoms are ethically superior to those actions which do not have such consequences.

Development praxis, or action aimed at promoting human well-being, or in short ethical development action, is manifested through the countless actions of countless actors: from the international NGOs which are leading an international campaign for fair trade to small initiatives in rural villages which are providing literacy programmes for women, from the International Labour Organization which is working towards abolishing child labour to the trade unionist who is in prison in some dictatorship for speaking out about unjust labour conditions, from a government which decides to nationalize the extraction of its natural resources for the sake of not selling its wealth to foreign investors to the local population who demonstrate against the rising costs of water and other basic necessities. All these are countless examples of development praxis, of ethically laden actions taken by individuals and institutions for the sake of the well-being of the members of a community.

The purpose of this book is to examine, theoretically and empirically, to what extent the capability approach, as Amartya Sen initially framed it, can provide adequate theoretical foundations for a praxis of development. It will examine the extent to which the capability approach will need to be brought closer to a fully-fledged theory of development, and will need to have its existing ethical foundations expanded if they are to guide development praxis. In order to proceed with such examination, the capability approach will be scrutinized in interaction with the reality of the practice of development, as exemplified by the development policies undertaken by governments and the public at large.

By using the term ‘development policy’, I am referring to what the capability approach often refers to as ‘public action’, which it considers as ‘policy and governance, on the one side, and cooperation, disagreement and public protest on the other’ (Drèze and Sen, 2002, p. v). Drèze and Sen understand public action not only in terms of the activities of government but also in terms of the activities undertaken by the public, through collaborative actions (such as the participation of a group of citizens in the design and spending of a municipal budget) or adversarial action (such as demonstrations against nuclear testing). What characterizes ‘public action’ is that it is a political action. Public action consists of actions undertaken by and in the political community. In order to bring the notion of public action closer to the political framework to which it belongs, I prefer to use the term ‘policy’ rather than public action to refer to the actions taken by government and the public at large to promote human well-being.

There has been a long tradition in development thinking of considering the concept of policy detached from the political community in which policies are decided and undertaken. In an anthropological study of the actions of various development agencies in Lesotho in the 1980s, Ferguson (1990) highlights the dangers of a technical and depoliticized use of the notion of policy. In that depoliticized context, he argues that poverty is seen as something that requires technical action from ‘experts’ attached to the government, but is not seen as a political problem, to be resolved through politics and conflicting interests. His anthropological study has led him to conclude that, ‘development is an “anti-politics machine”, depoliticising everything it touches’ (Ferguson, 1990, p. xiv). Politics, along with history, has been swept aside from development action. In that aseptic, depoliticized conception of policy, the state has become ‘a machine for implementing “development” programmes, as an apolitical tool for delivering social services and engineering economic growth,’ it had become a ‘machinery [which] has policies, but no politics [in the sense of certain
groups and interests controlling the government action’ (Ferguson, 1990, pp. 65–6).

Sen’s capability approach by no means provides the theoretical basis for depoliticized development policies. Sen underlines, for example, that policy-making ‘depends on a number of influences, going beyond the prevalent notion of what should be done, […] there are political issues in policy-making’ (Sen, 1981, p. 19). One can thus not conclude that political aspects, conflicts and issues of power are absent from the capability approach to development. As Drèze and Sen’s most recent analysis of policy-making in India testifies, the capability approach fully takes into account that the translation of economic opportunities into social opportunities is an ‘inescapably political process’ (Drèze and Sen, 2002, p. 323). Yet, the capability approach does not appear to incorporate fully the consequences of these political and conflictual aspects for its theoretical foundations. This is what this book will set out to do.

I will argue that the capability approach will need to expand each one of its theoretical foundations if it is to be an approach for guiding development praxis, if it is to provide theoretical insights for orienting development policies towards the removal of unfreedoms. First, the capability approach sets the evaluation space of well-being in the freedoms that people have reason to choose and value. Chapter 2 argues that, by equating human well-being with freedom, Sen’s capability approach contains tensions, which will need to be loosened when it becomes a guide for development praxis. It especially argues that the ‘freedoms that people have reason to choose and value’ as end of development policy will need to be given content, and that these freedoms will need to be considered as fundamental features of human well-being and not as ‘choices’. Second, the capability approach views individual human beings as units of moral concern and individual agency as central in development. Chapter 3 argues that, because of the socio-historical dimension of human freedom and agency, concepts of collective capabilities and of socio-historical agency will need to be given a more pre-eminent role in the capability approach than they currently are. Third, the capability approach gives a central role to participation and public debate in removing unfreedoms. Chapter 4 argues that the link between democratic decision-making and the promotion of other human freedoms is not necessarily positive in practice. It argues that, for human freedoms to be effectively promoted, the capability approach’s consequential evaluation of human well-being will need to be supplemented with a procedural evaluation which assesses the exercise of political freedom on the basis of certain normative principles of decision-making.

The remaining chapters illustrate these theoretical arguments by discussing two case studies, Costa Rica and the Dominican Republic. Chapter 5 sets out the rationale for examining development theory and practice in an interactive mode as well as the rationale for the choice of the two case studies. Chapters 6 and 7 narrate the development stories of Costa Rica and the Dominican Republic. These stories highlight that a country’s capability to promote human well-being depends on a dialectical process between human choices and the reality that these human choices build up throughout a country’s history, opening up or closing down opportunities for undertaking development policies that enhance human well-being. In particular, the way people participate in the life of the community rests upon that collective and historical legacy. These collective and historical dimensions have not yet well been integrated into the capability approach. A methodology for doing this is proposed.
Human Well-Being and Freedom

If there is some end of the things we do [...] clearly this must be the good. Will not the knowledge of it, then have a great influence on life? Shall we not, like archers who have a mark to aim at, be more likely to hit upon what we should? If so, we must try, in outline at least, to determine what it is.

Aristotle, *Nicomachean Ethics* 1094a18–25

Paraphrasing Sen’s definition, the *Human Development Reports* define development as a process of ‘expanding choices and opportunities so that each person can lead a life of respect and value’ (UNDP, 2000, p. 2). However, a quick glance at the reports shows us that they have not particularly kept the insights of Sen’s capability approach for assessing human well-being in terms of the ‘freedoms that people have reason to choose and value’. They have assessed the successes and failures of countries in undertaking actions towards the enhancement of human well-being on the basis of a set of functionings and not on the basis of people’s abilities to achieve these functionings should they so choose. For example, the capability of people to be adequately nourished has been assessed through malnutrition statistics. The freedom that people have to be adequately fed, should they so choose, has not been reflected in the data. Moreover, although ‘expanding choices’ is to be the end of development, the reports have not considered all choices as having equal value, but have regarded some choices as more privileged than others, even if some people might not value these choices. For example, literacy is seen as a better state than illiteracy; gender equality is always considered as a good that all societies should promote; living in a non-polluted environment is always something desirable; the absence of freedom of expression is never considered a good; the destruction of a cultural heritage or the disappearance of a minority language is never seen as a successful achievement of development; and the capabilities of consuming alcohol or drugs never seem to be capabilities worthwhile to be promoted, even if some people might value them highly.

Why have the *Human Development Reports* not kept these insights of the capability approach – that well-being is to be assessed in terms of the freedoms of people to do or be what they have reason to choose and value – in their practical work? Is it because of a current dearth of a sound methodology that would assess the freedoms that people have reason to choose and value, so that the only evaluation option left is that of assessing a set of some pre-valued functionings? Or is there something in the capability approach which transforms the theory when it becomes an inspiration for development praxis?

I will argue that the latter answer is the case. The capability approach can retain its theoretical foundations – such as setting the ‘freedoms that people have reason to choose and value’ as a policy goal or valuing human well-being in the capability space – only with difficulty when it becomes a guide for development praxis. This chapter examines the reasons why, paradoxically, the capability approach has to be less of a freedom-centred approach to development if it is to retain its ambition of being a guiding theory for policies that effect the removal of unfreedoms. The chapter begins by discussing the central importance that Sen’s capability approach gives to freedom in setting the evaluation space of development in the capabilities that people have reason to choose and value. It then examines Martha Nussbaum’s attempts to solve the tensions inherent to equating well-being with freedom by building a list of central human capabilities that governments ought to provide the conditions for. It argues that her approach continues to equate well-being with freedom, and consequently faces similar tensions as Sen’s. The chapter concludes by suggesting pragmatic ways for solving these tensions.

2.1 Well-being as freedom

2.1.1 Perfectionism and liberalism

By seeing human freedom as the most basic constituent of human well-being, indeed by seeing freedom as ‘constitutive of the goodness of the society which we have reasons to pursue’ (Sen, 1992, p. 151), the capability approach situates itself within one particular philosophical tradition, namely the liberal philosophical tradition.
Political philosophy has been divided between two major ways of conceiving human well-being (or kinds of theory of the human good), known by the labels ‘perfectionism’ and ‘liberalism’. According to perfectionism (Hurka, 1993, 1998), certain features of human life such as knowledge, health or artistic creation, are good independently of any subjective preferences or choices. Their presence makes life better, whether one desires them or not, and their absence impoverishes human life. The foundational idea of perfectionism is that the perfection of human excellences ought to be the aim of human action, human excellences being understood as fundamental features of a good human life. Because there are certain features which are constitutive of what makes life properly or fully human, the good life is the life that most perfects these. In a perfectionist framework, the role of government amounts to establishing institutions (legal, economic and social) through which the features that constitute a good human life will be brought to fulfillment. The role of government consists in ‘creating and maintaining social conditions that best enable their subjects to lead valuable and worthwhile lives’ (Wall, 1998, p. 8).

Individuals have the freedom to pursue what they consider as good only within certain institutions which are as conducive as possible to the perfection of human excellences. In other words, perfectionism affirms that people are free to pursue a life of their choice only when there exist institutions which provide the conditions for the fulfillment of certain constitutive features of human life to all.

Perfectionist theories of the good should not be mistaken for being merely objective. While all objective theories of the good conceive human well-being as composed of some objective elements, independently of a person’s tastes or preferences, perfectionist theories of the good make the further claims that these elements are fundamental features of a fully human life, and that they are to be perfected through adequate social arrangements. Objective theories of the good need thus not be perfectionist, while all perfectionist theories of the good are objective.3

Whether the capability approach is a perfectionist theory of the human good or simply an objective theory (Sen originally presented it as the latter) has important practical implications. If the capability approach is seen as a perfectionist theory of the good, this implies that human beings have certain features which need to be perfected, and that governments are morally obliged to provide the conditions for their perfection. If it is an objective but not perfectionist theory of the good, it is limited to affirming that human well-being is composed of objective elements, but does not make either of those additional claims.4

Despite the long support for perfectionism in the history of philosophy (for example, Aristotle, Aquinas and Marx all endorsed the foundational idea of perfectionism), contemporary political philosophy has tended to regard perfectionist theories with some aversion on the grounds that they are hostile to the values of liberty and autonomy. Indeed, perfectionism might promote ‘state coercion to force people into excellence’ (Hurka, 1993, p. 147) if some lives are considered better because they most perfect human excellences, whether people would actually choose such lives or not. As choices may be infringed if they are detrimental to perfecting the realization of some basic features of what is seen as a good human life, perfectionism has often come to be associated with paternalism; namely the view that it is legitimate to restrict an adult’s liberty and autonomy for the sake of his or her own good.

Often opposed to perfectionism, liberalism is characterized by respect for the freedom of people to pursue their own conception of the good.5 A policy which gives incentives for people to live in a way that most perfects human life, threatens the freedom of each human being to pursue the good she chooses to pursue. In a liberal (and anti-perfectionist) framework, the government may not limit individual liberty for the reason that some activities are more worthy of pursuit than others. The state should remain neutral in defining what the good life is, and should limit itself to promoting the resources and conditions for people to live a life of their choice. Each individual is the best judge of what is good for her, and one should not interfere with her choices unless they infringe on someone else’s freedom. John Stuart Mill’s non-harm principle is the guiding principle of such liberalism: ‘The only purpose for which power can be rightfully exercised over any member of a civilized community, against his will, is to prevent harm to others. His own good, either physical or moral, is not a sufficient warrant’ (Mill, 1859, p. 223). Liberalism can be considered as a form of anti-paternalism. The government may not limit the freedom of adults to pursue what they consider as good.

In contemporary Anglo-Saxon political philosophy, liberal (and objective) theories of justice have prevailed. John Rawls’s theory has been by far the most influential. It was first published in 1971 in A Theory of Justice and then revised in various ways as articulated in Political Liberalism (1993). It is based on the assumption that in liberal democracies ‘equal citizens have different and indeed incommensurable
and irreconcilable conceptions of the good’ (Rawls, 1993, p. 303). The aim of Rawls's revised theory is to find a specifically political conception of justice which people with different conceptions of the good can endorse. Such a political conception of justice is, he argues, at the kernel of an overlapping consensus among people's different conceptions of the good. He uses the device of the ‘original’ position, in which people are behind ‘a veil of ignorance’: ‘The parties [in the original position] are not allowed to know the social position of those they represent, or the particular comprehensive doctrine of the person each represent’ (Rawls, 1993, p. 24). On this basis, Rawls establishes a list of ‘primary goods’ which are those necessary for people if they are to pursue their conceptions of the good whatever these are: ‘We stipulate that the parties [in the original position] evaluate the available principles by estimating how well they secure the primary goods essential to realize the higher-order interests [the conception of the good] of [each] person’ (Rawls, 1993, p. 75). These primary goods are: a) basic rights and liberties; b) freedom of movement, freedom of association and freedom of occupational choice against a background of diverse opportunities; c) powers and prerogatives of office and positions of responsibility in political and economic institutions of the basic structure; d) income and wealth and finally; e) the social bases of self-respect (Rawls, 1993, p. 181).

2.1.2 Perfectionism in the capability approach

Sen’s capability approach emerged as a powerful critique of the preference approach to human well-being. People’s preferences can be severely deformed, and are therefore an unreliable guide for formulating and assessing development policies. I will not summarize the extensive critiques which Sen has made of the preference approach and which have already been carefully summarized by others (see for example Alkire, 2002a,b; Sen, 1982, 1985b, 1999b, 2000c). What I would like to underline is that Sen’s critiques have focused on the failure of the preference approach to take into account the reasons people have for revealing their preferences. For example, if oppressed women in sexist societies show a negative preference towards education, such a preference needs to be considered in the light of its underlying reasons, such as, possibly, the oppressive sexist structures in which women have grown up and which they have internalized within their own beliefs. Despite the fact that the assessment of human well-being has shifted from preferences to the capabilities that people have reason to choose and value, the same objections which have been made against the revealed preference approach seem to apply to Sen’s capability approach itself. This is because seeing the evaluation space of well-being in terms of the capabilities that people have reason to choose and value does not imply a normative judgement on the reasons that people have to choose and value certain capabilities. Sumner (1996, p. 63) has, for example, noted that Sen’s capability approach risks ending up being a subjective theory of the good given the ‘indispensably constitutive role’ of individual or social valuing in defining valuable capabilities.

Let us consider the example of a public opinion poll carried out in the Dominican Republic regarding what people saw as the most pressing issues that the government had to deal with (EIU, 2001). The poll published the following results: 30 per cent of the population saw electricity shortages as the most pressing issue, followed by the high cost of living (24 per cent), the high criminality rate (14 per cent), unemployment (12 per cent), and finally education (4 per cent). Taking the end that policies should pursue as the ‘capabilities people have reason to choose and value’, the policy priorities should hence follow this order: the capability to conduct electricity-based activities, the capability to buy life necessities at a moderate price, the capability to walk safely in the streets, the capability to have employment, and finally the capability to be well educated. But because a majority has decided that education is not a priority issue, does this entail that the government must devote few resources to that end? In a country where educational achievements are very low (see chapter 5), one may doubt that education should be a very low policy priority. People might value and choose a capability on the basis of wrong reasons. The emphasis on the ‘capabilities that people have reason to choose and value’ may show similar deficiencies to those of the revealed preference approach as a guide for development praxis. Sen’s capability approach does not apparently give a normative account of the reasons why people value certain capabilities rather than others.

At a closer glance, it does however sketch such a normative account by insisting on the role of public debate to distinguish the capabilities which are more and less valuable. What matters is not merely the capabilities people value and express through opinion polls, but the capabilities people have reasons to value after discussion and deliberation in the public space. But the reasons which are expressed through democratic processes might not always be ‘good’ reasons conducive to enhancing the well-being of the population as a whole. For example, a country may decide to allocate more resources to the military than to
the education sector because the people in that country have expressed, through democratic processes, that the capability for their country to be a nuclear power was more valuable than the capability to be educated. (I make here already the normative claim that promoting education is normatively better than promoting nuclear weapons. As will be discussed below, there exist substantive ideas about what human well-being is and democratic outcomes would need to be critically examined in the light of these.)

One of the main problems with leaving the valuation of capabilities to what people have reasons to choose and value is that people may value capabilities on the basis of reasons that are good for themselves as particular individual human beings, but not good for themselves as members of a wider human community (Richardson, 2002). A person may, for example, vote in favour of a tax cut which benefits her but prevents the society as a whole from generating resources to help the worst off. For example, the Costa Rican economy is experiencing a deep fiscal crisis which requires certain policy decisions in order to ensure the survival of the welfare state. The government had been trying to solve the crisis in a participatory way, according to what people thought the government should do. But as each particular group is trying to advance its own interests, making decisions according to what individuals or groups have reason to choose and value (e.g. the capability to pay light taxes) and not making decisions according to what, collectively, they may well have reason to choose and value (e.g. capability to maintain welfare institutions), will have important long term consequences for the whole country.

Moreover, even if people might collectively have strong reasons to choose and value certain capabilities and undertake the necessary actions to provide the conditions for these capabilities (for example, they might decide that each person should have the capability to be healthy and take the necessary actions to provide free public health services for all), they might face constraints which make them unable actually to choose what they have good reasons to choose and value. For example, Costa Ricans in 1981 had strong reasons to choose and value continuing their policies of securing the capability for health and education for all. Yet there were international constraints (such as the oil crisis which led to a surge in interest rates), which entailed that Costa Ricans simply did not have the possibility to keep what they had strong reasons to value. Prevailing global ideologies also act as powerful international constraints which obstruct a country’s capacity to pursue what it has reason to choose and value. For example, an ideology which affirms that market mechanisms are always the best ways for providing social services often leaves countries with little choice other than privatizing some public services.

Another major problem with leaving the choice of valuable capabilities to democratic processes is that these occur within structures of inequality. Given these, the reasons that are expressed through democratic processes will often be those advanced by the most powerful. Chapter 4 will examine more deeply the implications of structures of inequality for the role that the capability approach grants to democratic processes in determining a society’s values and its policy goals. It will put forward a substantive understanding of democracy, for which democracy is seen ‘as a political system allowing individuals opportunities for informed participation in the political process whose purpose is the promotion of sound decisions’, and whose purpose is ‘to serve the well-being of people’ (Raz, 1994, p. 102).

Given these limitations of democratic processes in defining the ‘good reasons’ that people may advance for valuing this or that set of capabilities, the capability approach would require, if it is to be a guiding theory for praxis, a much fuller account of the reasons people have to value certain capabilities. Sen remains however very cautious in proposing a fuller account, beyond public debate, of the freedoms people have reason to choose and value. There are indeed good reasons for him to be cautious. What appears as a good reason at a particular time may not appear good at another time, and what appears as a good reason in a particular culture may not appear good in another culture. For example, in medieval Europe, people had good reasons to consider the capability to live in a walled city as something valuable to pursue, given the threats from invasions, and not to value the capability to live in a city with gutters. Nowadays, given the discovery of the importance of hygiene, urban European citizens have good reasons to value the capability to live in a clean city rather than the capability to live in a walled city. Or a particular society, such as a nomadic tribe, may have good reasons not to value the capability for education because sending its children to a sedentary school would threaten the survival of its nomadic culture. But in another culture, if some parents refuse to send their girls to school because of their gender, that society would have good reasons to value the capability for education.

As what counts as a ‘good’ or ‘bad’ reason to choose and value a certain capability is never fixed but always historically and culturally situated, Sen’s capability approach prefers to leave the matter undecided. It consequently deliberately avoids identifying the valuable
capabilities which are to be promoted. Capabilities are thus not fundamental ‘excellences’ of human life for which there is a moral obligation to perfection. In that sense, Sen’s capability approach is a liberal political project, and shares with Rawls’s political liberalism the concern for respecting people’s freedom to choose their own conception of the good. Both Sen and Rawls acknowledge the fact that people have different ends and that this must be respected.

Sen is well aware that ‘there is no escape from the problem of evaluation in selecting a class of functionings – and in the corresponding description of capabilities’ (Sen, 1992, p. 44), and that one will have to give a specific content to capabilities if the capability approach is to be operationalized. For example, Drèze and Sen (1995) identified the following basic capabilities which constituted the informational basis on which they assessed development in India: the capabilities to live long, to read and write, to avoid preventable diseases, to work outside home independently of gender and to take part in political life. But even though Sen’s capability approach points towards giving some suggestion of good reasons to value a certain set of capabilities, it does not provide a general framework on the basis of which policy decisions could be undertaken or assessed. It is up to the underlying concerns and values of each society to do that specification task.

Despite the ‘fundamental reasons for incompleteness’ (see section 1.1), despite Sen’s good reasons for leaving the capability approach unspecified, it seems rather difficult for the approach to retain its liberalism when it becomes a theory inspiring development praxis. Given the limitations of freedom-based, or procedural, approaches in reaching a consensus over the components of human well-being, the capability approach can no longer remain silent about the ‘capabilities that people have reason to choose and value’ and leave the specification task at the theoretical level to the underlying concerns and values of each society. As Robert Sugden summarizes it in his review of Inequality Re-Examined: ‘Given the rich array of functionings that Sen takes to be relevant, given the extent of disagreement among reasonable people about the nature of the good life, and given the unresolved problem of how to value sets, it is natural to ask how far Sen’s framework is operational’ (Sugden, 1993, p. 1953). To be operational, the capability approach will need to rely on certain fundamental features of human life which will have to be perfected through certain institutions. Refraining, at a theoretical level, from advancing a particular conception of the good, lands those using the capability approach in the position of having, at the practical level, to adopt a particular stance about what are the good and valuable constituents of human well-being to promote.

Refraining from taking a particular stance about values (in this case, the value of what counts as valuable constituents to human well-being) has been a well-rooted ambition of the science of economics, an ambition left as a legacy by the logical positivists (Putnam, 2002; Walsh, 1996). Hilary Putnam (1993, 2002) has long argued that the attempt to building a value-free social science has failed, given the fallacy of the fact/value dichotomy, which attempted to disconnect scientific statements from value judgements, claiming that the former are empirically verifiable and the latter unverifiable. Although these should be distinguished, he emphasizes that they should not be dichotomized. Fact and value judgements, descriptive and evaluative concerns, should remain deeply ‘entangled’.

Sen’s capability approach is of course not vulnerable to the criticism that can be made of those economic theorists who, in seeking to build a value-free science, hide behind formalism the (disputed) values upon which their theories are built. Rather, it explicitly stands firm in taking a heavily value-laden approach to economics, recognizing that the fact/value dichotomy does not hold (Putnam, 2002; Sen, 1987a; Walsh, 2000). The process of development itself is a value-laden enterprise, for what counts as development is inevitably ‘based on a particular class of values’ (Nussbaum and Sen, 1989, p. 299). However, behind its reluctance to take a stand about the content of human well-being, the capability approach hides unavowed positions about the good, which it can no longer hide when the theoretical framework is put into practice. When the theory becomes a guide for praxis, its perfectionist intentions become obvious.  

Refraining from articulating a particular conception of the good is not the only element of liberalism which the capability approach would need to give up. The next section considers the way in which its assessment of human well-being in terms of individual freedoms is another element of its liberalism which it will need to abandon.

2.1.3 Freedom and choice

Sen’s capability approach has emphasized that policies should be assessed in the capability space, and not in the space of functionings. One could ask however how it can provide a theoretical framework to assess a country’s success in giving people the necessary opportunities to function well, except through looking at how people have actually been functioning. Sen acknowledges that, given data restrictions and
the difficulties of assessing whether a lack of functioning is the result of free choice or lack of opportunities (cf. the starving child and fasting monk example), one will often have to focus on observed functionings instead of the freedoms to achieve these functionings: ‘Ideally, the capability approach should take note of the full extent of freedom to choose between different functioning bundles, but limits of practicality may often force the analysis to be confined to examining the achieved functioning bundle only’ (Sen, 1992, p. 53). Practically speaking, Sen confesses, given the lack of adequate information, it will often be impossible to take fully into account the freedom of people to choose between different functionings. Sen also advances that focusing on functionings rather than capabilities is justified when nobody would anyway choose not to exercise the capability, such as for example, the capability to live in a malaria-free environment.

Moreover, there are some situations in which it does not make much common sense to talk about ‘capability’ or ‘freedom to choose’ (Robeyns, 2005, p. 101), such as situations of extreme deprivation or threats of violence. It would indeed be rather inappropriate to ask a woman who lives in a war-torn zone and who has not eaten for a week whether she has the ‘capability’ to eat or escape from violence should she so choose. What matters is that she does live in a peaceful environment and does eat adequately, not whether she has the opportunity, should she choose, to live free of the fear of violence and to eat. Ethical evaluation rests here on certain states of beings and doings, and not on the choices to reach certain states.

This does not entail that choices, as such, are never to be valued. For example, reaching the state of ‘being adequately nourished’ through eating the nutritional pack given by aid agencies may have the same nutritional result as eating a meal that she prepared out of the vegetables of one’s field. Because it involves both nutritional adequacy and freedom of choice, the latter case is ethically superior to the former where freedom of choice is absent. However, in some cases, reaching a certain state of being or doing and having freedom of choice might not be mutually supportive. There are situations where a focus on freedom of choice might lower a person’s well-being. For example, the cafeteria of a factory has adopted a ‘choice’ policy on the food it serves, offering a variety of junk food as well as a variety of freshly cooked products. As a result of poor eating habits, the workers of the factory choose the junk food, creating health problems among the workforce. In such a case, reaching the state ‘adequately nourished’ would be ethically prior to freedom of choice. Ideally, one should aim at both, reaching a certain state of being or doing as well as ensuring that the process of reaching such a state has respected the person’s freedom of choice. But both do not necessarily always go in the same direction.

It is interesting to note here the extent to which the notion of ‘capability’ or ‘freedom’ is synonym with choice in Sen’s capability approach. A capability is defined as ‘a set of vectors of functionings, reflecting the person’s freedom to lead one type of life or another […] to choose from possible livings’ (Sen, 1993, p. 40, italics added). In this matter, the capability approach bears some resemblances with the utilitarian consumer theory, with the focus on the freedom to choose to consume a particular bundle of functionings rather than on the preference to consume a particular bundle of market goods – ‘the capability approach should take note of the full extent of freedom to choose between different functioning bundles’ (Sen, 1992, p. 53, italics added).

What matters is not so much the quality of life that people are actually living, but the quality of life that they choose to live among an available set of functionings: ‘Capability refers to the extent to which the person is able to choose particular combinations of functionings’ (Sen, 2004b, p. 334). The aim of development policies would thus consist in providing people with as many different functioning bundles as possible so that people can choose to pick some of them up.

However, the freedoms that the capability approach speaks of seem to be more good states of doings or beings rather than possible states of beings or doings that one could choose or not choose. Implicitly, the capability approach seems to consider freedoms more as states of ‘excellences’, in the Aristotelian sense of aretē than choices (John Finnis, personal communication). For example, one can have the capability to speak Icelandic, should one decide to go to an intensive language course. But what matters is the capability ready for action. I could not say that ‘I have the capability to speak Icelandic’, if I cannot speak Icelandic here and now. If I was only able to do so in three years after following a course, I could not affirm that ‘I have the capability to speak Icelandic’. The notion of ‘capability’ or ‘freedom’ in Sen’s capability approach is actually closer to a reached state of being or doing – or one could even affirm a fundamental feature of a good human life – than a choice to reach such state.

When the capability approach becomes a guide for praxis, its implicit understanding of freedom as reached state of being will need to become more explicit. For example, policies often have to be guided by the concern of making people function in one way or another, sometimes against their own will, rather than by the concern for
giving them the opportunities to function should they choose so. Indeed, it does not always seem desirable that people are left free to choose whether they want to make use of certain opportunities to achieve certain functionings. As chapter 6 will discuss, the major decision that explains Costa Rica’s high human well-being achievements was the imposition of universal primary education at the end of the nineteenth century. Parents who did not comply with the decision were sanctioned. This might seem an unjustified intervention in people’s life, and a deep infringement on their freedom to choose to achieve the functioning ‘reading and writing’. Yet such a decision was required in order to give the necessary disincentives against parents not sending their children to school.

One could object that this example is not a case of infringement of people’s freedom since it was not the well-being of free adults which was involved but the well-being of children who were too young to make decisions for themselves. It was therefore justified to interfere with their parents’ decisions so that the children, once they were free adults, would not suffer the consequences of their parents’ bad decision. But some interference also occurs when only adults are involved. For example, many countries have strong regulations regarding seat-belts and impose sanctions upon drivers who choose not to wear seat-belts because they have chosen not to value the functioning of driving safely. Many countries have also strong anti-drug legislation. Making drug consumption illegal is another example of an infringement on people’s freedom to choose the way they would like to live for the sake of their own well-being. Although paternalism is a word that modern liberals find difficult to accept, because it is an infringement on the freedom of people to lead the life they choose to live, it is difficult to avoid in practice (New, 1999).

This difficulty to avoid paternalism in organizing life in society is especially salient in the presence of externalities. If government interference is commonly accepted in neo-classical economics when externalities need to be corrected, similarly government interference, and taking actions against people’s choices, seems also required within the framework of the capability approach. Individual freedom has sometimes to be restricted for the greater well-being of all. For example, when dealing with environmental problems, it is more relevant that policies ensure that people do live in a non-polluted environment, rather than make them able to do so, should they choose or not (Richardson, 2000a). Taking the example of an individual who chooses not to live in a non-polluted environment, and throws her rubbish into the river, letting that individual choose freely makes other individuals unable to live in a non-polluted environment. Given that individual choices have important consequences for other people’s lives, and given that an individual never lives alone and that human choices are deeply interconnected with others’ lives, the focus on individual capabilities rather than functionings as a political goal may lead to important losses in well-being.

One of the core arguments of the liberal standpoint is that one cannot interfere with someone’s choices unless they inflict harm on others (inflicting harm on oneself, at least in the case of adults, does not justify interference). The above example about the capability to live in a non-polluted environment entirely respects this liberal principle since, by preventing someone from throwing rubbish on the street, one prevents a harm to others. It seems however that the argument for a focus on functionings goes beyond Mill’s non-harm principle. For example, when women make decisions not to go to literacy classes, they may not know that this is harming them because it leaves them with few opportunities to defend themselves against oppressive structures. One can indeed take a decision that will harm oneself without being aware of it. In such cases, Sen’s capability approach advocates that necessary information be given to women through, for example, literacy campaigns so that they become aware of how harmful it is for them not to be literate and educated. These information campaigns would act as incentives for women not to make harmful choices. What matters then is not only ‘making choices available to people’ but also ‘changing the incentives offered to them’ (Richardson, 2000a, p. 317), so that they are encouraged to make a choice that policy-makers judge valuable. By giving incentives to act in a certain way, a policy limits the freedom of adults to behave the way they choose to, although giving incentives does not limit their freedom in the same way as compelling them to take or forbidding them from taking certain actions.

Interfering with someone’s choice on the ground that the person’s choice is harming herself or others, is unavoidable in practice. Given this, the capability approach cannot remain neutral with respect to competing conceptions of the human good. It has to take a position about what are the certain features which make a human life worth living if it is to provide theoretical insights for undertaking actions towards well-being enhancement. The liberal theory of the good in Sen’s original capability approach will need to be transformed into an objective and perfectionist theory of the good.
2.2 Central human capabilities

An attempt at making the capability approach an objective and perfectionist theory of the good has been made by political philosopher and classicist Martha Nussbaum. She argues that the capability approach would encounter the same deficiencies as the desire approach to human well-being if no effort were made at specifying further the functionings and capabilities that are valuable to be promoted. She notes that, ‘just as people can be taught not to want or miss the things their culture has taught them they should not or could not have, so too they can be taught not to value certain functionings as constituents of their good living’ (Nussbaum, 1988, p. 175). Therefore, as what people consider valuable and relevant can be the product of structures of inequality and discrimination, she argues that some content must be given to the ‘capabilities that people have reason to choose and value’. Moreover, because not all human freedoms are equally valuable – for example, the freedom to pollute is not of equal value as the freedom to care for the environment –, she argues that one needs to go beyond the incompleteness of Sen’s capability approach,11 so that equal freedom for all can be respected. I will discuss in what follows Nussbaum’s project of defining the ‘capabilities that people have reason to choose and value’. I will argue that her version of the capability approach remains a liberal project which sees freedom of choice as constitutive of the good that societies ought to pursue, and therefore, that it proves insufficient to guide development praxis towards human well-being enhancement.

2.2.1 A thick vague theory of the good

Nussbaum’s capability approach emerged as an attempt to hold on to a universalist approach to development while responding to relativist critiques. According to relativist development theorists, to hold a particular understanding of human well-being which is to be pursued through policies (for example, by promoting literacy or certain sanitation or health standards) constitutes a form of domination (Margin and Marglin, 1990, 1996; Sachs, 1992). Such theorists maintain that, ‘We have to stop believing that improvement in welfare is something only “we” can do for “them”, we have to stop trying to quantify and measure the quality of life because these measurements become a licence to intervene in “their” lives on the ground that “we” know what is objectively and undoubtedly “good” for them’ (Banuri, 1990, p. 66). Since the understanding of human life varies with history and culture, historical and cultural differences ought to be paid respect. However, holding such relativist positions on development does not remain without consequences. Under the banner of protecting cultures and traditions, relativism risks hiding various types of oppression, domination and violence (Nussbaum, 1992, 1994; Nussbaum and Glover, 1995; O’Neill, 1993).

In response to the relativist critique of development as disrespectful of people’s cultures and to the universalist critique of relativism as oppressive, Nussbaum develops a theory that is both universalist and responsive to cultural variations. She grounds her capability approach on what she calls, an ‘internalist essentialist’ position, which is ‘a historically grounded empirical essentialism taking its stand within human experience’, ‘an evaluative inquiry into what is the deepest and most indispensable in our lives’ (Nussbaum, 1992, p. 208). Insofar as we recognize human beings as human, there must be an essentialist basis for any view of what human life properly consists of and what deprives it of its full human character. Taking this internalist essentialist position, Nussbaum seeks to describe fundamental experiences that all humans share and find worthwhile, and which can be regarded as the characteristic activities common to every human being such as those of the human body, of practical reason, of affiliation with other human beings, of relatedness to non-human species (Nussbaum, 1988, 1990a, 1992, 1993, 1995a). To each of these human experiences, the human being tends to respond in a way that seeks a good outcome. For example, in the sphere of the human body, a human being tends to seek to be healthy, adequately fed and sheltered. To each kind of human experience corresponds better ways to function or respond in that kind or sphere of human experience.

Nussbaum bases her argument on Aristotle’s ‘function argument’ (Nicomachean Ethics 1097a33–1098a17), according to which the human good lies in performing well the characteristic activities of being human.12 Aristotle identifies the good functioning of a human being with the activity of her soul according to reason, that is, with the exercise of virtues. He then proceeds with an inquiry into the specific content of virtues, or excellences of the soul. He isolates spheres of human experiences which can be observed in human life, and in which any human being will have to make some choices rather than others. For each sphere he determines the proper excellence or virtue, that is, the best response of the soul in that sphere of experience. For example, moderation is the virtue in the sphere of bodily appetites, justice is the virtue in the sphere of the distribution of scarce resources,
Let us define ‘ethical intention’ as aiming at the good life with and for others in just institutions.
Paul Ricoeur, One Self as Another, p. 172.

Sen’s capability approach to development can be defined succinctly in one single word, freedom. Freedom is the criterion according to which societies should be arranged – freedom seen as human choice to pursue what one considers valuable to choose and pursue. By assessing human well-being in the capability/freedom space, the capability approach offers an alternative to assessment in the utility/income space. The capability approach thereby suggests implicitly that actions taken to expand the freedoms that people have reason to choose and value are ethically superior to actions which do not entail such consequences. It is therefore a theory of development which offers an ethical framework for assessing actions, in particular for guiding development policy so that the unfreedoms that leave people with little choice can be removed.

I have argued that, if the capability approach is to be a guide for the praxis of development (that is, for actions oriented towards the removal of unfreedoms), it would need to be thickened by certain elements. The argument has been structured around the three building blocks of the capability approach, which could be renamed as follows: 1) freedom consequentialism (the expansion of substantive human freedoms constitutes the end of development); 2) individuals as subjects of development (individual freedom is the end of development and individual agency the central element in addressing human deprivations); and 3) freedom-proceduralism (democratic practice is the only way or procedure through which unfreedoms can be removed).
of development are neither only individual nor only collective subjects, but are both.

The Costa Rican and Dominican case studies highlighted that assessing development only in terms of individual freedoms leaves aside the crucial role of socio-historical processes which have enabled or prevented the promotion of these freedoms. They have also highlighted that one had to refer to a historical and communal understanding of individual agency in order to understand how choices are being made and unfreedoms removed. For example, the Dominican case study has shown that the individual agency that Sen views as so central for removing unfreedoms has contributed very little to transforming the Dominican Republic’s social arrangements and to making them conducive to the promotion of freedoms, but has contributed instead to maintaining the status-quo by perpetuating clientelistic practices. Similarly, the Costa Rican case study has shown that the individual agency that is used to remove unfreedoms, or protect freedoms, takes its roots in long socio-historical processes. It is for example no accident that Costa Ricans resisted the privatization attempts of the state-owned electricity and telecommunication company.

Sen’s capability approach to development does not seem to have integrated well such processes of social construction and the extent to which a country’s history leaves its mark on current actions. Because the exercise of human freedom and choice cannot be separated from history and community, the emphasis on individual freedom and individual agency needs to be seen within the context of certain structures of living together and their particular appropriation in the course of a country’s history, opening up or closing down opportunities for removing unfreedoms. The agency that individuals have to promote human freedoms in a given country finds its roots largely in that country’s socio-historical agency to do so. This is why Sen’s capability approach would need to be thickened by socio-historical narratives which help us to understand the complex relationship between individual and socio-historical agency.

Chapter 4 discussed the central importance that Sen’s capability approach gives to public debate and democratic decision-making – or in more generic terms to the ability to participate in the life of the community and to take decisions in matters that affect one’s own life and that of fellow-human beings – as the main procedure through which other freedoms are to be promoted. I argued that because the exercise of political freedom occurs in a context of power inequalities with conflicting interests, there are no necessary positive links between the exercise of political freedom and the expansion of other freedoms.

For example, although free elections were held in both Costa Rica and the Dominican Republic from the 1960s onwards, the Dominican historical legacy has made it difficult for socially progressive elected governments to remain in power and to undertake measures to promote the freedoms of Dominicans. The case studies have also highlighted that a general political consensus is not sufficient to remove unfreedoms. Both the Dominican Republic and Costa Rica knew a quasi single-party democracy in the 1960s and 1970s under the Partido Revolucionario Dominicano of Balaguer and the Partido de Liberación Nacional of Figueres. Both parties had very little opposition, because in the one case there was a general consensus that the role of the government was to rule in a clientelistic and authoritarian way, and in the other case because there was a general consensus that the role of the government was to provide for the population’s basic needs.

Given that the exercise of political freedom is not necessarily exercised for promoting human freedoms, a pure freedom-proceduralism is thus not sufficient to assess and guide development praxis towards the removal of unfreedoms. This is why I have argued that the exercise of political freedom would need to be thickened by a normative procedural assessment of decision-making processes. This assesses to what extent political communities are structured in such a way that the exercise of political freedom successfully promotes human freedoms. The case studies have borne out that these normative principles which link the exercise of political freedom to the removal of unfreedoms, such as, for example, the respect of a certain ratio of public spending allocated to primary health or education, or a non-discriminatory coverage of public spending, need to be embodied in particular social arrangements (like a social security system or a primary public education system for all in Costa Rica).

Relying on Sen’s conviction that societies should be arranged according to a freedom-centred view of development, I have argued that such a view would need to be thickened if it is to offer theoretical benchmarks for policy action. Because human freedom is always exercised within socio-historical communities to which one belongs, and the extent to which people enjoy freedoms today depends on the socio-historical legacy they inherit. This needs to be reckoned with if development praxis is to remove the unfreedoms that leave many people with little possibility of living as they have reason to choose and value.
A Companion to the Anthropology of Politics

Edited by David Nugent and Joan Vincent
Contents

Synopsis of Contents viii
Preface xv
Notes on Contributors xvi

Introduction 1

Joan Vincent

1 Affective States 4
Ann Laura Stoler

2 After Socialism 21
Katherine Verdery

3 AIDS 37
Brooke Grundfest Schoepf

4 Citizenship 55
Malathi de Alwis

5 Cosmopolitanism 69
Ulf Hannerz

6 Development 86
Marc Edelman and Angelique Haugerud

7 Displacement 107
Elizabeth Colson

8 Feminism 121

ANTHROPOLOGY OF DEVELOPMENT
“Development” is a slippery concept. Is it an ideal, an imagined future toward which institutions and individuals strive? Or is it a destructive myth, anthropology’s “evil twin” (Ferguson 1997), an insidious, failed chapter in the history of Western modernity (Escobar 1995)? Conventionally, “development” may connote improvements in well-being, living standards, and opportunities. It may also refer to processes of commodification, industrialization, modernization, or globalization, and it can be a legitimizing strategy for states. A vision of development as improved well-being, especially in post-colonies, has gradually replaced the one-dimensional economistic measures such as GDP growth, typically favored by neoclassical economists. Influenced by scholars such as Amartya Sen, the United Nations Development Program created a Human Development Index that combines indicators of health, life expectancy, literacy, formal education, political participation, and access to resources. During roughly the same period, a growing coterie of scholars and grass-roots activists, some of them influenced by Michel Foucault’s understandings of power, has rejected outright the desirability of “development,” which they see as a destructive and self-serving discourse propagated by bureaucrats and aid professionals that permanently entraps the poor in a vicious circle of passivity and misery.

Some scholars and activists in the latter category imagine a “post-development” era in which community and “indigenous” knowledge become a reservoir of creative alternatives to development (as argued by A. Escobar, M. Rahelma, V. Bavtrec, and W. Sachs, among others). Others focus on alternatives in rather than to development and favor reforms within the existing apparatus. An inclination to celebrate the “local” and the “indigenous” figures in larger pendulum shifts during the past 50 years, notably in the differing views of community and “traditional” culture, with these alternately romanticized or demonized in development thought. Nearly all analysts agree that most development projects fail. Nonetheless, a faith in progress (an assumed capacity to improve the conditions of existence) continues among supporters of all three positions — “development,” “development alternatives,” and “post-development” alike.

In short, as “development” has become an increasingly contentious concept, it has attracted attention from an astonishing array of scholars. Mostly gone are musty oppositions between “applied” and “mainstream” or “academic” anthropology. The formation of anthropology as the “science of ‘less developed’ peoples” remains relevant to anthropology’s place in the academic division of labor, even though the social evolutionist underpinnings of this conception have been eroded during the twentieth century (Ferguson 1997:152). Anthropological discomfort with development, Ferguson argues, does not signal the discipline’s critical distance from it but rather an ambivalent intimacy. This essay explores the diverse ways anthropologists and other social scientists have intervened in and been influenced by debates about development.

We begin with the roots of anthropological debates in the works of Smith, Malthus, Marx, and Weber. Next we outline the clash of radical and mainstream paradigms: twentieth-century theories of imperialism, modernization, and dependency, as well as orthodox Marxist and poststructuralist critiques of dependency theory. Critics of modernization theory often ignored its statist dimensions, much as opponents of today’s neoliberalism tend to view it as a simple precursor to the free-market “Washington consensus” of the 1980s. Neoliberalism is the focus of the chapter’s second half, where we suggest that anthropology has culturalized and dehistoricized globalization, downplaying its political-economic and legal dimensions. Here we review briefly anthropological approaches to NGOs, civil society, gender, the relationship between culture and development, consumption, and environmentalism. Today’s fierce debates about globalization confirm that development is still contested on normative as well as instrumental grounds, and that it is still a vital issue for both scholars and those they study. In a world where one half of the population subsists on 2 dollars a day or less, it would seem misleading to speak of “post-development.” Yet the search for alternatives to the exhausted paradigms of the recent past and the grim realities of the present is clearly more timely than ever.

Early Foundations and Debates

Key theorists from the Enlightenment to the twentieth century have shaped later development debates in powerful ways. It is important to examine such work on its own terms, but also to recognize that ideologically motivated appropriations and simplifications of ideas rooted in other ages and places often reflect contemporary struggles over development doctrine and policies. Smith, Malthus, Marx and Engels, and Weber are worth revisiting, partly to move beyond the association of canonical thinkers with their “one big idea” (Smith and the “invisible hand,” for example), and to understand better the ideologically motivated representations of their thought that infuse contemporary development debates.

Adam Smith, almost universally portrayed as an unambivalent and prescient apostle of the free market, never elaborated a coherent theory of development, but he did have strong opinions about the causes of the differences between rich and poor countries. Smith, rather than a timeless prophet, was very much a creature of his epoch. In the eighteenth century, market relations expanded rapidly alongside vestiges of feudal or manorial societies. Smith’s ideas about the wealth and poverty of nations mirrored his
opinions about capitalists and aristocrats, and rested on his distinction between productive and unproductive labor. The latter did not result in a concrete, vendible commodity, while the former increased the value of raw materials and generated a product that could replace capital stock and materials, pay workers’ wages, and provide a profit to the owner and, possibly, the landlord. The difference between rich and poor countries was, for Smith, that in rich countries a large proportion of the total social product was reinvested in production, while in poor countries most of it was consumed in maintaining “unproductive hands” (Smith 1976, Book II:356).

Smith’s claim that “great nations” are sometimes impoverished by “public prodigality” could be read as foreshadowing today’s neoliberal attacks on “big government” or “unproductive spending” (Smith 1976, Book II:363). One must be cautious, however, in treating Smith’s late eighteenth-century work (first published in 1776) as sacred writ, laden with solutions to twentieth- or twenty-first-century dilemmas. Indeed, Smith’s famous “invisible hand” of Providence only became the “invisible hand” of the market in later writings of his liberal epigones.

Rather than being a totally convinced champion of market liberali- sm, Smith questioned development processes observable at the time. In The Wealth of Nations he railed against the greed of elites, declaring “All for ourselves, and nothing for other people, seems, in every age of the world, to have been the vile maxim of the masters of mankind.” He was not averse, in some circumstances, to maintaining wages above market levels, noting that merchants and master-manufacturers comple- mented that high wages necessitated price increases but said nothing about “the bad effects of high profits” or the “pernicious effects of their own gains.” He also cautioned against the “disorder” that could result from premature removal of protectionist tariffs (Smith 1976, Book III:437, Book I:110, Book IV:491). Given Adam Smith’s iconic stature today, his works deserve to be reread with an eye for their complexity and contradictions and for how they are situated in the broader sweep of Enlightenment thought.

Population dynamics have long been central to debates about development and under-development. Examples are numerous: how population pressure on resources contributes to the formation of ancient states or the destabilization of contemporary ones, the perennial argument between those who consider population growth a leading cause of poverty and theorists of demand for labor or human capital who emphasize inequality and the incentives that poor people have to reproduce, the role of the demographic transition in improving the status of women, the contentious struggle for safe forms of contraception and abortion, and the ethics of other kinds of fertility control (including coerced sterilization, infanticide, sex-selective abortion, and China’s one-child policy). The ideas of Thomas Malthus are almost always explicitly invoked or implicitly present in these discussions, even two centuries after their initial formulation.

Malthus is best known for a simple idea in his “first essay,” which was published anonymously in 1798, just after one of the earliest arguably capitalist crises. Demographic growth, he argued, will always outstrip increases in food production unless slowed by “preventative” or “positive” checks. Malthus explained poverty in relation to this “law,” rather than as an outcome of capitalist development, and he prescribed measures to ameliorate it like those that economic elites still favor today, such as preserving private property and abolishing laws protecting the poor. He had a puritani- cal and pessimistic outlook on humanity’s prospects, which was part of a broader, reactionary political vision. Malthus inveighed against the French Revolu- tion (“one of the most enlightened nations of the world . . . debased by . . . a fer- tivation of disgusting passions”). He argued that progressive taxation, as proposed by Anglo-American revolutionary Thomas Paine, was “evil,” and that man does not possess “a right to subsistence when his labour will not fairly purchase it.”

Given Malthus’s enduring celebrity, it is perhaps surprising that his best-known idea — that population grows geometrically and agricultural production arithmetically — is not widely accepted. Malthus failed to foresee that improved technologies would boost food output and reduce “positive checks” on population growth. Nor did he anticipate the demographic transition from high fertility and high mortality to low fertility and low mortality, which has been observed in country after country.

The pessimism Malthus expressed in the “first essay” diminished during his later lifetime and, in his treatment of public debt and business cycles, he is sometimes said to have anticipated Keynesian thinking. This lesser-known, mature Malthus (see Principles of Political Economy, 1820) also argued for at least some state intervention in the economy and lamented how abstract economic doctrine at times bore little relation to reality.

In the nineteenth century, the work that most contributed to gaining Karl Marx’s ideas a mass audience is Marx and Engels’s The Communist Manifesto (1848). The Economic and Philosophic Manuscripts of 1844 may better describe their view of human agency, and Marx’s Capital may contain more detailed analyses of commodity fetishism and the capitalist mode of production, but the Manifesto contains one of the most succinct outlines of Marx’s theory of development, important not just on its own terms but for how it later influenced the political programs of Marxist move- ments in Russia and the “Third World.” It includes attention to key themes such as the ubiquity of class struggle, the social contradictions and historical specificity of each mode of production, the dynamism of capitalism as a force for dissolving tradition and generating technological advances, and the capitalist imperative of seeking new markets.

Marx and Engels’s picture of a succession of modes of production has often been read as an evolutionary, Enlightenment-style “master narrative” or as an inexorable, teleological Hegelian process in which history advances toward a predetermined outcome. This is not entirely wrong; Marx’s thought was characterized by a tension between the positing of epochal, evolutionary processes and the recognition of contingent, historically specific forces. Marx’s dual role as scholar and militant sug- gests that he gave greater weight to the role of ideas and political struggle in history than is usually acknowledged by commentators who paint him as a crude economic determinist. Nonetheless, Marx and Engels’s scheme of a universal succession of modes of production was simplified, first by Stalin, then by pro-Soviet communist parties throughout the world, and eventually by French “structural” Marxists, notably Louis Althusser and his followers, including several prominent cultural anthropologists.

Ironically, Marx increasingly questioned the certainty that slavery, feudalism, capitalism, socialism, and communism would succeed one another in lock-step fashion. For example, unlike later Russian Marxists, Marx in later life tended to support the position that the rural peasant commune (or mir) in nineteenth-century Russia could
serve as a springboard for a direct transition to socialism, rather than the notion that the proletarianization of the peasantry and the dissolution of the mir were part of a necessary capitalist stage that would precede socialism.

The Manifesto’s analysis of why the bourgeois needs a “constantly expanding market” has recently been linked to the notions that either many features of today’s globalization are actually rather old or that Marx and Engels were extraordinarily prescient. The destruction of national industries, the increasingly cosmopolitan character of consumption, the creation of “new wants,” and the use of cheap commodities to force “barbarian nations” into “civilization” are – shorn of their mid-nineteenth-century Eurocentric language – central themes in later discussions of development. Fascination with the contemporaneity of the Manifesto’s words, however, too easily obscures two crucial facts: first, Marx and Engels saw expanding markets as a means of competition between firms and nations and of resolving inevitable, periodic crises in the capitalist mode of production; and second, their apparent prescience with respect to some dimensions of change existed alongside a certain blindness to the persistence of others, especially nationalism, ethnic intolerance, and religious zealotry.

Max Weber was – like Smith and Marx – concerned with the conditions that gave rise to capitalism in “the modern Occident.” Weber posted a variety of capitalisms – commercial, speculative, colonial, financial, and even “political” – characterized by a common profit-making orientation. But his theory of capitalist development is nonetheless frequently represented as limited to “the West” and as giving almost exclusive emphasis to religious factors. In The Protestant Ethic and the Spirit of Capitalism (1904), his first major work, he posed “traditionalism” as an obstacle to the spread of market relations. Contemporary scholarship – and punditry – that privileges “cultural” or “ideological” factors in development, as well as neoclassical laments about the intractability of the backward-bending supply curve of labor, may be read as echoing Weber’s concern with “rationalizing” institutions in order to transcend the heavy weight of “tradition.”

The same could be said of discussions today that try to explain capitalism’s development in the West, and its apparent failure almost everywhere else, as a result of cultural predispositions or the entrepreneurial capacities unleashed in societies with legal systems that applied uniform yet minimal bureaucratic standards to the registration and mortgaging of property, the signing and enforcement of contracts, and the accountability of officials. In The Protestant Ethic, Weber suggested that Martin Luther’s notion of the “calling” – a “life-task” set by God – provided, for the first time in history, a positive ethical framework for justifying individual accumulation through rational self-discipline, the severing of obligations to larger kin groups, and the abandonment of traditional notions about just price and wage levels. This “social ethic of capitalistic culture,” which Weber characterized as “the earning of more and more money, combined with the strict avoidance of all spontaneous enjoyment of life,” was both cause and effect of the extension of market relations to more and more areas of economic and social life (Weber 1958:53–54). Success on earth, in Calvinist-Protestant doctrine, was evidence of an individual’s membership in the predestined “elect,” who were bound for heaven. Weber’s critics and admirers sometimes interpreted his argument about the spirit of capitalism in causal terms and as an idealist alternative to a competing philosophical materialism derived from Marxism. Yet Weber’s claims about Protestantism were considerably more complex and linked to several of his other central concerns, notably bureaucracy, rationalization, and the nature of the state.

Weber believed that what energized modern capitalism was not religious doctrine per se, but rational social actors, operating within a rationalized legal system that permitted individuals to weigh utility and costs and to feel confident about the security of their capital. The modern state and the enterprise or firm were similar inasmuch as both operated according to formal, bureaucratic criteria rather than the personalistic or familial considerations that governed economic life in traditional societies. The frequently cited (and variously attributed) adage that Weber was arguing with “the ghost of Karl Marx” is only partly accurate. Diverse scholars sympathetic to Marxist approaches – from Georg Lukács to C. Wright Mills, Eric Wolf, and Anthony Giddens – acknowledge major intellectual debts to Weber, especially his analyses of political power and legitimacy. Other Marxists, including literary theorist Raymond Williams and anthropologist William Roseberry, echo key aspects of Weber’s thought (though without explicit recognition) in their analyses of how ideas and meanings are themselves material products and forces.

Classical theorists like Smith, Malthus, and Marx, are sometimes relegated to the “prehistory” of development thought, primarily because they concentrated on the economics of Western Europe and North America rather than on the poorer countries. However, their influence, along with that of Weber, on the development debates of the twentieth century, was immediate and profound. Nor was their interest limited to the developed countries of the North. All had significant interests in other parts of the world, especially Asia, as well as comparative sensibilities that are part of what makes their works of continuing relevance even today.

**The Twentieth Century: From Imperialism to Dependency and the World-system**

Weber’s concerns with “traditionalism” as an impediment to development, first articulated at the dawn of the twentieth century, combined an Enlightenment notion of progress with a modern understanding of the history of capitalism. Yet Weber accorded little attention to capitalist crises, an issue that had engaged Marx and one that animated development debates in the first half of the twentieth century. The frequent booms and busts that affected Europe and North America, as well as the imperial expansion of the major European states after 1870 and of the United States following the 1898 Spanish-American War, led scholars to scrutinize more closely the functioning of a system that increasingly appeared to contain both extraordinary dynamism and immense destructive powers.

The approach that had the most impact in the West, particularly during the 1930s depression in the United States, was John Maynard Keynes’s “pump-priming” policy, which sought to temper the business cycle through government measures to stimulate demand and increase employment. But while demand-side policies might alleviate the worst effects of a major slump, they did little to explain phenomena such as imperialism or uneven development.
Early twentieth-century theories of imperialism converged with the radical analyses of dependency and under-development that came to exercise an outsize influence in anthropology in the 1970s. These radical understandings of dependency engaged mainstream paradigms, especially “modernization” approaches, and dependency in turn became a target for the critiques of orthodox Marxist and poststructuralist theorists.

In 1902, an English liberal and advocate of free trade, John Hobson, noting that the word was “on everybody’s lips,” published a work which single-handedly re-shaped in economic terms popular and academic understandings of imperialism. Arguing that the “taproot of Imperialism” was the tendency to produce more goods than could be sold at a profit and to accumulate more capital than could be profitably invested, he suggested that “manufacturers, merchants, and financiers . . . are tempted more and more to use their Governments in order to secure for their particular use some distant undeveloped country by annexation and protection” (Hobson 1965:80–81). While Hobson influenced radical foes of capitalism, notably V. I. Lenin and Rosa Luxemburg, he nonetheless believed that measures to increase workers’ purchasing power and to tax excess capital could obviate the “need to fight for foreign markets or foreign areas of investment” (Hobson 1965:86).

Various Marxist theories shared the view that imperialism grew out of crises in the capitalist system, even though they differed in the emphasis each accorded to the importance of under-developed regions as sources of cheap or strategic raw materials, markets for manufactured goods, outlets for excess capital, and places where super-profits could be derived from super-exploitation of poorly paid workers. In Latin America, heated polemics during the 1920s and 1930s between Marxist revolutionaries and anti-imperialist reformist populists set the stage for debates in the 1960s between proponents of radical and “structuralist” versions of dependency theory. Both strands of theory – in the 1920s and in the 1960s – viewed under-development and development as products of a single, worldwide process of accumulation that continually reproduced both outcomes. Engagement with the work of Lenin, Luxemburg, and others was key for neo-Marxists who, in the 1950s and 1960s, sought to explain continuing under-development in the poorer countries. The central innovation of these theorists derived from the observation that – contrary to the predictions of Hobson and Lenin – capital flows from under-developed to developed areas generally exceeded developed-country exports of surplus capital (Baran and Sweezy 1966:107–108).

This inversion of the classical theories of imperialism became the germ of the circulationist or market-based approaches to dependency, under-development, and the world system that exercised so much influence in anthropology and sociology in the 1960s and 1970s. But while the intellectual genealogy of dependency theory can be traced back to a radical lineage in and around the independent US socialist magazine Monthly Review (which published an influential Spanish-language edition), it also originated in the work of individuals and institutions in the mainstream of economic policy-making in Latin America.

Founded in 1948, and directed after 1950 by Argentine economist Raúl Prebisch, the United Nations Economic Commission on Latin America initiated an intellectual revolution that had a profound impact on development policy in the hemisphere and beyond, as well as on a generation of social scientists. ECLA doctrine held that Latin American countries that relied on primary product exports were negatively affected by the secular decline in terms of trade; in other words, over time a larger quantity of exports (say, bags of coffee or tons of bauxite) was required to purchase the same volume of imports (for example, jeeps or machine tools). This shift occurred primarily because of the monopoly and monopsony powers in what Prebisch called the “center” of the world economy that facilitated the extraction through trade of surplus from the “periphery.” Export-led development thus entailed anemic growth, foreign exchange shortages, and vulnerability to market fluctuations – many Latin American countries in the mid-twentieth century earned half or more of their export earnings from one or a handful of commodities. ECLA promoted a “structuralist” approach to economics and a model of inward-looking development based on import substitution industrialization (ISI) and dynamizing domestic markets. While ECLA economists eventually admitted to having misgivings about ISI, industrialization continued to be a sine qua non of “development” for them, as well as for most neoclassical theorists.

In addition to Prebisch, several of Latin America’s most influential social scientists were associated with ECLA during the 1960s and early 1970s, including economist Celso Furtado and sociologist Fernando Henrique Cardoso, who in 1994 would be elected president of Brazil on a neoliberal platform and who, together with Enzo Faletto, authored one of the most widely read treatises on dependency and development (Cardoso and Faletto 1979). Cardoso and Faletto’s “historical structuralist study of dependency” noted that the larger Latin American countries, initially reliant on primary product exports, had begun to industrialize during the 1930s, when developed-country demand for these commodities contracted. This incipient industrialization brought to the fore a new national, urban-industrial bourgeoisie which, in a “developmentalist alliance” with the expanding working class, wrested power from traditional oligarchies and established a range of populist political experiments and a style of “associated dependent development” ever more reliant on foreign, as opposed to national, capital. Populist class pacts were typically fragile, however, and their rupture tended to produce authoritarian political outcomes, a conclusion Cardoso and Faletto based on the Brazilian experience after 1964, but which would soon be confirmed by the military coups in Chile, Uruguay, and Argentina in the 1970s.

A second influential strain of dependency analysis arose among radical theorists enthused by the 1959 Cuban revolution. The best-known in the English-speaking world was the prolific and peripatetic German-American economist Andre Gunder Frank, although he was but one figure in a large, trans-disciplinary intellectual-political nexus that spanned Latin America. Frank (and others in this group) sought to demolish the “dual society” thesis, the widely held belief – rooted in Weberian and Parsonsian sociology and in the work of economist W. A. Lewis – that Latin America (and by extension other poor regions) included a dynamic capitalist sector and a stagnant “traditional” or “feudal” one, which could only be modernized through incorporation into the “advanced” sector. Instead of “dualism,” Frank, Mexican anthropologist Rodolfo Stavenhagen, and others proposed a model of “internal colonialism” that saw urban zones as beneficiaries of surpluses extracted from rural – and particularly indigenous – areas. This mirrored the “metropolis-satellite” (or what Prebisch had termed “center-periphery”) relations that linked developed and
under-developed regions as outcomes of a single historical process and which Frank, at least, defined as “capitalist” since the sixteenth century.

The claim that development and under-development resulted from the same “capitalist” historical process had important implications for development policy and for those seeking radical change. Marxists – particularly the pro-Soviet communist parties – had long argued that Latin American societies were significantly “feudal,” a characterization based on the existence in the countryside of coerced, non-wage labor relations and vast, extensively exploited properties owned by traditional elites whose aspirations and sumptuary practices were said to resemble those of medieval European nobles. Progress, according to this analysis, based on Stalin’s simplification of Marx, could only occur if “feudalism” were overthrown and replaced by capitalism, as had occurred in Europe; the Left and working class thought, therefore, to align with the “progressive bourgeoisie” to break the back of the landed oligarchy.

If, however, as Frank maintained, Latin America had been “capitalist” since the sixteenth century, and if contemporary under-developed regions, such as northeastern Brazil, were actually erstwhile boom areas now drained of their wealth, it followed that there was not really a “progressive bourgeoisie” opposed to a “feudal” oligarchy and that the political task for radicals was to topple the entire capitalist class through revolutionary struggle. In the context of Latin America in the 1960s and 1970s, the dependency approach’s radical variants, which generally asserted the revolutionary potential of the peasantry and denied that elements of the bourgeoisie could be progressive, came to be a theoretical justification for guerrilla movements, most of which were defeated at an immense cost in lives.

Although Frank was trained in the orthodox neoclassical economics department at the University of Chicago, he had early sympathies for Keynesianism and the heterodox, visionary economics of Kenneth Boulding. Even at Chicago, as he later reported in a retrospective intellectual autobiography, he “spent more and more . . . time studying and associating with the anthropologists,” largely because they – like him – assumed that the determinants factors in economic development were really “social” (Frank 1991:17). As early as 1959, he participated with Margaret Mead in a session at the American Anthropological Association meetings and, in the early 1960s, Darcy Ribeiro invited him to teach anthropology at the new University of Brasilia (a position followed by a prolonged sojourn in Chile, Mexico, and Germany). In 1968, he issued a passionate call for “liberation anthropology” in Current Anthropology and, in another paper, lambasted both “formalist” and “substantivist” economic anthropologists for ignoring the effects of colonialism and imperialism on under-development. Later he wrote appreciatively of Kathleen Gough, Eric Wolf, and June Nash, as well as of Clifford Geertz, whose Agricultural Involution he considered an incisive refutation of the “dualism” thesis (Frank 1991).

While Frank (1991:36) remarked that dependency theory “succeeded to the [1973] coup in Chile,” the approach took on a second life in 1974 with the appearance of US sociologist Immanuel Wallerstein’s The Modern World-System, the first part of a multi-volume work on the history of the world economy. Wallerstein drew inspiration from Fernand Braudel’s 1972 magnum opus on the sixteenth-century Mediterranean, European debates about the transition from feudalism to capitalism, and an extraordinarily wide and insightful reading of the history of diverse world regions and of development-related theory, ranging from Eric Wolf and Barrington Moore to Pierre Chaunu and R. H. Tawney. Wallerstein analyzed the emergence in “the long sixteenth century” of a single world economy, larger than any empire, and its functional division into what he called – in an unacknowledged reworking and expansion of Prebisch’s categories – “core,” “semiperipheral,” and “peripheral” regions, characterized respectively by the prevalence of wage labor, tenant farming and sharecropping, and coerced labor.

Despite its deployment of an erudite apparatus of commentary on a vast literature of secondary sources, Wallerstein’s work, like that of the dependency group, was not fundamentally historical in the sense of understanding uneven development, labor arrangements, stratification patterns, or political systems as outcomes of struggles between contending social groups located in concrete social formations. Some critics took him to task for not distinguishing sufficiently between relations of production and relations of exchange, and for according the latter explanatory priority in accounting for the shape of the world-system. Others maintained that even the history of the world-system had to be understood from the bottom up, not just as an expanding sphere of exchange but as an outcome of diverse local initiatives and local responses, themselves the outcomes of social struggles, that sought distinct kinds of relations to international and other markets.

This critique of world-system theory contributed, particularly in the works of Eric Wolf and Sidney Mintz, to solidifying the position of historically oriented political economy within US anthropology. More broadly, it affected agrarian studies, and eventually, those strains of postcolonial studies that sought to root changing identities in historical processes of nation-state formation and transitions to new kinds of global spaces and governmentality. Thus by the 1970s, a new critical anthropology emerged as the discipline was profoundly reshaped by outside influences, including dependency theory, world-system theory, and neo-Marxist critiques of both modernization and traditional functionalist anthropology. “[H]istory, political economy, and colonialism began to gain new legitimacy as bona-fide anthropological topics” that were central to disciplinary theory, rather than consigned to the “applied” slot. Now the notion of development itself was critiqued, particularly its presumed equation with moral and economic progress (Ferguson, 1997:162–163), and its understanding of the world as a set of individual societies moving independently through history (a conception famously undone by Eric Wolf in Europe and the Peoples Without History). In a parallel change, the 1970s move beyond economistic indicators of development created new employment opportunities for anthropologists in development agencies, and contributed to the emergence of a new subfield of development anthropology. Many development anthropologists straddled (sometimes uneasily) the worlds of academe and development agencies. They brought new critical perspectives to the very institutions charged with implementing the policies that the discipline increasingly questioned.

The Twentieth Century: From Modernization to Neoliberalism

The modernization paradigm that the dependency theorists attacked had antecedents in Weber and attracted followers in sociology, psychology, and anthropology. The quintessential statement of the modernization paradigm, however, is W. W. Rostow’s...
In the post-World War II era in the developed world (and in many “semiperipheral” countries as well), this view underlay the rise of welfare state institutions. The 1944 Bretton Woods Agreement that established the International Monetary Fund created a liberalized trade regime but, influenced by Keynes and his disciples, was distinctly non-liberal in the financial arena, endorsing national controls on capital movements. By the early 1970s, a combination of market pressures (expanding demand for international financial services, “stagflation,” OPEC states’ accumulation of petrodollars), technological changes (telecommunications and computer revolutions), and calculated actions by key states (deregulation of US financial markets) contributed to scuttling the Bretton Woods take-off period in which consolidated nation-states emerged and traditional institutions and values begin to break down and coexist alongside ideas of progress and new types of enterprises; (3) “take-off,” when traditional impediments to economic growth are overcome, agriculture modernizes, industry expands, and investment rates rise; (4) “the drive to maturity,” marked by ongoing technological innovation and specialization of the industrial base; and (5) “the age of high mass consumption,” a period of widespread affluence, growing urbanization, service-sector expansion, and ubiquitous consumer durables, such as automobiles and refrigerators.

Modernization theory – and Rostow in particular – was much criticized for emphasizing economistic measures of progress, such as GNP growth, as well as for a “culturalist” preoccupation with “traditional” values and institutions and a corresponding neglect of structures of exploitation, and for assuming that all societies traveled the same historical trajectory, albeit at different paces. While such objections are largely valid, critics rarely acknowledge that one of the main criteria of development for most modernization theorists was not so much growth per se, but rather increasing structural complexity in the economy. Moreover, from the vantage point of the early twenty-first century, several other dimensions of Rostow’s work – and of the modernization paradigm in general – stand out as the antithesis of today’s neoliberal version of free-market fundamentalism. First, Rostow stressed the central role of the state in economic development, as a provider of the “social overhead capital” (ports, railways, roads, and so on) necessary for growth and, in the stage of “mass consumption,” the state as a guarantor of social welfare and security. Second, he not only considered the state a key agent of development, but saw the nation as the geographical and political space in which progress along the five-stage trajectory would be made or arrested. This focus on individual countries was entirely consonant with how the world economy was then organized and how the Bretton Woods institutions (the World Bank and the International Monetary Fund) envisioned the development of national economies, each with its particular resource endowments and forms of protectionism. Finally, Rostow considered that one feature of the “drive to maturity” would be the production at home of goods formerly acquired abroad, an affirmation consistent with those of protectionist advocates of import substitution industrialization, such as his “structuralist” critics in ECLA.

It should hardly be surprising that modernization theory, derided by its critics as a legitimating ideology for capitalism, had a statist dimension. From the end of World War II until the collapse of the Bretton Woods system of capital controls and fixed exchange rates in the early 1970s, the intimate links between state and market were part of the prevailing common sense of the economics profession and policy-makers.

ANTHROPOLOGY AND DEVELOPMENT IN THE GLOBALIZATION ERA

Globalization, even more so than development, is a protean term, a moving target that is not the same from one day to the next or in different locations or social situations. David Harvey points out that the term globalization was “entirely unknown before the mid-1970s” and that it then “spread like wildfire” when American Express used it to advertise the global reach of its credit card (Harvey 2000:12–13). Globalization, Tsing (2000:32) observes, is “part corporate hype and capitalist regulatory agenda, part cultural excitement, part social commentary and protest.” For many anthropologists, globalization signifies accelerated flows or intensified connections – across national and other boundaries – of commodities, people, symbols, technology, images, information, and capital, as well as disconnections, exclusion, marginalization, and dispossession.

A growing literature on anthropology and globalization exhibits three striking limitations: tendencies (a) to dehistoricize globalization and to favor a “giddy presentism” (Graeber’s term), (b) to bypass or downplay the nation-state, and (c) to naturalize contemporary neoliberalism by, for example, treating global phenomena as impersonal “flows” (Graeber 2002:1224–1225) or as an inexorable or overly coherent set of forces (Cooper 2001; Tsing 2000) and then focusing on how they are culturalized. The most comfortable niche for anthropologists discussing globalization has been to show how non-elites “creatively resist, appropriat(e), or reinterpret some apparently homogenizing influence imposed from above (e.g., advertising, soap operas, forms of labor discipline, political ideologies, etc.)” (Graeber 2002:1223). It
expressions of the “free market” are naturalized and how they come to seem inevitable (if not necessarily legitimate). Yet anthropologists’ attention often turns elsewhere. One might ask if anthropologists’ celebrations of the end of the era of totalizing narratives “draw attention away from the current attempt to impose the largest and most totalizing framework in world history – the world market – on just about everything” (Graeber 2002:1224).

Whether one views today’s historical moment as market tyranny or market triumph, there is little doubt about the force of one economic model, one conception of economy. Often forgotten is that the reproduction of this model occurs through institutions, processes, and politics. There is nothing inevitable, ethically neutral, or natural about world markets in their current form.

Ours is an era of flexible production, footloose capital and factories, and corporations that demand flexibility of their workers even as they offer those workers fewer guarantees of job security or retirement or health benefits. Underpaid, disposable, perpetually temporary “McWork” jobs proliferate in the service sectors of affluent countries, while corporations engage in two “races” – the “race to the bottom,” where labor is cheap and regulations weak or unenforced, and the “race toward weightlessness,” to outsourcing production, keep the fewest employees on the payroll, and produce the most powerful brand images (Klein 2000:4). Neoliberalism has brought declining corporate taxes and a continuing erosion of public-sector health, education, and other services. It has brought expanding informal economies, contract farming, ecotourism, and struggles over environmental protections and access to land and other resources. It has also generated the sharpest economic inequalities the world has ever seen. Do anthropologists who write about globalization, transnationalism, development, and modernity treat too much of this larger economic picture as given?

Economic globalization issues – development issues – fuel highly energized social movements in many parts of the world (more so in Europe, Asia, Latin America, and Canada than in the United States). As globalization hype wears thin and the harm done in the 1980s, non-governmental organizations came to play a growing role in mainstream and alternative development projects, large and small. The reduction of

**NGOs, Civil Society, and Gender**

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the neoliberal state’s social welfare programs, the dismissal of intellectuals from downsized public universities and government agencies, and the crucial participation of civil society organizations in the democratization of African countries, Latin American military regimes, and formerly socialist countries, all fueled the NGO boom. As the importance of supranational governance institutions grew in the late 1980s and 1990s, NGOs and other civil society organizations became a constant presence at “parallel summits” held outside meetings of the World Bank and IMF, the WTO, and the G7/G8 heads of state. US and European cooperation policies shifted toward an emphasis on funding citizens’ groups that were often held up as scrupulous and efficient alternatives to the corrupt, bloated, and ineffective public sectors that had previously absorbed most foreign aid. NGOs increasingly assumed responsibilities for delivery of services ranging from health care to agricultural extension, and they also became conduits for political demands initially articulated by social movements and other pressure groups.

Contrasting theoretical conceptions of how to bound “civil society” are often tied to distinct development agendas and views of democratization. Many concur that “civil society” is the associational realm between the household and the state, while others emphasize the emergence of a global civil society and transnational advocacy networks. Beyond that, however, two polar positions exist, separated by opposing views on whether to include economic actors – specifically, markets and firms – within “civil society.” Those who argue for considering markets and corporations as part of the category typically favor a neoliberal development agenda (an irony, given this position’s roots in Hegel and Marx) which sees “civil society” as a domain outside of and morally superior to the state. They posit choice and freedom of association as fundamental characteristics of both the market and “civil society,” making support for economic liberalization and “civil society” institutions not only entirely compatible, but complementary strategies for checking state power. In contrast, theorists who exclude the market and firms from “civil society” usually consider it a domain of associational life that attempts to defend autonomous collective institutions from the encroachments of both the market and the state. In comparison with neoliberal theorists, they tend to accord much more analytical importance to how social inequality structures or limits political representation.

During the past two decades, the struggle between these divergent conceptions has played out in academia, bilateral and non-governmental funding agencies, supranational governance institutions, and the countries of the South. Typically, proponents of neoliberal development strategies have favored strengthening legal institutions and elite lobbying groups as a way of facilitating market-driven approaches to growth and to resolving social problems. Supporters of alternative strategies, on the other hand, characteristically have backed organizations with a dual focus on income-generating projects for historically disadvantaged sectors of the population and pressure group tactics intended to create more profound structural change. The latter line of attack, favored by many European donor NGOs and bilateral cooperation agencies, has given grass-roots organizations a significant impact in reshaping all manner of development-related debates and policies.

Recent shifts in understanding the gendered dimensions of development are emblematic of civil society’s growing influence on policy-makers’ debates. The “Women in Development” approach that accompanied the United Nations Decade for Women (1975–1985) sought to address “male bias” by increasing female access to, and participation in, development programs (much as rural development programs had tried to compensate for “urban bias”). By the mid-1990s, however, at the insistence of an increasingly vocal international women’s movement, mainstream development institutions recognized that the WID paradigm did little to address key concerns, such as unequal inheritance and property rights for men and women, domestic violence, men’s abandonment of their children, or family planning and prevention of sexually transmitted diseases. Addressing these issues not only required male participation within a new “Gender and Development” framework (that largely superseded WID), but also presupposed fundamental modifications of existing practices of masculinity and femininity. Scholars such as Sylvia Chant and Matthew Gutmann, however, note that recent Gender and Development policies have not fundamentally altered WID’s emphasis on programs designed by and for women. Thus Chant and Gutmann argue that development programs should incorporate “men as a gendered category in a feminist sense,” with attention to unequal relations between men as well as between men and women.

**Culture and Development**

Is under-development a state of mind, an artifact of culture or values? Few anthropologists would agree, though many writings about development now reduce the spirit of capitalism to ahistorical cultural essences – a move that divorces culture from politics and economy in ways Weber and other classical theorists did not. Devotees of modernization theory still view “traditional” culture as an obstacle to change, while others have attributed the pre-1997 economic dynamism of the “Asian tigers,” for example, to either Confucian values or long-established Asian forms of household organization.

Contemporary anthropology’s emphasis on culture as contested, flexible, fragmentary, and contingent is hard to reconcile with mainstream “culturalist” explanations of under-development or Confucian capitalism, which tend to assume that people mechanically enact norms. Thus anthropologists often clash with their development agency employers, as well as with some political scientists and economists, when analyzing cultural aspects of development. Without denying that norms influence behavior, many anthropologists focus on what norms or symbols individuals invoke in particular situations to justify or explain their actions – exploring the rich possibilities of contradictory or contested cultural imperatives, and their situational contingency.

Development practitioners, on the other hand, demand simplifying models that travel well across national boundaries.

Supposed cultural conservatism or cultural difference maps onto ethnic identities and hierarchies, and these too figure in representations, whether official or social scientific, of putative differences in receptivity to development. Ethnic or cultural difference becomes an easy alibi for histories of regional economic and social inequalities and deprivation, as in the well-documented case of the San peoples of southern Africa, or among Chinese minorities. Indigenous and minority rights movements complicate earlier assumptions about culture and development, individual and group rights, and what rights accompany indigenous or minority status. Successful claims to
local authenticity or indigenous identity in international arenas may confer significant material advantages, and thus encourage people to strategically deploy or reinvent cultural, ethnic, indigenous, or local identities. Cultural symbols are invoked as well by right-wing and conservative movements (such as anti-immigrant movements in Europe or Islamic fundamentalism), though anthropologists have been less likely to theorize movements that promote exclusivity, racism, or intolerance. Ethnographic studies of identity or cultural politics, what it means to be “indigenous,” and when essentialism is strategic or romantic, place anthropologists at the center of development politics and practice – whether they claim “development” as their focus or not.

**Consumption**

Anthropology originally drew students to societies marked by the absence of modern consumer goods that signal development. Today, however, expanding ethnographic study of consumption reflects profound changes in the discipline, including a recognition of commodities’ embeddedness in social relations in any economy, and a move beyond the gift/commodity dichotomy and its attendant evolutionary assumptions (as scholars such as James Carrier and Daniel Miller have shown). Studies of consumption illuminate new material aspirations and imaginings, and some probe connections between the conditions of production of commodities such as sugar or grapes in poorer nations and changing consumption preferences in wealthier industrialized nations.

What are the implications of such studies for development? Here one finds a split between those who see emancipatory versus destructive forces in commodification and mass consumption, though anthropologists studying these phenomena in the 1990s were moving beyond such oppositions and instead exploring how processes of commodification differ from the assumptions of modernization models. Much critical analysis focused on a different aspect of commodification – namely the effects of neoliberalism and structural adjustment programs, a conventional domain of development. Although scholars have rejected many elements of 1960s modernization theory, that paradigm’s traditional/modern binaries are very much alive in everyday language and culture, especially in consumption practices, which can signal newly imagined futures of conformity, creativity, rebellion, subversion, or strategic image-making, among other possibilities. Consumer appearances, for example, are so important that one finds impostors who talk on toy cellular telephones, parade in supermarkets with luxury-filled carts they later abandon as they sneak out the door without buying anything, and people who suffer extreme heat in their cars rather than roll down the windows and reveal that they have no air conditioning (examples Eduardo Galeano discusses in *Upside Down*). Neoliberalism denies to many the consumer paradise it promises.

**Environment and Development**

The “ecological anthropology” and “cultural ecology” of the 1970s, which frequently rested on functionalist and exaggeratedly localistic assumptions, have ceded ground to “historical ecological” or “political ecology” approaches, the concerns of which often paralleled those of new environmentalist movements and non-governmental organizations working for “sustainable development.” Political ecology links environment, development, and social movements, often drawing on poststructuralist theory as well as political-economy critiques of development (as in the 2001 volume edited by Peluso and Watts). The new approaches vary in method and focus, but usually eschew adaptation as a starting premise. Indeed, maladaptive processes have become a key concern, while other analyses contain implicit adaptationist assumptions discussed in an idiom of “sustainable development.” Would environmental catastrophe result, for example, if 5 billion people in poor nations were to consume at the level enjoyed by the 1 billion who live in the wealthiest societies? Is “sustainability” possible on a small or large scale, and what role does it imply for market forces, whether local or global? How have differing interpretations of “sustainability” shaped struggles over development policy?

“Today’s free-market enthusiasts challenge the notion of environmental crisis, sometimes questioning the scientific reality of global warming and ozone depletion, or simply suggesting that market forces can resolve environmental problems. Less orthodoxy economists, such as Herman Daly, emphasize that the economy cannot expand forever precisely because it is part of a finite and non-growing ecosystem. They propose an unorthodox form of “getting the prices right”: counting “externalities” as costs and rejecting the practice of including consumption of natural capital as income. “Sustainable development” was initially defined in Gro Harlem Brundtland’s UN-sponsored report *Our Common Future* as practices that satisfy the needs of our generation, without jeopardizing the possibilities for future generations to satisfy their needs. Yet “needs” – left undefined – proved to be one of several contentious aspects of the new paradigm, which the World Bank, multinational corporations, and radical environmental movements all claim as their own.

Anthropological studies of the environment and resource conservation focus less on economic policies or new forms of multilateral governance than on indigenous rights, social constructions of nature, and debates between radical and mainstream environmentalists. Environmental stresses and resource conflicts have become a pressing post-Cold War security issue, sometimes expressed as identity politics. Yet political ecology until recently has been surprisingly silent about geopolitical questions such as regional integration, transnational governance and environmental security, and decentralized politics.

**Post-development?**

Some scholars urge us to look beyond “development” as the answer to poverty, hunger, and oppression. They employ Foucauldian notions of power, analyzing, for example, how “empowerment” becomes subjection, and why it is that the more “participatory” rural development appraisals are, the more they conceal community power structures. Among the dangers of conventional participatory development approaches is the capacity of the language of “empowerment” to conceal both large-scale inequalities and naïve assumptions about local authenticity and participants’ sincerity.
Advocates of “post-development” exalt familiar images of the “local,” but often they tend to romanticize or essentialize it. In a reversal of modernization theory’s assumption that “traditional” communities pose obstacles to change, some scholars and activists now celebrate community as a valuable source of local or indigenous knowledge and critique. Post-development approaches tend to view states as simply the agents of brutal or failed modernization rather than as possible vehicles of democratization and beneficial access to markets. Such approaches raise questions about when “local” people might prefer a state that works for them rather than state withdrawal. As Michael Watts has noted (in a 1998 volume edited by Doreen Massey and John Allen), there is a danger in uncritically privileging “the local,” “place,” “culture,” “the people,” or “popular discourse from below” without acknowledging “the potentially deeply conservative, and occasionally reactionary, aspects of such local particularisms.”

CONCLUSION

Two contradictory claims about the origins of “development” and “under-development” are encountered in the anthropological literature. One locates development squarely in the Enlightenment and the transition from feudalism to capitalism, the first period in history when it became possible to imagine spectacular advances in the productive forces that made progress possible. Another claim, prominent in poststructuralist scholarship, sees “development” as a post-World War II discourse intended to justify the remaking of the “Third World,” and suggests that “under-development” – also primarily a discourse – originated in a 1949 speech by Harry Truman. Advocates of the first position see the second as ignoring both intellectual and economic history, overly focused on discourse, and insufficiently attentive to long-standing processes of exploitation. Proponents of the second tendency criticize supporters of the first approach for accepting an old “master narrative” about progress and for not acknowledging the utter failure of most twentieth-century development efforts, whether carried out by states, multilateral institutions, or small NGOs. Some maintain that disillusion with development is so widespread that we have moved into a “post-development era.”

Such a claim can only seem far-fetched to citizens of countries where unaccountable World Bank and International Monetary Fund bureaucrats have largely defined economic policies and where levels of poverty and inequality show no signs of diminishing. If not development, then what? Alternatives imagined by post-development enthusiasts often remain just that – imaginary. Proponents of development alternatives or “another development” have put forward a range of proposals, including “localization,” “delinking” from the market, “fair trade,” participatory budgeting, taxes on volatile capital movements, and a startling number of populist, nationalist, and regional integration efforts to re-embed the economy in society. They generally differ from post-development theorists in their continuing search for practical experiences that prove effective in raising living standards and that have potential for “scaling up.” Often development alternatives are part of the practice of social movements and other civil society organizations. As yet, however, apart from some tepid attempts to theorize a “third way” between capitalism and socialism, remark-

ably few in the development alternatives camp have tried to challenge the macroeconomic premises of neoliberalism or assert a role for a reinvigorated state as a vehicle for democratization, social justice, or even simply improved access to markets.

Meanwhile, modernization theory and its assumptions about supposed cultural obstacles to change remain alive and well among many development practitioners. And assumptions about “development,” whether explicit or not, feature in the torrent of contemporary academic studies of “modernity.” Yet contemporary anthropology tends to dehistoricize globalization, naturalize neoliberalism, and bypass the state in favor of the “local” or the transnational. Today’s debates over globalization confirm that development is still hotly contested. As Graeber (2002:1233) suggests, globalization “has made the political role of anthropology itself problematic, in a way perhaps even more profound than the ‘reflexive moment’ of the eighties ever did.”


REFERENCES


SUGGESTED FURTHER READING


CONTENTS

List of illustrations vii
Notes on contributors ix
Acknowledgements xii

Culture and global change: an introduction
TRACEY SKELTON AND TIM ALLEN 1

I CULTURE AND DEVELOPMENT 12

1 Classic conceptions of culture
PETER WORSLEY 13

2 Globalised culture: the triumph of the West?
JOHN TOMLINSON 23

3 Culture and development theory
PETER WORSLEY 32

II QUESTIONING CULTURAL ASSUMPTIONS 45

4 Modernisation versus the environment? Shifting objectives of progress
ALAN THOMAS 46

5 Local knowledges and changing technologies
GORDON WILSON 59

6 Understanding health
MURRAY LAST 72

III REPRESENTATIONS AND CULTURAL COMMODIFICATION 87

7 Finding the right image: British development NGOs and the regulation of imagery
HENRIETTA LIDCHI 88

8 Representations of conflict in the Western media: the manufacture of a barbaric periphery
PHILIPPA ATKINSON 105

9 Sex tourism: the complexities of power
JAN JINDY PETTMAN 112
CULTURE AND GLOBAL CHANGE
An introduction

Tracey Skelton and Tim Allen

This is a book with a very grand title. We need to begin by explaining what it means, and, equally importantly, what it does not. This is a little easier with respect to ‘global change’ than it is for ‘culture’, so let us start with the former term.

WHAT IS GLOBAL CHANGE?

Global has become a popular adjective in recent years. There are three main reasons for this. The first is simply the lack of an alternative way of indicating the whole world. The expression ‘worldly change’ would carry quite different connotations. Indeed, it might suggest that this book is about the promotion of moral values. The second reason is that there is a generally recognised need for terms to describe world-wide events and processes. A variety of factors, including the end of the Cold War and the rapid economic growth of several East Asian countries, has rendered conventional ways of categorising the world into parts redundant, or at least much more problematic. If there is still usefulness, for example, in a label like ‘Third World’, it is to point to shared histories rather than to regions which can be lumped together as a clearly delineated category. Moreover application of the expression ‘Third World’ has to be tempered with awareness of the growing integration of aspects of social life in Africa, Latin America, the Caribbean, Asia and Oceania with aspects of social life in the ‘First’ and ‘Second’ Worlds, particularly (though not exclusively) for élite groups.

A third reason for the choice of the word ‘global’ relates to this integration. Several chapters presented here specifically focus on it and comment on some of its consequences (e.g. Tomlinson, Atkinson, Lidchi and Beckles). Since the mid-1980s a fascination with connections across the world has resulted in a large literature on ‘globalisation’. Some of the analysis has focused specifically on matters like the radical changes in financial transactions or the spread of CNN-style real-time television. Other scholars have viewed globalisation as a more pervasive phenomenon which is transforming, or may be about to transform, virtually everything. From this perspective, globalisation is understood as the key quality of the contemporary situation. In numerous publications, a great deal of space has been allocated to the elaboration of a sophisticated, diffuse, and often rather obscure, range of general models and hypotheses, all of which attempt to come to terms with the enormity of what is occurring.

This book has determinedly avoided such an approach. It is likely to be of most interest to students of globalisation not for its abstractions, but for its investigation of examples (of which there is a striking paucity in most publications on the subject). Several of our contributors are in fact very sceptical of the far-reaching assumptions and vague assertions made in the globalisation discourse, and suspect that there is a considerable element of ‘old wine in new bottles’. Certainly for millions of people modernity seems to be
characterised more by systematic exclusion and marginality rather than interconnectedness and the formation of new hybrid identities.

Thus we have opted for the adjective ‘global’ rather than the noun ‘globalisation’ because it is a less loaded word. We employ it to refer both to the important world-wide networks of integration (some of which are new and some of which are less so), and simply to important transformations going on in different places around the world.

We might have called these transformations ‘development’, but again we have preferred something more neutral for the title, so we refer instead to ‘change’, which has the distinct advantage, in this context, of not carrying the complex and wide-ranging associations of ‘development’. Our intention is also to interrogate the notion of ‘development’ as an historically formulated concept, imbued with relations of power.

Clearly there is common ground here with the so-called ‘post-development’ school. This group of scholars have suggested that development is a dangerous, or even pernicious, concept in that it implies something positive but offers nothing more than a kind of mirage of progress, based on rigorous homogenisation of ways of being human. Most of the authors of this book share such concerns about traditional development theory and policy making, with its Western or Eurocentric biases. Nevertheless, this is not really a post-development book. The majority of the authors still work within what might be termed a ‘development studies’ framework in that they are unwilling to euphemise the experience of poverty by analysing it as a form of discourse, and remain committed both to a structural linking of poverty with affluence, and to the need to engage in practical action to alleviate it.

**WHAT IS CULTURE?**

So our use of the expression ‘global change’ is consciously straightforward. We would like the same to be the case for our use of the word ‘culture’, but that is wishful thinking. Raymond Williams famously described ‘culture’ as one of the most complicated words in the English language (1958). Yet most of the time its use is not so much complicated as just confused and confusing. It can refer to matters as diverse as a Beethoven symphony, a code of conduct or the quality of being human. Often it is clear that an individual uses it in different ways in different circumstances, and its application as an analytical category can be singularly unhelpful in that it is held to mean a variety of things, some of which might be contradictory. What the term means to a reader may be quite at variance with what was meant by the author (assuming she or he knew what they meant in the first place). Part of the problem relates to the etymology of the word.

Its origins are linked to ‘cultivate’ and ‘cultivation’, and a list of definitions given in *The Concise Oxford Dictionary* begins with: ‘Tillage of the soil; rearing, production, (of bees, oysters, fish, silk, bacteria); quality of bacteria thus produced’. This is why ‘culture’ for natural scientists is still commonly something found in a petri-dish. During the seventeenth century, the word also began to be used in a metaphorical sense, to refer to the growth of individuals or of human society. Particularly in Germany, by the late eighteenth century, ‘culture’ (or *Cultur/Kultur*) was being used in scholarly works on historical progress, and was also being employed in the plural, to refer to distinct social groups. By the turn of the twentieth century, ‘culture’ had already become a concept with a complex of overlapping, but potentially different meanings. Three of these have proved particularly significant in the social sciences.

The broadest meaning related to debates about the theory of evolution—debates which continue up to the present. This is the argument about the extent to which human behaviour is determined by biology. For those who maintain that humans are not just another type of primate, the crucial difference between humans and animals is culture. Here culture refers to ‘learned, adapted symbolic behaviour, based on a full-fledged
language, associated with technical inventiveness, a complex of skills that in turn depends on a capacity to organise exchange relationships between communities’ (Kuper 1994:90).

A second meaning of culture was more overtly value-laden. Culture was again conceptualised as singular, but it was viewed as less pervasive. It was what ‘a person ought to acquire in order to become a fully worthwhile moral agent’ (Barnard and Spencer 1996:136). Some people (i.e. well-educated English gentlemen) and some human products (i.e. classical music), were understood as having more culture than others.

In contrast, a third meaning was plural and relativistic. The world is divided into many cultures, each of which is valuable. ‘Any particular person is a product of the particular culture in which he or she has lived, and differences between human beings are to be explained (but not judged) by differences in their cultures (rather than their race)’ (Barnard and Spencer 1996:136).

Although they are very different, these three diverse conceptions have rarely been kept completely separate. In popular discourse about culture, and in academic writing there has usually been a shifting between them. As Peter Worsley points out in Chapter 1, the academic discipline which has, until relatively recently, dominated discussion of culture is anthropology. Anthropologists are usually associated with the third meaning. Indeed Barnard and Spencer call this ‘the anthropological sense’ in the *Encyclopaedia of Social and Cultural Anthropology* (1996:136). However, social and cultural anthropologists have implicitly or explicitly located their indepth studies of particular cultures within the context of the first meaning, and will revert to culture in the singular if responding to suggestions of biological determinism.

More subtly, the second meaning has also informed their work too, though usually at an unconscious level. For a long time anthropologists persisted in describing their subject matter as ‘primitive’, ‘native’, ‘tribal’ or ‘savage’ society. Later, other terms were employed, notably ‘the local’. However, as James Ferguson notes:

> Even if it is true that all social processes are in some sense ‘local’, it is also clear that, in normal anthropological practice, some problems, some research settings, even some people, seem to be more ‘local’ than others. Unsurprisingly, it is the least ‘developed’ who are generally understood to be the most ‘local’.

*(Ferguson 1996:159)*

Moreover, while some anthropologists now work ‘at home’, the discipline remains obsessed with ‘the other’, which Said (1978) reminds us means ‘those who are not us’. Those who are not us must be different to us, and, in a rather crude adaptation of much more sophisticated debates, the next line of argument is about who is better or worse, and a hierarchy of cultural development, cultural sophistication and concepts of superiority can filter through.

Anthropologists have tried to avoid this danger by emphasising their relativism, and by replacing earlier models of how behaviour is determined by the qualities of a culture with less functionalist theories which stress social agency and view culture as actively negotiated, not just inherited. However, the power, practice and production of ‘Western-centric’ development has a culture all of its own, and it is hegemonic enough to appropriate what fits from anthropological studies, and leave aside what does not. It represents ‘others’ as passive objects of development, trapped in their own poverty and lack of knowledge and understanding, constrained by traditions and cultural practices, fixed in time and needy of ‘help’ to develop and to emulate the successful ‘West’.

In recent years the situation has been further complicated within academia by the rise of cultural studies, the ‘cultural turn’ in geography and the resurgence of cultural anthropology (see for example the overviews
in Jackson 1989; Jenks 1993; Nugent and Shore 1997; During 1993; and Crang 1998). Elsewhere (Allen 1995; Skelton 1996a and 1996b) we have discussed the ways in which ‘culture’ is being included in academic discourse on development, globalisation and global political economy. More and more books and articles elaborate insights into what culture might mean, with debates even within particular disciplines, let alone between them, sometimes indulging ‘in purely definitional argy-bargy’ (Bauman 1996:11). In addition there has been an increased tendency for economists and political scientists to invoke culture as an explanation for everything from ‘transaction costs’, to civil war, to the rapid industrialisation of China (e.g. North 1990; Fukuyama 1995; Huntington 1996). While others working from intellectually more relativist and locally grounded starting points call for a ‘cultural critique of economics as a foundation structure of modernity’ and assert the need for ‘the formation of a culture-based political economy’ (Escobar 1995:vii).

One exasperated senior British anthropologist, Adam Kuper, now takes the view that the term ‘culture’ covers too much and in too vague a manner to be of use, and should usually be set aside as a category in social science (personal communication). There have been moments in the course of working on this book when we have thought this might be good advice. Trying to pull together threads which have a commonalty of colour (‘culture’) but combine to form different and complex patterns (geography, content, focus, emphases, conclusions and suggestions) is in many ways an editor’s nightmare. But obviously we have resisted going so far as to reject the concept of ‘culture’—or our book would have been called something else.

Culture as a concept is everywhere, and we cannot just wish it away because it is a difficult thing to define and write about. There are common-sense understandings of the term and it is important that we engage and debate with the ways in which people use it. ‘Culture’ remains a significant part of people’s lives. Understanding culture in a broad conceptual framework can help us interpret what things mean to people and, as many chapters in this collection demonstrate, nuanced and sophisticated investigations into cultural aspects of ways of life can be very significant in making assessments of processes of change.

There is also another reason why we feel we cannot reject an engagement with the concept of culture altogether. The huge body of knowledge and writing related to culture across and beyond the social sciences may be rather mind-boggling, but some of this material is extremely valuable. It may not be consistent, but its very diversity, complexity and variance are part of what make it interesting. The fact that in these many discourses the word ‘culture’ carries different meanings can be unsettling, but it does not necessarily mean that one discourse is correct and another one is wrong.

Our own position, and that of all the authors of this book, is that what has to be avoided is the construction of models in which culture is conceived in reified form. It may be that some people experience aspects of culture as if they are natural, but analysis must explain how these experiences are historically or socially constructed. This does not lead us to sacrifice ‘a good, if complicated word altogether’ (Baumann 1996:11), but rather to engage with it critically.

Thus we reject conceptions of culture as fixed, coherent or ‘natural’, and instead view it as dynamically changing over time and space—the product of ongoing human interaction. This means that we accept the term as ambiguous and suggestive rather than as analytically precise. It reflects or encapsulates the muddles of living. We recognise that there are ideas and practices which may be maintained over long periods of time, from generation to generation, but culture is always contingent upon historical processes (extremely important in the context of development debates and the historical legacies of Empire). It is also influenced by, influences and generally interacts with, contemporary social, economic and political factors. Geography too is significant. It is not just about where you are on the world map, for example, but about the ways in which space and place interact with understandings about being a person. Moreover, any one individual’s experience of culture will be affected by the multiple aspects of their identity—‘race’, gender, age,
sexuality, class, caste position, religion, geography and so forth—and it is likely to alter in various circumstances.

Multiple meanings of culture debated at length in the wider literature are represented here—culture as representation, as discourse, as practice, as product, as action, as explanation. Within each chapter though there is a general understanding that culture is not just about high and low, not about product and audience, not just about ways of doing things. It is of course all of these things.

**WHAT IS CULTURE AND GLOBAL CHANGE?**

Some scholars would argue that culture has always had an important place in the study of global change, even if this was not always consciously recognised. It is worth recalling that the origins of the notion of ‘development’ in the sense of promoting social progress lie in the same set of nineteenth century ideas which are associated with the origins of the concept of culture. Indeed culture and development sometimes meant almost the same thing until discourses of development planning and cultural specificity diverged in the early decades of the present century. As Ferguson points out this is one reason why the disciplines of anthropology and development studies have such a fraught relationship:

> Like an unwanted ghost, or an uninvited relative, development haunts the house of anthropology. Fundamentally disliked by a discipline that at heart loves all those things that development intends to destroy. Anthropology’s evil twin remains too close a relative to be simply kicked out.  
> (Ferguson 1996:160)

However, as suggested above, what traditional development thinking has considered to be ‘culture’ often draws less upon local specificities than the overtly value-laden meaning of culture associated with a hierarchy of ways of life. It stresses the need to move away from ‘primitive’ (or ‘local’) traditions and adopt more ‘Western’, ‘progressive’ cultural practices. Another perception is that culture is fixed in time. For example, in the eyes of the United States Agency for International Development, agricultural practices along the Nile are fossilised, unable to change and therefore in need of technological injections to bring them into the twentieth century (Mitchell 1995). Similarly, aid workers in Somalia have characterised the country’s population as trapped in a rigid and fatalistic value system (Allen 1992a:339). When development swoops in on its objects, they are stripped of their history, placed in typologies defining what they are now, what they once were and where development will carry them (Crush 1995b). What this means is that the ‘cultures’ of people who are subject to development are still too often viewed as frozen in static traditions, and thereby simplistically (and often incorrectly) perceived as obstacles.

It is an important call within this book that, when development approaches take culture into account, this is done with thought and care. Pitfalls of western centrism must be avoided. There must be a recognition of the dynamism of people’s world views. Diversity must be respected and reflected, and indigenous knowledges must be investigated and valued but not reified and romanticised.

There needs to be an inclusive and representative understanding of culture which becomes part of development discourse. The ways in which the ‘development machine’ (Ferguson 1990) analyses the world have to be fundamentally challenged and transformed.

The relationship between culture and development has to go further and deeper than just recognising the importance of ‘Third World cultures’. As many of the authors in this volume demonstrate the very ‘culture of development’ has to be acknowledged and changed. This is a reason why we have included several chapters which do not deal with the ‘Third World’, but with change in Russia, Japan, the USA and the UK,
or which consider issues of representation, migrations and philosophical debates that transcend national boundaries.

Finally, it is our contention that ‘culture’ must be understood as the over-arching context in which development and all forms of social change occur. The great strength of the term, for its many limitations, is that it directs our attention to the inter-connectedness between conventionally divided-up parts of social life. It should warn us not to believe too firmly in models that divorce economic transactions from religious beliefs, or kinship systems from the invigoration of democratic institutions. All the chapters in this book contribute to this end. The point is not to end up with almost unreadable and unusable thick description, but to provoke new questions, to research new areas and to question our conventional assumptions.

**STRUCTURE OF THE BOOK**

There is an enormous diversity contained within this collection. We present twenty-five chapters divided into eight parts. Each part provides a particular take on ‘culture’, but even within the parts there are further nuances of interpretations discussed in the constituent chapters. Consequently it is important to remember that each part is far from discrete or bounded. There are many chapters which could have been placed under different headings. An example is Hilary McD. Beckles’ chapter on cricket and the Caribbean which could have been placed within the part entitled ‘Representations and Cultural Commodification’ because he discusses the ways in which cricket has become a globalised and commoditised form. However the chapter is actually placed in the section called ‘Culture as Product: Culture as Pleasure’ because cricket is also a sporting product, a product of national identities and is still viewed and played as a pleasure. Heather Tyrrell’s chapter on Indian cinema is placed in ‘Culture as Product: Culture as Pleasure’ but could also have been placed in the part on ‘Culture and Resistance’. Through film, India resists cultural hegemony from Hollywood and hence the USA. Rolando Gaete’s chapter, which questions Western notions of human rights, is placed under the part heading of ‘Culture and Human Rights’ but could also have found a home within ‘Questioning Cultural Assumptions’.

Hence it is critical that, just as we recognise the multiple interpretations of ‘culture’ and ‘development’, we recognise that the structure of the book could be as fluid and dynamic as the very concepts we draw upon. Our structure of eight parts is artificial and yet has purpose and meaning at the same time. Our aim is to guide you, the reader, through a range of debates, focuses and places. The parts could have followed a different order and while you will find many connections as you read, you will also be able to dip into chapters and form your own pathways through the text. Now to an outline of the parts of the book and a brief guide to the chapters.

Part I is entitled ‘Culture and Development’. Here the chapters focus explicitly on debates surrounding questions of culture and its connections with development, both over time and in the contemporary context. They establish themes which are picked up through the rest of the text by other authors. Peter Worsley, one of the leading figures of modern sociology, presents two chapters, placed as Chapters 1 and 3. The first, ‘Classic Conceptions of Culture’, takes the reader through some of the key debates on culture within different academic disciplines (both in the UK and the USA), namely anthropology and sociology. It also describes the significant influences Gramsci and Williams have had in British studies of culture. John Tomlinson’s chapter focuses on arguments, anxieties and assumptions surrounding the concept of a ‘globalised culture’. He engages with the debates around the totalising impact of the West and stresses that while some aspects are embraced others are firmly rejected (a theme in Tyrrell’s chapter). He states that if a globalised culture is emerging (and he presents considerable evidence which argues against this) then it is very much a hybrid culture. We cannot deny the power of Western culture but it might also be that the
processes which consolidate this power—globalisation—might also lead to a decline of the West; it might lose its ‘edge’ against the ‘rest’. In **Chapter 3, ‘Culture and Development Theory’**, Worsley, in his own distinctive style, considers the predominance of economic analyses within development theory, a legacy of modernisation theory. He shows that even alternatives to this theory did not take culture adequately into account. He argues that only when expected outcomes of development failed to materialise, or were highly successful, did questions begin to be asked about the role of culture in development. These three chapters, along with our introduction, combine to form a framework of debate about, and contextualisation of, ‘culture’ as a central concept.

**Part II, ‘Questioning Cultural Assumptions’**, develops more specific examples of some of the issues raised by Tomlinson. Each chapter forces the reader to engage with a reconsideration of what is ‘appropriate’ in non-Western contexts and cultures. Alan Thomas questions the ways in which modernisation as a concept underpins development theory. He argues that to date there is no real alternative to such an approach but suggests that a challenge may come from global environmentalism. Combinations of very different groups of people express and campaign around global environmental concerns and have forced the issue onto development agendas. However, Thomas urges considerable caution because global environmentalism is far from a single movement. There are very different cultures contained within the approach to environment and this can often lead to groups being in direct conflict. He reminds us that there are considerable differences, many of them revolving around culture and politics, between environmental groups of the South and the North. Gordon Wilson considers ‘Local Knowledges and Changing Technologies’. He emphasises the fact that technology is far from culturally neutral as much development theory and process assumes. Technology is connected to knowledge and the latter is very much a cultural construction. As Wilson clearly demonstrates the cultural embeddedness of technology is evident in the gendered impacts its introduction has. If technology is going to have beneficial impacts then it has to be part of the cultural experiences and knowledges of the people who use it. Murray Last’s chapter, ‘Understanding Health’ is the final one in this section. Last admires the aims of development health organisations of achieving ‘health for all’ but states that they are unrealistic. His central argument is that there should be a recognition of the value of local knowledge so as to allow people to have senses of self-worth and empowerment in relation to their own health. Echoing Tomlinson in examining what globalisation actually means, Last shows that globalisation has direct effects on people’s health. It creates the means of rapid dissemination of diseases and because of incorporation into the global economy exacerbates illnesses which are linked to poverty. He examines the assumptions around biomedicine, which is assumed to be culture-free, when in fact it is tightly bound by existing power structures (see Parker’s chapter). Last calls for a definition of health which emphasises well-being, recognises the role of the community in definitions of health/illness and the provision of health care, and works within existing cultures of health.

In **Part III** we have four chapters which on the surface appear very different. However, what all of them do is illustrate the ways in which ‘Representations and Cultural Commodification’ are part of our ways of understanding the world around us and are also pivotal to power relations between those who construct and those who are constructed. However, as illustrated in more detail in **Part V**, there is always and everywhere resistance. Henrietta Lidchi’s chapter, ‘Finding the Right Image: British Development NGOs and the Regulation of Imagery’, focuses upon the ways in which representations construct meaning in and through images of development. She demonstrates that NGOs (Non-Governmental Organisations) are cultural organisations and they have to respond to external forces—not only from the ‘Third World’ but also from within the ‘First World’. She considers the growth of concern about the ‘image of development’ and the increased recognition of the power of the image. She offers detailed reading of the images of an NGO campaign which tried to balance the need to raise funds with providing positive representations of their
partners in development. Philippa Atkinson considers the ways in which the media represent other places to us—places we have not been ourselves. In ‘Representations of Conflict in the Western Media: The Manufacture of a Barbaric Periphery’ she argues that the media inevitably influence public opinion and consequently have to bear responsibility for the ways in which places and people are represented. She outlines the thesis of ‘new barbarism’, which represents Africa as a continent riddled with conflicts of its own making. Such persistent misrepresentation of Africa means that it is consistently misunderstood. Conflicts are represented without history, meaning or analysis. She then discusses the role aid agencies can and do play in monitoring and countering such representations and demonstrates the role that positive media transmission can have in conflict resolution (the importance of radio is taken up by Schelling’s chapter).

Turning our focus to a different part of the world and to a different form of commodification Jan Jindy Pettman writes about ‘Sex Tourism: The Complexities of Power’. She takes us through the historical development of prostitution and thence sex tourism in Thailand and the Philippines; the involvement of the USA is clearly shown. The chapter considers the ways in which women, and increasingly children, are represented as sexual commodities and how this forms an international cultural politics, constructed, in this case, through tourism. She closes by looking at the ways in which women internationally are resisting exploitative representations as well as economic, political and social relations. For the fourth chapter in this section we focus on London as a global city and consider the way in which the city is represented through its ‘local’ paper, the London Evening Standard. Jenny Owen interrogates the context of ‘The City and Identity’ and shows the many ways in which the newspaper represents the city and the multiplicity of cultures within it. She argues that the Standard has to tread a fine balance between rendering London distinct and yet to provide spaces for difference. She shows how the paper wants to reclaim London from an agenda of crime, decay and loss of community and represent it as a living cultural ecology.

Part IV ‘Culture as Explanation’ offers chapters which critique three different examples of culture being used as an explanatory context for certain conditions. Roger Goodman, in ‘Culture as Ideology’, looks at debates which argue that there is a particular culture which has stimulated the Japanese economic miracle. He states that the ‘West’ was fascinated with what the Japanese did to achieve success and was hungry for texts which described corporate culture and history so that the approach might be copied. He shows that there are serious problems with such representations—they are functionalist, essentialist and static. It also allows no room for agency among the Japanese; they appear locked into a particular way of working. Goodman takes us into the reality of the Japanese workplace and shows that there is enormous diversity and the picture is much more complex than the ‘how to’ manuals imply. Perhaps, he suggests, Japan’s economic success is more linked to the fact it has one of the most highly educated workforces in the world. In a similar vein Mike Hickox’s chapter, ‘Cultural Disease and British Industrial Decline: Weber in Reverse’, considers the argument that Britain faces a ‘cultural malaise’. He shows that while there are differing explanations as to where the ‘malaise’ originates and what might be done about it, there is a consensus about the fact that it exists. He critiques approaches which foster culture as explanation and clearly shows that there are flaws and over-statements in many of the arguments about Britain’s apparent cultural malaise, complacency and chauvinism. He concludes that the so-called cultural traditionalism of Britain may in fact provide a distinctive edge in a rapidly globalising world. In their chapter ‘Ethnicity’, Tim Allen and John Eade engage with the problems of adequately defining ethnicity and of not conflating it with ‘race’. They consider three different approaches to ethnicity within the discipline of anthropology and show the importance of relevant and meaningful understandings of the concept of ethnicity—not only for anthropology but also within every other context of social and cultural life. The chapter argues against those following a culturally functionalist perspective which treats ‘ethnicity’, ‘culture’ and ‘society’ as interchangeable concepts. It critiques the view that ethnicity should be used as a euphemism for the cultural specificities of social groups and highlights the
common tendency to use ethnicity as a polite alternative term for ‘race’. It provocatively points out that much discussion of ethnicity is in fact racist.

The fifth section of the book focuses on ‘Culture and Resistance’ and covers debates about resistance among the poor of the Third World and ways in which local communities resist and self-empower. It also recognises that making choices and demonstrating creativity are aspects of resistance. Hazel Johnson considers ‘Local Forms of Resistance: Weapons of the Weak’ and interrogates the complexities of defining what is resistance. She asks whether there are genuine weapons which the weak can use to bring about longterm change and improvement. The chapter considers the ways in which power and weakness are conceptualised and how strongly poverty links to weakness. Nevertheless, as the chapter shows, the weapons that people do have are culturally embedded and there are several ways of interpreting successful outcomes of different forms of resistance. The people’s radio of Vila Nossa Senhora Aparecida is the focus of Vivian Schelling’s chapter about alternative communications and cultures of resistance in Brazil. A community of northeastern migrants, settled on the edge of São Paulo, have developed their own radio station which is both informed by, and informs, their relatively ‘new’ urban experiences. It is also a means of resisting the erosion of their cultural identities as they face a particular form of modernity which invalidates their skills and patterns of life. As Schelling illustrates, the people’s radio is in fact a significant counterhegemonic cultural form. Chris J. Martin’s chapter, ‘The New Migrants: “Flexible Workers” in a Global Economy’, is not ostensibly about cultures of resistance, and yet this is an implicit factor in his discussion of contemporary voluntary migrants. He places an emphasis on the fact that the migrants are forging new destinies and are being creative in the ways in which they take opportunities. He provides a different representation of migrants to the one of downtrodden people subject to forces beyond their control. He focuses on Mexican-US and Latin America—UK migration and shows the ways in which workers are creating new niches for themselves and have revitalised whole areas of cities. He concludes that migrants have more capacity for success than existing migration theories have given them credit for.

Closely connected with the chapters on resistance are those which focus on issues of human rights and which form Part VI of the book, ‘Culture and Human Rights’. The three chapters force us to question conceptions of human rights and to think hard about the ways in which the rights discourse is one imbued with ‘Western’ conceptions of cultural and moral norms. Rolando Gaete’s chapter, ‘The West, Its Other and Human Rights’ considers the historical antecedents of contemporary rights discourses in which the West constructed itself as the civilising force of the world. The West established itself as being what the rest of the world, in particular the colonised world now the ‘Third World’, was not. Gaete argues that the West currently assumes that with globalisation has come the end of history, the end of particularities. For the West, human rights are ‘cultural artefacts grounded in universal consensus’. He shows that the West allows for aspects of cultural relativism in internal decisions about rights but refuses the same flexibility in its analysis of human rights situations in non-Western countries. Gaete calls for greater subtlety in the interpretation of human rights considerations and for the West to recognise that there are important aspects of cultural relativity. Melissa Parker tackles the complex and difficult matter of female circumcision in Sudan. Her chapter is both critical of existing material on the subject and also thoughtfully reflective about her own witnessing of a circumcision ceremony. She shows that the subject area is one fraught with problems of definitions and interpretations, and recognises that even using the term ‘circumcision’ will condemn her to severe criticism from some quarters. The intense emotions revolving around this practice, which is often done to girls of a very young age, has meant that the usual criteria for rigour and clarity in academic writing within the disciplines of biomedicine and anthropology are often abandoned. She carefully shows this through her reading of the existing literature. She concludes that Western preoccupations with female circumcision and the subsequent focus on cultures of sexuality has a great deal to do with our own
concerns about sexuality. The final chapter of this section, by Tom Hewitt and Ines Smyth, focuses on children and raises questions about the ways in which so-called ‘street children’ in Brazil are defined and conceptualised. The complexities around the meanings of ‘street children’ are explored and there is a call for a move away from the idealised and often ‘Western’ notions of family life.

The penultimate section, Part VII, ‘Religion, Culture and Politics’, has three chapters which consider the ways in which culture, religion, secularisation, modernisation, development and political identities interact and intersect. In the first chapter Jeff Haynes investigates the relationship between ‘Religion and Political Transformation’. He discusses the way in which through principles of modernisation there have been attempts to secularise nations and separate politics from religion and shows how this has failed. Haynes demonstrates the importance of identity within the context of religion and how this interacts with processes of development. With rapid change comes a loss of identity, distrust of governments and a turning to other sources which validate and give meaning to individuals and communities, a significant one being different forms of religion. Parvati Raghuram writes about ‘Religion and Development’ and shows how the Abrahamic religions (Islam, Christianity and Judaism) have been strongly interconnected with modernisation theory, in particular through missionaries and evangelism. However, there have been notable shifts in the relationship between development and religion. As Raghuram shows, one of the most significant has been evident in Latin America where Catholic Liberation Theology has emphasised equity and empowerment approaches in development. Our attention is then drawn to India and the rise of Hindu fundamentalism and nationalism. Dina Abbott in her chapter ‘Paying the Price of Femininity: Women and the New Hinduism’ asks questions about the processes of redefining national identities, especially those which place emphasis on religion and ethnicity. Abbott demonstrates the ways in which the Pariwar (a group of fascistic parties) are galvanising Hindus around a redefinition of nationhood, often with extremely violent results. Her focus is then on what this means for women and the lower castes and she analyses the growing trend for a resurrection of the ceremony of Suti where a widow immolates herself on her husband’s funeral pyre.

The final section, Part VIII, considers ‘Culture as Product: Culture as Pleasure’. The chapters consider particular forms of cultural production and entertainment which provide not only pleasure, but also form arenas in which global change and power are played out. Hilary McD. Beckles investigates, often with wry humour, the complexities of power around cricket, colonial and post-colonial identities. His chapter is called ‘Whose Game is it Anyway? West Indies Cricket and Post-Colonial Cultural Globalism’ and considers the cultural and ideological baggage the West Indies and England carry to a cricket match. He focuses on a particular match played in Barbados where local capital and cultural ‘guardians’ conspired with global capital (specially arranged tourist trips) to bring the English in and keep the Bajans out. Through this he shows the inequalities of access and pleasure experienced by those on different sides of the post-colonial global process. From the Caribbean and sport we travel to India, the USA, and film. Heather Tyrrell introduces us to the fascinating world of Indian cinema (film, video and television, within India and the Indian diaspora) in ‘Bollywood versus Hollywood: Battle of the Dream Factories’. She engages with the theoretical debates about Third Cinema and the ambiguous position Indian cinema holds. There is then a close investigation of the impact of the removal of the ban on dubbing films into Hindi in 1992. Hollywood was quick to attempt to move in on the Indian cinema market with film translations but has yet failed to capture the imagination of Indian audiences. She shows that there many internal contradictions within Bollywood, and calls it a wild card in the globalisation of the media. The final chapter of the section and indeed the whole book is another focus on film but the geographical setting is Russia. At a time of enormous economic and political change Kate Hudson considers a specific cultural form directly affected by such changes. In ‘Mimicking Mammon? What Future for the Post-Communist Russian Film Industry?’ Hudson demonstrates the ways in which culture and economic factors have been closely interconnected
since the collapse of the Soviet Union. Film within Soviet and Russian society is described, in particular its role in the building of Soviet identity, its place in cinema history and its contemporary crisis as it tries to forge a new cultural role and struggle against the ravages of liberal market economics. The future of what has been hailed as some of the greatest experimental cinema looks very bleak and is a salutary reminder of the fragility of some cultural forms in the face of major global change.

‘Culture’ in its many manifestations is debated, analysed and interrogated within the following chapters. There are contradictions between chapters, readers are encouraged to question the concepts presented, and there is a recognition that we have all been writing about a fundamental yet complex and diverse concept. The significance and meaning of cultural issues for different people in different parts of the contemporary world have been discussed. The dynamism and fluidity, the messiness of culture have been illustrated through considerations of many global changes. We hope you enjoy making your own cultural journeys through this collection.
INTRODUCTION

Development theory emerged as a separate body of ideas following the Second World War. From its inception, it necessarily had to deal with peoples having a wide variety of ways of life and outlooks. However, few writers put culture at the heart of their analyses, and even anthropologists tended to see their subject-matter as something that was disappearing before their own eyes. It was assumed that, with the end of colonialism and the adoption of the correct policies, ‘traditional’ cultures would disappear and the world would become rapidly ‘modernised’, a view reflected in the title of Lerner’s book of 1958, *The Passing of Traditional Society*.

As a consequence, development theories tended to emphasise the state, planning, the market, labour-flows, money-supply or commoditisation, etc. as if these things were not themselves the cultural constructs of a particular kind of civilisation rather than concepts and institutions of universal validity. So development analysts and practitioners commonly ignored religion, kinship, ethnicity or the arts, and thought of their economic and political models as acultural. To some extent, this was a healthy reaction to racist ideas prevalent in colonial times, but it meant that the complexity and diversity of human social life was lost. As we shall see, this has continued to be a weakness of what has come to be called ‘development studies’.

Scientists and technical specialists are particularly inclined to the view that economic development has little to do with social systems or cultural values, but depends predominantly on introducing the right technical inputs (machinery, seed-strains, fertilisers, tractors, pesticides), since these are seen as having an intrinsic pure logic of their own. In the design of their projects, therefore, ‘questions of cultural incompatibility, contradiction or resistance’, Archer remarks, ‘do not arise’ (Archer 1990:99), and motivations other than economic ones, such as pricing policy or wages and incomes policy, are rarely discussed. Reform of systems of land-ownership, for instance, or of the ways in which capital is channelled, from money-lenders to banks, which only lend to those with collateral, are treated as ‘non-economic’ and irrelevant, while attempts of the poor to organise themselves are not supported, even when, as in the *sertão* of Brazil, armed repression is used to keep the peasants and landless labourers under control.

MODERNISATION THEORY AND THE PREDOMINANCE OF ECONOMICS

For a decade or two after the Second World War a single theory was dominant—what was later called ‘modernisation theory’. Its best-known version was W.W.Rostow’s ‘Non-Communist Manifesto’, an evolutionist model which postulated that any society aiming at ‘development’ would have to go through
several ‘stages of growth’. Most commentators treat him, wrongly, as simply an economistic/technological determinist, though in fact he went out of his way to insist that economic forces and motives are neither unique nor necessarily the most important determinants of the course of history. He also argued that:

\[\text{economic change has political and social consequences, economic change in itself… [can result from] political and social as well as economic forces. And in terms of human motivation, many of the most profound economic changes [are often] consequences of non-economic human motives.}\]

(Rostow 1960:2)

For Rostow, therefore, economic development required not only appropriate economic, technological and demographic conditions, but also appropriate social institutions and value-systems. Only when all of these were present would development be possible. Similar ideas were to be found in the writings of the West Indian and Nobel Prize-winning economist, Arthur Lewis (Lewis 1954).

Though Rostow and Lewis recognised the importance of ideas and values, most development practitioners and academics who read their work did not pay much attention to this aspect of it. Rather, they were impressed with what they saw as their hard-nosed economic approach. The subtleties of their arguments were ignored; progress meant economic growth, and went through stages. In crude forms, and most of them were crude, this simple formula was a modern version of nineteenth-century positivism, imbued with the same kind of facile optimism. The path pioneered by Western Europe and the United States was the path to follow; if not, things would go wrong. The worst scenario would be to follow the Soviet model. For those who stuck to the correct path, however, underdevelopment would be eradicated and be replaced by affluence.

Modernisation theory dominated thinking about development not only in academia but became the ruling orthodoxy in the major think-tanks, international aid agencies, and transnational institutions in Washington and the UN where world development policy was shaped. To the extent that attention was paid to culture, the basic assumption was that what was needed was some equivalent (not necessarily Christian) of the Protestant ethic, which had provided ideas and values crucial to modernisation in the West.

The obverse was the assumption that failure to develop could result not just from going down the communist path, but also because of the influence of negative cultural factors, i.e. not having a Protestant ethic. For Daniel Lerner, ‘traditional’ cultures were barriers to development—the entrepreneurial spirit and social mobility could not develop, for instance, in societies based upon what Maquet called ‘the premise of inequality’ (Maquet 1961), or where irrational religious thinking is dominant. Development, others argued, is frustrated because ‘traditional’ political authorities are corrupt—they favour their kin and thereby inhibit the development both of the free market and of political democracy. Political parties are simply ‘clientelistic’ networks or tribes writ large. Foreign aid will therefore simply be funnelled to relatives of the members of the ruling élites, or to their own ethnic group only.

Those development specialists who did think about cultural factors assumed that what was needed was the whole package of modern Western values and social institutions. Adoption of the ‘Western way of life’ was assumed to be the way forward, though they were usually careful not to say so too publicly and presented their strategies in ‘neutral’, language. There was though resistance to such ‘encouragements’.

With the emergence of new states in Africa and Asia in the 1950s, new political élites came to power, most of their leaders trained in the West. Their experience of, and struggle against, colonialism, however, caused them to distance themselves from the former colonial powers. India, for example, drew inspiration from Soviet-style state planning. In Africa, the new élites built all-encompassing one-party states modelled on the Soviet Communist Party in order to mobilise and control the population.
Development policy, now, could also be managed by nationals who controlled the state apparatus, not by foreign development experts. These indigenous planners, however, did not take culture any more seriously. Indeed, they were ferocious but contradictory ‘modernisers’. In their private lives (e.g. within the extended family), they were often as traditionalistic as anyone, and in public, too, traditional values were often celebrated. Ministers wore traditional clothes and were greeted by ululating troops of women and schoolchildren. Nevertheless, when it came to planning development, traditional ideas and values were largely ignored, even where the secular and socialist ideas which officially shaped policy were manifestly superficial.

**CRACKS IN THE DEVELOPMENT IDEALS**

But by the late 1960s, the contradictions and limitations of development planning, whether under the aegis of international organisation or by national governments and planning institutions, were becoming difficult to ignore. Although there was some significant improvement in social welfare provisioning during the boom years after the Second World War, it was evident that global poverty was not going to disappear; social stratification seemed to be worsening, and state planning often went hand-in-hand with political oppression. These problems became particularly acute in Latin America where most countries had been independent for over a century.

Latin Americans had long experience of brutal dictatorships which had used their power to impose ‘order’. Altruistic civilian planners had been discovering that modernisation policies had had consequences they never intended and which the theory could not explain. The goods that modernisation theory had promised, even when produced, had failed to reach those most in need. Planners, though normally nationalists in politics, and anti-communist, and who followed normally Western Fordist and Keynesian models, had nevertheless been sufficiently impressed by the Soviet planning model, which had made the USSR a superpower in only two generations. Their readiness to use the State as the crucial instrument for bringing about economic growth was shared by those who became their masters, the new post-colonial élites. They included, for example, Latin American military dictators who, though usually simply seen as brutally repressive (which they were), had also been trained in the USA, not just as soldiers, but as managers of the large-scale, high-tech organisations which modern armed forces are. Once ‘internal war’ had eliminated political opposition—the major obstacles to forced-march economic growth—what has been called ‘violent modernisation’ could be unleashed. Military juntas created a new nightmare state in which political repression was combined with modern state planning.

Revolutionaries like Che Guevara had long argued that underdevelopment was not a natural condition—due, say, to lack of natural resources. Rather, poor countries had been ‘underdeveloped’ during hundreds of years of imperialism. By the 1980s, even those who had been major advocates of Western-style modernisation, like Daniel Bell, now began lamenting that one hundred years of industrialism had spawned ‘an industrial monstrosity … Junk culture [was] the spoilt brat of affluence’. ‘Information society’, equally, seemed to promise only a social order that nobody wanted. Their solutions were not very impressive. Bell, for instance, suggested the idea that religion might provide a way out (Archer 1988:102).

Those who had been suspicious of planners and of modernisation theory from the beginning were not at all surprised at the effects of this kind of modernisation on the lives of ordinary people and their consequences for the stability of society. A new generation of Green critics pointed to the rape of natural resources; to appalling levels of pollution in cities like Mexico City and Rio de Janeiro; and not just to the persisting poverty of the millions in the rural backlands of Brazil, for example, but also to the increasing polarisation in the distribution of wealth in the cities and the concentration of political power in the hands of a few.
ALTERNATIVES: WORLD-SYSTEM AND DEPENDENCY THEORIES

The time was ripe, then, for a successor to modernisation theory, which finally emerged in the shape of world-system theory and ‘dependency’ theory (Frank 1969; Wallerstein 1979). Through these theories the world was no longer seen, as in classical economics, as a collection of national economies, or, politically, as a set of autonomous states, but as a single global market dominated by a limited number of giant transnational corporations, far more powerful than most formally independent states. Only a few, in fact, had sufficient power to operate effectively on the new global market, at the ‘centre’ of the new world order. The rest were only of ‘peripheral’ importance. Many, myself included (Worsley 1980), have discussed the writings of Frank and Wallerstein as if they had been produced by a single author (whom we may call ‘Frankenstein’). But Wallerstein had always insisted that the dichotomy of ‘centre’ and ‘periphery’ was inadequate to capture the complexities of development. A further category, that of ‘semi-periphery’, was needed. Nevertheless world-systems/dependency theory paid no more attention to culture than the modernisation models it was critiquing.

The world-system model, especially in Frank’s version, discounted programmes of short-term or limited reform. Total transformation of the entire world-order was what was needed, though how this might be achieved was not spelled out. The communist states, the obvious challengers to the West’s dominance, were equally dismissed. These weaknesses, combined with the lack of attention to culture, meant that a new approach to development, less structural and radical, began to emerge in the late 1970s, which did have a place for reforms based on meeting ‘basic needs’. The emphasis was on the improvement of educational provision, housing and health facilities at grassroots level, rather than political and economic total transformation. Such an approach even began to influence policy in world development organisations such as the OECD and the ILO. Others took up issues like genocide, ‘Green’ ecological issues and human rights, which went beyond political economy.

However, even on the world-system theorists’ own chosen battlefield, political economy, critics attacked dependency theory for failing to recognise that ‘non-dependent’ economic growth was taking place in some formerly ‘Third World’ countries. There was little place in Frank’s Manichaean model of ‘underdevelopment or revolution’ for the increasing number of formerly ‘underdeveloped’ countries that were either ‘newly-industrialising’, or had already become industrialised, nor for the process by which such change had come about. The ‘Four Little Tigers’ in East Asia, plus Brazil and Mexico, some thought, were the beginning of an evolutionary process which, eventually, would result in the ‘End of the Third World’, to quote the title of one influential book (Harris 1986).

END OF THE THIRD WORLD?

What Harris was primarily attacking was the ‘ideology’ of ‘Third Worldism’—the illusion that small countries could develop a ‘third way’, independently of either communism or capitalism. The reality, he argued, following earlier world-system theory, was that they were being increasingly sucked into the new global economy as mere components in a world system of production. What kind of ‘alternative’ economic development could be developed after a successful revolution, in poor countries, locked, as he himself constantly insisted, into a world-system in which they would still be weak primary producers (and political lepers)? Or what kinds of relationships, political or economic, with other revolutionary or radical states, might new, post-revolutionary regimes develop in a world under the domination of the major industrial powers? These questions he argued were never answered by ‘Third Worldism’.

In the post-World War II epoch, the emergence of large numbers of newly independent states which had formerly been colonial possessions of the Western powers culminated in the formation of the group of Non-
Aligned Powers. Several successful armed revolutions in the Third World—notably in the most populated country in the world, China, and in Vietnam and Cuba—seemed to indicate that a new era was beginning in which the political domination of the West over the rest of the world was over. The power of the new OPEC oil-producing bloc, too, suggested that it was possible for countries of the former Third World to challenge the West’s economic domination. But after the Cuban revolution, the capitalist powers in concert succeeded in defeating any further revolutionary challenges, the crushing of Che Guevara’s action in Bolivia being the turning-point. Radical Third World governments were ‘destabilised’, as in Nicaragua, while most of Black Africa has degenerated into one-party rule or chaos. The collapse of the Soviet Union removed the major external support and the major alternative model for revolutionary and radical alternatives to world capitalism in the Third World. Today, revolution is no longer on the agenda in any but a handful of small countries. The former Soviet Empire has been replaced by a collection of states aiming at capitalist transformation and embracing liberal market economics, although, as current events in Russia show, often at great social, economic and political costs.

Theorists with impeccable radical credentials like Harris also pointed out the converse—the growth not just of capitalism, but of industrial capitalism in countries like Mexico and Brazil in Latin America and the ‘Four Little Tigers’ in East Asia (South Korea, Hong Kong, Singapore and Taiwan), together with the transformation of desert sheikhdoms into some of the richest countries on earth. These successes seemed to prove the validity of modernisation theory, and gave rise to a mood of ‘triumphalism’, an atmosphere in which Western modernisation was exported across the world through successive programmes like Point Four, the Alliance For Progress, and the Peace Corps. Yet Harris pointed out, long before the recent financial crises of the world economy, that countries like Mexico and Brazil were saddled with enormous foreign debt, and were therefore extremely vulnerable to shifts in world-prices or to the periodic flight of foreign capital whenever there was panic in the West about the health of the economy or the political stability of the country. His model, though, seemed to envisage that the process would go on, until the ‘end of the Third World’. It had little to say, though, about the vast majority of poor, agrarian countries which were not industrialising, but remaining what they had always been—suppliers of cheap labour and primary goods.

**COULD CULTURE BE A FACTOR? TAKING CULTURE SERIOUSLY**

More recent radical ‘globalist’ theory has started to pay attention to those countries which could no longer be adequately described as ‘newly-industrialising’ because they had already become industrialised platforms for the world-wide operations of transnational corporations in which new regional divisions of labour have occurred. Some ex-Third World countries, such as Hong Kong, have not only become ‘branch-plants’ of their parent corporations but have also acquired advanced technology; a few have even become research and development ‘cores’ of their regions (Henderson 1989).

Why, it was now asked, had these countries, and not others, ‘taken off’, and had cultural factors anything to do with it? Their achievements, even some economists began to argue, might have something to do with cultural factors. Culture, at long last, was being taken seriously, even by economists. Where an earlier generation had blamed Japan’s (and China’s) backwardness on Confucianism, now it was said to be the key to an understanding of the Japanese ‘miracle’, providing an appropriate work-ethic—deference and loyalty towards superiors; identification with the corporation; the absence, even, of expectations of holidays; and placing a high value upon education (see Chapter 11 of this volume, by Roger Goodman). High-tech electronic innovation and the rationalisation of the organisation of production were contributory, but not sufficient explanations.
A key theoretical work, Leslie Sklair’s *Sociology of the Global System*, explicitly allocated as much conceptual space to culture (what he calls ‘culture-ideology’) as to economic and political factors. Even so, culture is still treated in the ‘arts’ sense, though given an economistic twist, since it is treated primarily as consumerism and as the means by which First World tastes and wants are exported, profitably, to the Third. The Third World is merely a consumer-market for things Western, for example music. Yet it is a particular kind of music, growing out of Black culture, that has generated most of the popular musics of the twentieth century, from jazz to reggae and beyond, while today ‘world music’, a new kind of synthesis of musics from both North and South, has spread, via global technology, perhaps for the first time in human history, to a mass audience of young people in both hemispheres. Its main market, inevitably, is the wealthy North, but its main cultural content comes from the South.

A more enlightening conception of culture, which sheds light on the interplay between imposed Western forms and indigenous ones, had, in fact, long been available in Robert Redfield’s distinction between ‘Great’ and ‘Little’ Traditions; on the one hand, the great world-religions-Islam, Christianity, Buddhism, Hinduism; on the other, the local cults of the ancestors and the land (Redfield 1960). In the face of the global power of modern communications and capital, ‘Little Traditions’ are, of course, very fragile, their religions, for instance, vulnerable to the onslaught of high-tech Christian fundamentalism funded by millions of dollars. But as Osman has shown for Malaysia, older and smaller cultures—pre-Islamic ‘little’ local traditions, particularly cults of the earth and of the ancestors—have co-existed with and interpenetrated for centuries, often for millennia, the more scholastic Great Traditions (Osman 1989). And the Great Traditions—Hinduism, Buddhism, Islam—certainly do not simply disappear with the spread of global capitalism. Rather, they undergo revival, transformation and synthesis.

It is impossible to understand such processes simply in terms of political economy, for the concept which is needed is missing —culture. To say that is not for one moment to underestimate the importance of economic and political power. But the impact, and the ultimate failure of modern imperialism and colonialism, for instance, were never solely economic, nor were political outcomes determined simply by the military-political fact that we had the Gatling gun and they did not. Some peoples, for instance, realising that they could not hope to resist in material terms turned to cultural resistance. The forms they adopted were never uniform, always a dialectic between the culture of the conqueror and their own cultural traditions. But there were many different elements in indigenous cultures, even in ‘simple’ societies, which they could turn to.

In more complex cultures such as India, a country usually thought of as quintessentially ‘other-worldly’, Chattopadhyay has argued that atheism is, in fact, an ancient philosophical tradition (1973). Wolf demonstrates that there has always been intense dispute over rights to land and about the relative preeminence of the Brahmin priests and the Kshatriyas who disposed of earthly power (1982:46–7). Through what Srinivas has called ‘Sanskritisation’, and through hypergamy (marrying ‘up’), some individual and collective upward mobility through the castesystem was possible (Srinivas 1952). And though foreigners often still think of Hinduism or Islam as unchanging, in India it was often Western scholars and administrators who codified and institutionalised ‘frozen’ readings of caste and of religion conveyed to them by a conservative priesthood and by ruling castes, which reflected their social position and their vested interests.

In reality, non-Brahmans in the South had struggled throughout the entire period of British rule. They struggled not just against the colonisers, but also against the claims of the priesthood to hold office in the temples by hereditary right; over rates of remuneration and the services provided by the priests and temple servants and other personnel, and over control of religious endowments. In the twentieth century, these socio-cultural struggles continued: Harijans stepped up their campaign for the right to be admitted to the
great temple of Minakshi in Madurai, South India (Fuller 1984). That temple, like the great Temple of the Tooth at Kandy, Sri Lanka, which most people in the West think of solely as a religious institution, is also a complex organisation which disposes of great wealth generated by large flows of income from pilgrims. Temples are therefore important sources of political and social power, and control over these economic resources and the management of the temples is the subject of much competition between different sets of religious professionals. They are sources of political power, too, for party politicians involve themselves in temple affairs, notably by sponsoring rituals, in order to bolster their standing in the world outside the temple.

This, then, was neither unchanging tradition, nor a case of ‘religion-in-itself’. It involved cultural struggles between the privileged and the underprivileged over access to cultural rather than material goods. Likewise, in twentieth-century Bali, reformers fought indigenous aristocrats and religious leaders, backed by the Dutch, who worked together to preserve both the traditional privileges of the high castes as well as many newly invented ones, struggles which produced complex divisions rather than a simple anti-colonialism. During World War II, for instance, some nationalists appealed to traditional culture as a source of solidarity in the struggle against Japan; others saw the entire social order as archaic and compromised. After independence, for instance, some modernisers attacked both the caste-system and Hinduism; others tried to convert the pantheon of Hindu gods (‘ten thousand’, it has been said) into a monotheistic world-religion, identified with a major power, India, and therefore fit to stand alongside Islam or Christianity (Vickers 1989: 150–5, 164–7).

Hence, just as there was never a unitary coloniser—they were Portuguese, British, French or Spanish; some had been soldiers, others missionaries, some men of wealth and ancient lineage, others adventurers from impoverished areas, some mine-owners, others industrial entrepreneurs or plantation-owners —so, too, there was never simply a unitary ‘colonial subject’. Indigenous cultural traditions were equally plural, and therefore diverse, and different interest-groups made different analyses of how to cope with colonial rule and adopted different strategies—from accommodation to resistance—whichever they thought would benefit them most. Resistance, from the attempt to restore Moghul rule in India to the rise of Islamic fundamentalism today, often draws upon traditional sources.

In post-Shah Iran, Zubaida has shown, what is usually seen simply as backwards-looking ‘fundamentalism’ is, in fact, a modern continuation of debates which have taken place for centuries over the status of the ulama, not just about their status as custodians of a purely religious orthodoxy, but in terms of their role vis-à-vis the state. Khomeini’s reading of Islamic doctrine is therefore only one latter-day modern variation on an ancient theme. His conception of the ‘nation’ as a political force, and of the right of the mullahs to rule and legislate, or the more radical-populist conception of Ali Shari’ati of the people as masses, victims of oppression and exploitation and therefore the main agent for bringing about social change, are both part of an historic debate, and distinctly novel interpretations of Islam—as novel as Khomeini’s use of audio tapes to spread his message from exile in Paris (Zubaida 1989).

All societies are open to foreign ideas, whether these are borrowed or imposed on them. But these always have to be adapted to existing, local cultures. The result is a dialectic; not imposition or the blind acceptance of ideas imported from abroad, but a synthesis of cultures, a hybridity. Internationalist ‘proletarian’ communism, for instance, when introduced into colonial peasant societies, generated new kinds of Russian, Chinese, Cuban or Vietnamese ‘communism’, which Marx would neither have recognised nor approved of. His conception of the international solidarity of all workers was thus replaced by militantly nationalist communist states; in the extreme, China and Vietnam went to war against each other, not against capitalism. For a long time, too, the major enemy of the USSR was China.
It would be impossible, equally, to explain major social changes in modern Western society simply in terms of political economy. The emergence of the women’s movement, or of student protest in the late 1960s, for instance, were outcomes of profound cultural changes when, for the first time in history, young people, and particularly women, had access to mass higher education in societies that permitted them considerable mobility—though never enough to threaten the position of tight-knit elites from the ‘Establishment’ in British society or newer dynasties such as the Kennedys or the Nehrus.

All this is not to argue that everything is determined by culture—a notion that has been called ‘culturalism’. It is to say that social science is wider than political economy; wider, too, than a purely structural sociology devoid of culture.

In explaining such horrific happenings as the recent war in Chechnya, then, we should not fall into the ‘culturalist’ trap. There are very important cultural/ethnic dimensions to that war. In Russian cities, there is a hatred of southern ‘Blacks’, and the Caucasian ‘Mafia’ is commonly blamed for the rise of corruption, crime and the drug-trade. At the level of the State, the Russian government fears that ‘fundamentalism’ might spread right across its southern borders. But all this cannot be laid at the door of Islam or of intransigent Chechen nationalists. It has a lengthy political background, from the Tsarist conquest of the Caucasus to Stalin’s deportation of the population in World War II, while today, the Russian government has an economic motive—to preserve its control over the crucial oil-pipeline from the Caspian to the Black Sea.

Recourse to culturalist explanations has been common when people, notably media commentators, try to explain genocide in terms that have been called ‘primordialism’. Former Yugoslavia, for instance, was for centuries, indeed, a ‘shatter-zone’ between the Catholic cultures of Croatia and Slovenia coming from the north (Austria-Hungary and Germany); Orthodox Serbia in the West; and the former Ottoman, Islamic Empire in the South. These were, and are, real cultural differences. But they were converted into murderous enmities by individuals, at home and abroad, who wanted to maintain and expand their political power by exploiting those differences.

The other major genocide commonly explained in ‘primordialist’ terms is Rwanda/Burundi. In the ‘interlacustrine’ societies of East Africa, cattle-owning ruling castes dominated their agriculturist subjects of different ethnic origins (and poorer pastoralists, too) for centuries. In Ankole, adjoining Rwanda, for example, the Bairu agriculturists (equivalent to the Hutu in Rwanda) had to pay tribute to their Hima lords and masters (the equivalent of the Tutsi). But there was also a cultural dimension even to the economy, for the Bairu were forbidden to own productive cows. Socially, they were forbidden to marry Hima. So this was a caste, not just a class society (Oberg 1940). For centuries the Tutsi steadily extended their control; under Belgian colonial rule their position was further strengthened. After independence, the society had become so polarised that racist Hutu, who had gained power in elections (in which they were the majority), were able to use the power of the modern state and army to launch a campaign of genocidal slaughter against their former masters (Prunier 1995).

These cases have led to an uncritical extension of ‘primordialism’—the assumption that hostility, including violent conflict, is inevitable not just whenever one ethnic community exploits another, but even when they simply live side-by-side. But Bosnia and Rwanda/Burundi are the exceptions rather than the rule. In south-central Europe, indeed in most parts of the globe, innumerable ethnic communities live side-by-side, within multinational states, with consciousness of and pride in their own cultures, occupying their own niches in the economy, but without violent conflict between them, let alone genocide. In East Africa, Rwanda/Burundi is a very exceptional, extreme case of ‘totalitarian’, overlapping, historic inequality in every sphere of life—the political, the economic, and the cultural. Most states are multi-ethnic and inter-ethnic relationships are common.
Culture, then, is not so much a sector of social life, marked off from other sectors—particularly the political and the economic—but a dimension of all social action, including economic and political life. So while we can all recognize that the Bank of England is primarily an ‘economic’ institution, Parliament a political one, and the BBC a ‘cultural’ institution, they are parts of a wider society, and therefore necessarily affect one another (as when governments control what is presented as ‘the news’ for political reasons). Each institution, too—a university, a business enterprise, a religious community—develops its own culture (or sub-culture), within the wider culture, which, in modern times, is the culture of the state. Development as a process has its own culture and this is an important recognition. As much development theory, policy and practice is generated within the West, it is inevitable that it comes loaded with cultural attributes found in the West. Hence, as subsequent chapters show, there are cultural clashes inevitably written into contemporary development and this has to be, and indeed is being, challenged.

NEW WAYS OF THINKING ABOUT DEVELOPMENT?\(^1\)

The unintended consequences of an unregulated world economy and of a culturally and politically diverse and uneven world order go far beyond the economic—financial crises and crises of over- and under-production. Disasters such as El Niño in the Pacific, the desertification of large parts of Africa, or the destruction of the world’s rainforests, can no longer be attributed to natural causes or to ‘primitive’ agricultural practices or inadequate technology. Such disasters derived, often, from very high-tech practices on the part of multinational corporations based in ‘advanced’ states in collusion with their political allies and economic partners, the kleptocratic élites who control some of the states in the ‘Third World’, an alliance in which pursuit of profit is unconstrained by the formal political boundaries of the nation-state. Nor is the continuing poverty of tens of millions of people confined to (still-sizeable) rural backwaters. Now the majority of the world’s population lives in towns and cities.

Even with the advent of mass consumerism, non-economists, such as international charity organisations, have long questioned whether GDP or consumption per capita constitutes development in a meaningful, human sense of the term. ‘Structural adjustment’, adopted at the insistence of the World Bank or the IMF, was certainly a success for a new, wealthy class. But the privatisation of state enterprises and the removal of subsidies for basic commodities, notably food, resulted in immiseration for millions world-wide and huge increases in unemployment. From the mid-1980s this could not be ignored by anyone involved with development. At the World Bank the responses to the publication of *Adjustment with a Human Face* in 1987 (Cornia, Jolly and Stewart) led to a re-thinking of structural adjustment and in the 1990s there have been renewed concerns about poverty alleviation and ‘institutional capacity’. Institutions are here being understood in terms of rules of behaviour affecting ‘transaction costs’ in market exchange (for example, that individuals do not necessarily respond to price incentives alone and even when they do will not necessarily respond in the ways neo-classical economic theory assumes). These ideas are clearly influenced by the so-called new institution economics, which in certain respects can be seen as a way of trying to incorporate culture into orthodox economic theory. Douglass North for example has stated:

We [economists] need to know much more about culturally derived norms of behaviour and how they interact with formal rules to get better answers to such issues. We are just beginning the serious study of institutions

(North, quoted by Putnam 1993:181)
Increasingly, at least outside of the World Bank and the IMF, it seems clear that true development should be measured not just in terms of economic criteria—the size of the national product, or of increasing production, or growing consumption of imported First World ‘goods’—but in terms of who gets what, and of whether what they get via the market is really what they need to enrich their quality of life. A better measure would take into account, for instance, access to basic health services or to education. The political power of the state or, rather, the predatory élites who control it, is not a meaningful measure of political development. Political development, rather, should be measured in terms of the empowerment of the ordinary citizenry and their right and freedom to develop their own institutions. An important example of how such ideas have been incorporated into mainstream development thinking has been the introduction of the Human Development Report published annually by the United Nations Development Programme since the 1990s. This report includes an index which combines a range of factors other than purely economic indicators which are then used to indicate levels of development.

Throughout the 1990s the United Nations has become much more involved than hitherto in situations of on-going conflict, particularly conflicts occurring within member states of the UN system. The 1994 Human Development Report drew attention to the ways in which ‘inter-ethnic’ strife was crippling the development prospects in many parts of the world. Indeed it stated that half the members of the UN had recently undergone some form of inter-ethnic strife.
There is indeed a growing pessimism that has replaced the optimism following the end of the Cold War. There is a scepticism that traditional economistic strategies can provide an adequate basis for social progress. The debacle in Somalia, in 1993, proved to be an important turning point in that it seemed to confirm that ‘international’ interventions that took no account of local culture were doomed to total failure. Sadly the lesson learned, at least so far, was not to find out about local ways of life and then act intelligently, but effectively to abrogate responsibility—a fact that was brought home shockingly during the Rwanda genocide of 1994.

Not surprisingly, in the Non-Governmental Organisation sector and among academics, critiques of orthodox approaches to development have gone much further. Some of the most scathing in recent years have been produced by a group of thinkers sometimes referred to as the ‘post-development school’ (Crush 1995a; Escobar 1995; Ferguson 1990; Rahnema and Bawtree 1997; Sachs 1992; Tucker 1997). Some of these scholars go so far as to argue that the whole notion of development is counter-productive and imbued with culturally imperialist assumptions. All place great emphasis on the varieties of ways of being human and the dangers of any form of cultural homogenisation. Not surprisingly, a new mode of criticism has emerged and there are several contributors. Development theory, they tend argue, grew out of the subjugation of the rest of the world by European colonialism. What was called ‘the Enlightenment’ in Europe—an epoch of scientific advance—was in fact also a period of bloodshed, intolerance and religious wars at home, and of genocide and slavery abroad. In the process, entirely new categories of humankind—

Plate 3.1 Uganda/Sudanese repatriation. These are new arrivals from Nimule, Sudan, en route between Bibia and Arinyapia, where a large new reception centre has been built.

such as ‘Indians’ in Latin America—were invented and imposed on the great variety of societies and cultures the Europeans encountered. This relationship later became reduced to a simple binary formula: Europe (and, later, the ‘West’) and European rationality were seen as uniquely progressive; all other societies and cultures were lumped together as ‘traditional’, their knowledges and cultures unworthy of attention, and denigrated as the antithesis of knowledge. Civilising these ‘People without History’ (Wolf 1982); by force was necessary, it was the White man’s world-historic mission. Modern development theory, it is argued, is a continuation of this binary opposition.

In conventional development theory, growth is perceived as a linear sequence of stages, and development can only come about by following the path pioneered in the West: the adoption of Western political forms—the management of society by a state based on parliamentary democracy and bureaucracy—and, in the economic sphere, the market as the key framework. The ultimate emphasis, then, is upon economic development ‘in itself’, with subsidiary attention to political institutions, and no serious place for culture. The post-development school argue, like world-system and dependency theorists before them, that true social progress would require no less than the radical transformation of world society and not simply of the underdeveloped countries. Like almost everyone else they recognise that the alternative paths developed by communist states have proved to be largely dead-end and that radical transformation through planned revolution looks far less likely than further economic crisis and continued wars. In the longer run, when pushed to discuss their views of a future world, they suggest the possibility of either a global apartheid in which rich countries increasingly disengage and barricade themselves away from marginal parts of the world, or that an integrated global middle-class will eventually facilitate the development of adequate welfare services (Sachs 1992).

However, the thrust of the work of post-development thinkers is to discuss the specificities of cultural change and resistance in particular contexts. Although grouped together, for example in books like The Post-Development Reader (Rahnema and Bawtree 1997), their approaches are not without important differences. The school is by no means integrated or dogmatic in its approach and this is reflected in the ways in which culture as an analytical construct is used. James Ferguson (1990), for example, uses discourse theory not in the sterile and apolitical manner that I discussed at the end of Chapter 1, but as a way of exploring how the World Bank employs a particular ‘gaze’ as a mechanism of asserting power. He demonstrates that World Bank Reports on development in Lesotho can easily be shown to be factually nonsense but that this has little or no effect on development planning. In fact the anti-politics machine depoliticises all that it comes into contact with, pushes political realities out of sight and at the same time surreptitiously expands its own power and ability to keep political control (Apthorpe 1996:167).

Perhaps the most influential of all the post-development thinkers, Arturo Escobar (1995), on the other hand, has attempted to develop a new grand theory, which is seen as a form of culture-based political economy. A danger with Escobar’s approach is that he appears to want to replace one ‘meta-narrative’ with another. As Apthorpe (1996) has pointed out, this may both be over-ambition and misplaced ambition; social science cannot be ‘usurpatory of political power’ (Apthorpe 1996:171). Clearly there are significant limitations with the post-development school, notably their mix of ecological mysticism with ethnoromanticism. However, the way in which they have placed culture and power at the centre of their analysis seems to be a positive and significant contribution. This link between culture and power is particularly important because it has enabled most of the post-development thinkers to avoid for the most part the trap of culturalism. This trap, however, is not avoided by some of the other writers who have contributed to recent discussions of culture and development, a prominent example being the recent work of Samuel Huntington (1996).
Huntington predicts that culture will become a fundamental source of conflict in the post-Cold War world. He then provides an extremely crude and highly problematic representation (both in writing and in maps) of world cultures and civilisations: Western, Confucian, Japanese, Islamic, Hindu, Orthodox, Latin American, African and Buddhist. Whole continents and countries are placed under these banners. His blurring of categories and definitions, cultural history (Western), geography (Latin American) and religion (Hindu) is obvious and one has to question whether these world divisions actually mean anything. There are also more subtle problems with such an approach, not least the lack of recognition of diversity within countries, regions and continents—India, for example, is far from being completely Hindu, and what does Latin American actually mean in cultural terms? Nevertheless Huntington’s thesis has been very important and was described by Kissinger as ‘one of the most important books…since the end of the Cold War’ (The Economist, 1996:25–30). This is a worrying conclusion about a book which fails to relate adequately and thoughtfully culture to real-life, lived conditions. Culture does have an important influence but it is unlikely to have become more important than government or economic forces in the years since 1989, and in any case it is far from a unitary entity fixed within territorial boundaries.

Another influential political commentator Francis Fukuyama (1995) has also now turned to cultural explanations of human action and social change, suggesting that the integration of the global economy has heightened the significance of cultural differences. He agrees with Huntington that these will loom larger from now on ‘as all societies will have to… deal not only with internal problems but with the outside world’ (1995:5). However, Fukyama differs from Huntington in that he states that cultural differences will not necessarily be the source of conflict. On the contrary, he suggests that the rivalry arising from the interactions of different cultures can bring about creative change, and rich cross-cultural stimulation (1995:6). As we have seen, this is hardly an original suggestion; nevertheless it makes Fukuyama’s analysis slightly less culturally deterministic. It is worth noting that, like Huntington, he falls into the trap of treating cultures as ‘distinctive and functional’ (1995:6). However, almost on the same page (1995:5), he effectively, but perhaps usefully, contradicts himself, because he acknowledges that the growing significance of culture moves beyond national boundaries and ‘extends into the realms of the global economy and international order’.

The influences of ‘new institutional’ approaches to economics, of the post-development school, and of Huntington and Fukuyama’s ideas all suggest that ‘culture’ is moving into the mainstream of debates about development. This is at least partly to do with a struggle to find modes of explanation for social action following the end of the Cold War and the erosion of post-Cold War euphoria. The world seems to have become more difficult to understand, or at least more difficult to fit into simple paradigms. Turning to culture is probably less an enthusiastic recognition of an overlooked way of seeing things than it is an aspect of a crisis of confidence. Nevertheless, for those of us who long argued that culture must be taken seriously, it offers a space to be heard, and some grounds for hoping that the reductive and misleading simplification of so much development thinking may be in the process of, at last, being abandoned.

NOTE

1 This final section has been written in collaboration with the editors.