

Chapter One

Introduction

Subject Matter of Sociology of Development

According to Robbins (2011), sociology of development is concerned with understanding the ways in which people in poorer countries try to improve the quality of their lives. Contrary to the idea of Robbins the current argument about the subject matter of sociology of development seems; however, to also include the development processes taking place elsewhere outside developing or poor countries as well. Thus makes sense to use the American Sociological Association definition of sociology of development as “The study of the causes and consequences of economic change in a society.” The discipline emerged out of the interest in understanding economic, social, and political processes today called as “development.”

The works of early sociologists or the 19th century founders of sociology all centred on the puzzle of how to describe and explain the transformation of society from agrarian to complex and industrialized societies. The concept of development though was not explicitly used, finds its essence in August Comte’s ‘Law of Three Stages’, in Herbert Spencer’s evolutionary theory, in Emile Durkheim’s ideas on the progress of society from mechanical to organic solidarity, in Karl Marx’s ideas on the progress of societies through different epochs and Max Weber’s ideas on the growth of modern capitalism.

However, it was in the post Second World War period and the subsequent process of decolonization, the concept of “Development” got a momentum. During this period, the pro active role of the International agencies in assisting the war affected nations to rebuild their economies, the nation building process initiated by the newly liberalized countries gave a boost to the concept of development. Sociologists are interested to study development into three different ways:

- First, many of contemporary sociologists see institutions as the driving force or barrier to democratization, economic growth, or social welfare provisions.
- Second, more recently, sociologists are more interested in how processes of globalization affect development of countries, regions, and cities.
- Finally, a social capital approach has gained dominance within sociology emphasizing the explanatory power of social network configuration and the resource engrained in them for the explanation of development outcomes.

In general, sociology of development is the study of the processes that aimed at enhancing the development process of developing countries. It considers development from not only economic growth and technological transformation but also expanding people’s choice and standard of living.

As we have seen in the preceding paragraphs and as we are going to see in the sections to follow, development is not just an economic endeavor; it is closely related to the social change and social progress as well. The ultimate goal of development is meeting the need of humans. The study of development is concerned with the understanding of causes, patterns and processes of social change, all of which are determinants of how humans meet their needs. It is this social phenomenon that sociologists of development are interested to study. Sociology of development generally studies:

- Stratification and inequality
- National income differences
- Human wellbeing and its indicators
- Environmental inequality on a global scale
- Spatial variation in patterns of inequality and power differences
- Gender development
- Low wage female labor and etc.

In this course, we will explore the global outlook concerning the level of development of different countries in the world, and the reasons why some countries are developed and others underdeveloped. There are many factors that explain this different level of development. Some of the factors are historical, environmental, economical, cultural, psychological and political. In general terms, the world is divided into North (developed) and South (underdeveloped). In the North, Western Europe, USA, Russia, and Eastern European Countries are located.

There is another way of categorizing nations as the First World, Second World, Third World and Fourth World. First world countries are capitalist oriented developed countries (western Europe and America). Second world countries are socialist oriented countries, while third world refers to much of Developing countries like South America and Asia. Fourth world refers to countries that are either static or getting worse.

Conceptualizing and Measuring Development

Defining the concept of development is very much contentious and most elusive both theoretically and politically. It has been defined to refer to transforming of the people's ways of living/doing things for the better (Advanced Oxford Learners Dictionary, 2006). It is a broader concept that encompasses social, economic, political, cultural dimensions. According to Todaro, development is not purely an economic phenomenon, but rather a multi-dimensional process involving reorganization and reorientation of entire economic and social system. It involves changing people's attitudes positively. It is also defined as a specified state of growth/advancement. In

this context, development means positive transformation/ change of the people's ways of living, attitudes, and behaviours. It is an intended positive consequence of change and the new stage achieved in a changing situation or what Chambers (2004) calls a 'good change'.

"Although development has been a constant concern of governments, policymakers, economists and other social scientists – and has touched the lives of more people than ever before – there has been little agreement on what constitutes development, how it is best measured and how it is best achieved. One reason for this lack of agreement is that dissatisfaction with the pace and character of economic and social change has instilled a desire to redefine the aims and measures of development."(UNDP 1990, 104)Development is a universally acknowledged goal of individuals, families, communities, societies and nations all over the world. Human beings have basic needs like food, shelter, clothing, health and education. Any process of growth that does not lead to the fulfilment of these needs or even worse disrupts them-is a travesty of the idea of development. Satisfying the basic needs of the poor should be the core of development process. The basic aim of development is to achieve a life of dignity and well-being for all world citizens.

The concept of development is defined differently by different disciplines. **For economists**, development is economic growth and technological transformation. For **traditional economists**, development is a process whereby a country's Gross National Product (GNP), Per capita income or national income increases over a sustained period of time through continuing increases in productivity. **Development economics** has of course sees development broadly. In addition to looking at allocating scarce resources efficiently and sustainability of that growth, it tries to deal also with economic, political, and institutional mechanisms necessary to bring improvement in poor countries of the world. It tries to look at the political, economic and cultural factors that facilitate structural and institutional transformation for developing countries. It also tries to see how people of developing countries move out of poverty trap.

For sociologists, development is not only sustainable growth of the economy and technological transformation. Max Weber, in his work "**Protestant Ethics and the Spirit of Capitalism**", combined psychological and sociological variables with economic development. He argued that change in attitude (values) played a crucial role in the development of capitalism in European countries. Thus, the main concerns of sociologists are how resources are distributed in a society. They emphasize on economic growth, because of its linkage with poverty, inequality, unemployment and quality of life. Equally, Sociologists define it more broadly, considering implications of poverty

and inequality, social institutions, culture, and meanings individuals attach to development. In addition, improving standard of and expanding choices for people is the core of development for sociologists.

People like Seers and Sen started to look at development in a different way. Seers contended that the objective of development is to reduce poverty, inequality, and unemployment. Sen, on his part, argued that the purpose of development is to reduce deprivation (hunger, illiteracy, illness and poor health, powerlessness, voicelessness, insecurity, humiliation, and lack of access to basic infrastructure), and expanding people's choice. The above questions are central and critical issues in development according to Seers. For Seers, if all of the three variables (poverty, inequality, and unemployment) are **less severe**, then beyond doubt, this has been a period of development in a country. In contrast, if some of these problems have been **growing worse**, especially if all the three, it will be strange to call the result development even if per capita income has been increasing. It is impossible to say development with an increase in per capita income when there is unequal distribution of wealth, when the majority has not been benefiting in terms of poverty alleviation, when employment creation is limited and when it fails to reduce inequality.

For Todaro, development improves the quality of all human lives with three equally important aspects/objectives. These are:

- Raising peoples' living levels, i.e. incomes and consumption, levels of food, medical services, education through relevant growth processes
- Creating conditions conducive to the growth of peoples' self-esteem through the establishment of social, political and economic systems and institutions which promote human dignity and respect
- Increasing peoples' freedom to choose by enlarging the range of their choice variables, e.g. varieties of goods and services

In his critical analysis on African development, the late Prime Minister of Ethiopia; Meles Zenawi argued that social development is the means as well as the end of development and the former cannot be achieved by market mechanisms alone nor development without social [development] becomes successful. What he thought would help bring social development is the political will and commitment which rests in the government's determination to put into place a developmental state ideology in which the polity responsibly fights rent seeking behaviors through a democratic governance. Much of Meles' rhetoric about development in Africa and Ethiopia can help to comprehend the analysis of development in the rest of the developing world in due course of explaining why the continent has not been able to fast track development.

Due to these and other reasons, development is a leading motive of many governments and state bureaucracies, who are oriented to its achievement. Alongside the nation states and governmental bodies, international institutions such as IMF and World Bank spend large sums of money to achieve development plans formulated by the nation states themselves (such as the rural development, social development, agricultural urban development and etc) and by these institutions (for instance Millennium Development Goals). To make clear these varying understanding and explanations about development, it is good to consider the concept the following major classifications:

1. Development as Economic growth
2. Development as structural transformation
3. Development as Human centered

1. Development as Economic Growth (DEG)

In economic terms, development has traditionally meant the capacity of a national economy to generate and sustain an annual increase in its gross national product (GNP) or gross domestic product (GDP). A common alternative index of development has been the use of growth rates of **real per capital GDP** to take into account the ability of a nation to expand its output at a rate faster than the growth rate of its population.

GNP: The value of goods and services produced in a country during a year by **national resources** located in the country and abroad. National resources located abroad would be part of the national income, while income generated by foreign resources located in the domestic economy is not part of GNP. Example, the Ethiopians working abroad and sending back the remittance for their family.

GDP: The value of goods and services produced in the country during a year by both **national and foreign resources** located in the country.

$GNP = GDP + \text{income earned from national resources located abroad} - \text{income earned by foreign resources located in the country}.$

Real: GDP/GNP estimated each year at current prices is not real; because of inflation prices tend to move up. Illustration of the rise of prices over time

Year	Price of food	Price of HHF	Price of clothing
1974	100	100	100
1979	204	170	133
1982	281	221	151
1986	333	264	148
1990	379	377	155
1998	604	491	280

So, in order to know the growth of goods and services in physical terms disregarding the growth of prices (inflation), some adjustments should be done. For this effect, we should maintain constant prices to avoid the effect of price changes.

Real per capita GNP/GDP: Per capita, per head, per person. It is preferable to look at the real per capital GNP/GDP for a country to be better off as a whole, GNP figure must grow faster than the population.

$$\text{Real per capita GNP/GDP} = \frac{\text{value of real GNP/GDP}}{\text{Total Population}}$$

E.g. for Country X in 2000:

Population: 100 million

GNP/GDP = \$ 45 Billion

GNP per capita = \$450

For individuals to be better off, the GNP figure must grow at a faster rate than the population.

An illustration

	Last Year	Current year	Difference	Growth rate
Population	100. Million	105 million	5 million	5%
GDP	\$45 billion	46.8 billion	1.8 billion	4%
GDP per capita	450	445.7	- 4.3	- 0.95%

Sustained Growth: there must be a sustained growth in GDP/GNP.

Per capital productivity: Productivity is the number of output produced by a laborer per unit of time. For example, if a person produces 5 items and other person 10 items within a given same time, the second man is more productive than the first one. For economic growth to be achieved, the per capita productivity must grow. The economy may grow:

- 1) Along horizontal line
- 2) Along vertical line

When we say horizontal growth, the growth is simply by extending old methods of production, i.e., technology are constant. It is possible to increase the national production with no improvement in technology that is not development.

In vertical line growth, there is continuous improvement in technology, tools, organization of labor, etc. Contrary to horizontal growth, technology is variable. The

national economy grows due to intensification of economic activities within a given geographic space. Vertical line growth is an example of economic development.

Barriers to Economic Growth

Economic growth depends on the quality and availability of these factors. If any of the factors of production suffers from a lack of quality or availability, then economic growth will not be possible to take place. These factors include:

A. Dearth of infrastructure

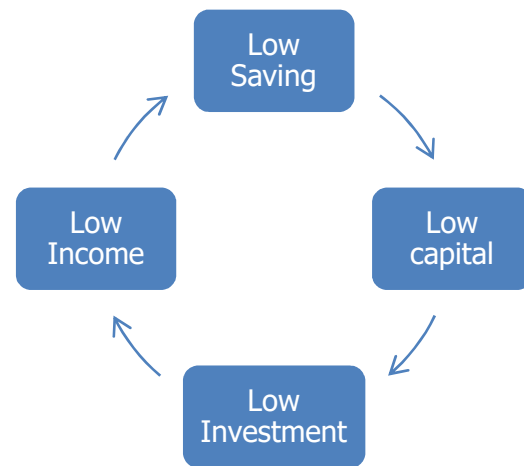
- Insufficient or contaminated land
- Substandard labor supply
- Poor technical infrastructure, such as roads and communications
- Poor social infrastructure, such as schools or hospitals
- Poor industrial infrastructure, such as factories and machinery

These are basically the infrastructural support needed for economic growth. In the absence of such infrastructural facilities, economic growth is unimaginable. Along with the infrastructural barrier, a wide range of other barriers which halt economic growth can be pointed as below.

B. Vicious Poverty cycle:

- Low incomes
- Low savings
- Low investment
- Low incomes

Poverty cycle reduces the capacity of the country to make flow of capital for production and thus the process of production is retarded and economic growth is stunted. The argument is that “poor country is poor because it is poor.”



C. Institutional and political factors:

- Ineffective taxation structure
- Lack of property rights
- Political instability
- Corruption
- Unequal distribution of income
- Formal and informal markets
- Lack of infrastructure

Institutional and political factors play a crucial role in stagnating economic growth. When the institutional arrangements are not proper, there is inequality of income among the people, the country fails to generate adequate revenue needed to fuel the production process. Political instability leads to a shift of focus from economic growth to maintain stability and the system of governance withdraws its efforts from accelerating economic growth. Corruption is a great negation to growth as money gets siphoned to individual hands for personal consumption and is not used for mass consumption. Sick markets cannot stir economic growth. Because the demand subsides in a sick market and no longer the market plays its driving role to promote economic growth. Infrastructures like transports, communications, educational institutions and hospitals when are ill developed, economic growth is seriously hampered.

D. International trade barriers:

- Overdependence on primary products
- Consequences of adverse terms of trade
- Consequences of a narrow range of exports
- Protectionism in international trade

International trade barriers negate economic growth. Over dependence on primary products do not allow an economy to grow. Adverse terms of trade and limitations on exports cast its unfavourable consequences upon production. For such conditions, market expansion is blocked. Capital generation becomes difficult which is needed for production. Protectionism in international trade restricts consumer's choice and freedom and disallows the products of certain countries to get marketed outside. This negatively affects production and economic growth.

E. International financial barriers:

- Indebtedness
- Non-convertible currencies
- Capital flight

International financial barriers like debt traps, capital flight and drain make investment limited for a country. This adversely affects economic growth.

F. Social and cultural factors acting as barriers:

- Religion
- Culture
- Tradition
- Gender issues
- Socio cultural factors too arrest economic growth.

Religious segregation, taboos, cultural prescriptions and limitations, traditions and gender based discriminations mar the human capital development and dissociate a major chunk of the population from getting integrated in the labour force and emerging as quality labour force. This becomes degrading for economic growth. However, today nations are taking measures to overcome such barriers to make economic growth a reality. The structural adjustment policies, liberalization process and globalization have significantly reduced the international trade and financial barriers. Inclusive policies have tried to put an end to the socio cultural barriers to economic growth. Revamping of the economy through economic planning, policies and programmes have addressed many issues arising out of poverty cycle. Development of a strong political will, administrative reforms, and public policies and the ideology of good governance are also tuned to make economic growth an achievable agenda.

Limitations of GNP/GDP as a development indicator

1. Being an average, it says nothing about the distribution of wealth between rich and poor
2. Poverty (poorness) applies to individuals and not to the entire nation or continents. It leads to the believe that entire nations or continents are poor, and need assistance
3. Even at the household level, income may not be evenly distributed. Inequalities with in the household will be completely invisible
4. Activities in the informal sector and subsistence production are not accounted into GNP. Domestic works like food preparation, childcare, looking after the sick and the aged are social reproduction activities undertaken by women and children.
5. Cost of living is not uniform across the world. E.g. One US\$ per day in USA may not support better subsistence as the equivalent of one US\$D in Sudan does, so long as local Sudanese price for basic food stuffs are lower than international prices.

2. Development as Structural Transformation (DST)

The idea of economic growth implies some kind of quantitative change while the idea of development implies some kind of qualitative transformation. The concept of structural transformation is related with this qualitative change. Basic points related with structural transformation are the following.

1. Development as structural transformation implies historical process of social change. Rich societies are transformed over a long period of time. Development as a structural change focuses on underlying social and economic structures
2. Structural transformation in the economic sense is used to mention the process of industrialization. Here, development is viewed as involving not only economic growth but also socio-cultural and political transformation.

3. Industrialization and Industrial Revolution. Historically industrialization and industrial revolution were considered in Western Europe to be the turning point in the conception of development as structural transformation. Some of the well-known elements of this transformation include the rise of large scale manufacturing industry, large-scale urbanization, and the rise of bureaucratic and centralized states.
4. Structural transformation perspectives are not concerned about small scale changes and controversial issues as poverty, well being, equality, etc. In fact growth and transformation approaches assume that in the initial stages of growth and transformation increasing inequality and poverty can be part of the process of development. This means, the problems of poverty and inequality are seen as **transitional problems** which will be solved through the so called **“trickle-down” process** which assumes that the fruits of economic growth and transformation will eventually filter down to the lower sections of the society. At later stages, a stable, democratic and participatory kind of political system will emerge as part of the transformation system. In historical terms development as a process of structural transformation involved a great deal of upheavals, conflicts, dislocations, etc. That is, there are losers and winners from the process of structural transformation. From the structural transformation point of view, all these are considered as **“pyramids of sacrifice”** which societies must pass through in order to reach the fruits of development.

“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, large numbers of persons who cannot keep up with progress have to have their expectations of life frustrated. Very few communities are willing to pay the full prices of economic progress.” (UN: Department of Economic and Social Affairs, 1951).

3. Human Development Index (HDI)

The last decade of the twentieth century witnessed the development of a new approach to development known as the “Human Development” approach. The approach got widespread popularity with the efforts of the United Nations to make it an avowed purpose for all nation states. By this time, the planners, policy makers and the intellectuals realized that development of a society becomes a myth without the proper development of its human beings who are the ultimate stakeholders of the benefits of development. This thinking led to the development of the concept of “Human Development” which has become the most vital index of and an instrument for development today.

The UNDP asserted that expansion of real income and economic growth are not necessarily characteristics of successful development as countries with high GDP and per capita income at times have very low achievements in the quality of life. So the UNDP launched its efforts to make development pro people. For this, it shifted the development paradigm for growth centric to people centric development and insisted upon human development.

United Nations Development Programme has been defining human development as the process of enlarging people's choices. The choices are capitalized on composite index that measures a country's average achievement in three basic aspects.

- These are longevity as measured by life expectancy at birth,
- Knowledge as measured by a weighted average of adult literacy (two-third) and mean years of schooling (one-third), and
- Standard of living as measured by real per capita income adjusted for the differing purchasing power parity (PPP) of each country's currency to reflect cost of living and for the assumption of diminishing marginal utility of income. The rationale behind HDI is to shift the focus of development economics from national income accounting to people centered policies.

Fundamental to enlarging these choices is **building human capabilities** – the range of things that people can do or be in life. Capabilities are "the substantive freedoms [a person] enjoys to lead the kind of life [they have] reason to value." Thus, the UNDP depicts two sides of human development. They are:

- The formation of human capabilities – such as improved health, knowledge and access to resources; and
- The people making use of these capabilities for productive purposes – being active in cultural, social and political affairs.

Country Ranking by HDI and GNP

The human development index ranks countries very differently from the way GNP per capita ranks them. The reason is that GNP per capita is only one of life's many dimensions, while the human development index captures other dimensions as well.

HDI is used as an index to rank countries of the world by level of human development on scale of 0 (lowest human development) to 1 (highest human development). Based on HDI, countries of the world are ranked into three:

- i. low human development (0.00-0.499),
- ii. medium human development (0.50-0.799), and
- iii. High human development (0.80-1.00).

Accordingly, Sri Lanka, Chile, Costa Rica, Jamaica, Tanzania and Thailand, among others, do far better on their human development ranking than on their income ranking, showing that they have directed their economic resources more towards some aspects of human progress. But, Oman, Gabon, Saudi Arabia, Algeria, Mauritania, Senegal and Cameroon, among others, do considerably worse on their human development ranking than on their income ranking, showing that they have yet to translate their income into corresponding levels of human development.

One major advantage of the HDI is that it does reveal that a country can do much better than might be expected at a low level of income, and that substantially income gains can still accomplish relatively little in human development. It indicates that disparities in income are greater than disparities in other indicators of development, at least health and education measures. HDI, therefore, shows that development is more than income. There are six basic indicators of human development. They are: equity, sustainability, productivity, empowerment, cooperation and security.

- Equity is the idea of fairness for every person, between men and women. Every individual has the right to an education and health care.
- Sustainability is the view that we all have the right to earn a living that can sustain our lives and have access to a more even distribution of goods.
- Productivity states the full participation of people in the process of income generation. This also means that the government needs more efficient social programs for its people.
- Empowerment is the freedom of the people to influence development and decisions that affect their lives.
- Cooperation stipulates participation and belongingness to the communities and groups as a means of mutual enrichment.
- Security offers people development opportunities freely and safely with confidence that they will not disappear suddenly in the future

Criticisms of HDI

To stress again an earlier point, the human development index captures a few of people's choices and leaves out many that people may value highly - economic, social and political freedom and protection against violence, insecurity and discrimination, to name but a few. The HDI thus has limitations. But the virtue of broader coverage must be weighed against the inconvenience of complicating the basic picture it allows policymakers to draw. Some of the criticisms are:

1. The first criticism is that gross enrollment in many cases overstates the amount of schooling. This is because in many countries a student is counted as enrolled in

primary school if he or she begins school, without considering whether he/she drops out of the same stage.

2. Equal ($\frac{1}{3}$) weight is given to each of the three components, which clearly has some value judgments behind it, but it is difficult to determine what this is. It is difficult even to say what equal weight means.
3. The index offers no attention to the role of quality.

Supplementary Measures of Development

In 1945 Davis developed what he later called the measures of human welfare. Measure of welfare consists of level of living and level of consumption which are compared to standard of living and standard of consumption.

Level of consumption is the amount of goods and services both in public and private sectors plus saving which people actually experience as estimated by GNP or NNP per capita. **Standard of consumption**, on the other hand, is the level of consumption earnestly desired and eagerly striven for by a social group such as the consumption level achieved by the upper class or group of society. It is the target of development because our target is to have the best of life. It is the goal of everybody. **Level of living** is the idea that would provide an overall per capita index of the whole of human activity as actually experienced by the individual or the group. It is an average of living an individual actually experiences. **Standard of living**, on the other hand, understood as the content of living which an individual or a group earnestly seeks and strives to obtain.

Chapter Two

Theories of Development

Theory is a set of systematically/logically interrelated propositions that attempt to describe, analyze and explain certain phenomenon/situation. To this end, development theory can be defined as a conglomeration of theories about how desirable change in society is best to be achieved. Such theories draw on a variety of social scientific discipline and approaches. Development theories of 1950s and early 1960s viewed the process of development as a series of successive stages of economic growth through which all countries must pass. The focuses are on saving, investment, and consider foreign aid necessary. Rapid economic growth is considered as development during this time. This theory is replaced by two competing thoughts in 1970s: structural change and the international dependency revolution. The fourth development approach is the Neoclassical (new liberal) counterrevolution developed in 1980s and 1990s.

I. Modernization Theory: Basic Framework

Modernization theory is a theory used to explain the process of modernization within a society. It describes and explains the process of transformation from traditional or underdeveloped societies to modern societies. Modernization is a change towards western style of social, economic and political systems. Modernization theory is one of the major perspectives in sociology of development. It focuses on the ways in which past and present pre-modern societies become modern through the process of economic growth and change in social, political, and cultural structures. Modernization theorists study the social, political, and cultural consequences of economic growth and the conditions that are important for industrialization and economic growth to occur.

It states that development can be achieved by passing through the processes of development that were followed by the contemporary developed countries. It is a theory that attempts to identify the social variables that contribute to social progress and development of societies, and seeks to explain the process of social evolution. Walt Rostow and A.F.K.Organski developed stages of development through which every country passes. Samuel Huntington determined development to be a linear process, which every country must go through.

Modernization theory, in contrast to classical liberalism, viewed the state as a central actor in modernizing “backward” or “underdeveloped” societies. Education and technology plays a key role in development.

Rostow's Stage Theory

Rostow defined economic growth as the process that passes through certain stages. The stages of development according to him are:

A. Traditional Stage or Pre-industrial Stage

This stage covers all stages of development from the stage of savagery to horticulture, animal husbandry and pre-industrial development, primitive agricultural development, feudalism, etc. This stage was a period of stagnation, and every society had experienced this traditional stage, although at different time. Technical conditions and economics of scale were static. Birth rates and death rates used to be high. The changes were slow and even the changes were not symptoms of development.

B. Pre-Condition Phase

The introduction of the urge to development was important. This urge came from within the elite class or from the elite classes of the foreign countries. An entrepreneurial class emerged which mobilized savings and invested them. They also brought the political unification of the country and provided it with some infrastructural facilities, i.e., transport, education, and organized medical help. Death rates started falling in this stage, but not the birth rates. A few industries developed on small scale. Investment ranged around 5% of the GNP in this stage.

C. The Take-off Stage

Rostow has written in detail about the take-off stage and this stage is discussed under the following headings:

i. Meaning and Characteristics

According to Rostow, a society in the take-off stage shares the following features:

- The rate of investment increased from 5% of GNP to 10% of GNP. The real output per capita rises.
- A group in the society emerges which has the will and the authority to make the economy up. The existence or quick emergence of political, social and institutional framework, which exploits the impulse to expansion in the modern sector and the potential external economy, effects of the take-off and gives to growth an ongoing character.
- Entrepreneurs, corporations and the government acquire the technique of mobilization of financial and resources for further development about which they become keen.

- A leading sector known as 'growth pole' in regional economies emerges and it is because of this leading sector that development shall take place.

The take-off stage is defined as an industrial revolution tied directly to radical changes in methods of production and having their decisive consequences over a relatively short period.

It is the interval during which rate of investment and real output per capita, the will and capacity to develop, the entire social set up undergoes a change for further development and innovations.

ii. Take-off is a Function of Entrepreneurial and elite class

- This stage is the function of entrepreneurial and elite class. The entrepreneurial and elite class saves and accumulates capital and invests. They are instrumental in getting the credit structure expanded.
- Foreign capital is helpful but not an essential condition of the take off stage.
- The political and planning machinery will have to make 'nationalism' an engine of modernization

iii. Leading sector will lead

Leading sectors are those sectors, which have new production functions of high productivity, which in turn generate a maximum of re-investable surplus. This sector is a sector where there are possibilities for innovation or for the exploitation of new profitable resources. The rapid growth of one or more new manufacturing sectors is a powerful and essential engine of economic transformation. These sectors initiate new production functions that lead to very high productivity and raise the output per head.

iv. Time Period

A country can be in the take-off period for two to three decades. There is always some overlapping of the work, i.e. the pre-take-off works may continue in the take-off period also, as also some take-off works may continue in the next period. According to Rostow, certain signs and symptoms for development are:

- less than 40% of the population is left in agriculture and the rest migrate to urban and non-agricultural sectors
- the rate of growth in the national income outstrips the rate of growth in population
- the rate of capital accumulation goes up
- the relative contribution of agriculture to GNP decreases, and of the manufacturing goes up

Take-off stage is the function of:

- ✓ greater emphasis to manufacture in the leading sector
- ✓ Shifts from agriculture, trade and money leading to industrial sector
- ✓ high rates of saving (up to 10% of GNP)
- ✓ Definite policies regarding fiscal, monetary, education and income pattern

D. Stage of Drive to Maturity

- Investment increased from 10% to up to 20% of GNP
- Important industries come up
- Import substitution
- Technical knowledge spread to other sectors
- A country remains in this stage between 4 to 6 decades
- Specialization and division of labor become complex and compounded

E. Stage of self-Sustained Growth and of Mass consumption

- Per capita real income becomes so high that the consumption transcends beyond food, cloth and shelter to goods of comforts and luxuries on a mass scale,
- Urbanization and industrialization change the values of the society and increases development consciousness,
- Leading sectors change the basic structure of the society and new types of durable consumer goods industries become the leading sectors. People do not feel any pinch of shortages. Very high levels of consumption and physical quality of life are achieved.

Criticisms of Modernization Theory

Modernization theory explains how development can be achieved, but it has some limitations. The limitations of modernization theory are:

- The theory has no relevance for the development of developing countries. Every country will not have the same history of development and shall not pass through the same stages or experiences (history does not repeat itself).
- Leading sectors may not lead
- The take-off stage is not empirically vindicated in the same manner in which Rostow presented it
- Rostow ignores Bumps and Crash-landing of the growth process, Rostow failed to discuss hauled take-off, the assisted take-off, and the self-propelled take-off
- An economy can reach the stage of self self-sustained stage without passing through all the five stages
- The take-off may be inordinately delayed with increase in investment between 10 to 12.5%, take-off may not be realized
- The last stage of mass consumption may not be reached at all

- There are limits to growth. For instance, natural resources, manpower and capital set the upper limits of growth

II. The International Dependency Model: General Argument

The international dependency theory emerged in reaction to earlier development theories-modernization theory and structural change model, which state that all societies have to pass through the same stages today's developed countries had passed. The modernization theory stated that investment, transfer of technology, and close integration into international market is necessary for development. For modernization theorists, today's developing countries are primitive version of developed countries.

However, the proponents of international dependency model hold the view that developing countries have unique features and structures of their own but not primitive version of developed countries. The model gets increasing support and dominance in 1970s especially among developing country scholars. This is because of the growing disentanglement with both the stages and structural change models.

The Dependency theory associates the underdevelopment of developing countries to the international relationships. The relation between developed and developing country is characterized by dependence and dominance. Capitalism is the motive force behind dependency relationship. For instance, one of the earliest dependency theorist, Andre Gunder Frank, argued that the underdevelopment of contemporary developing countries are linked to the historical product of past and continuing economic and other relations between the satellite underdeveloped and the now developed metropolitan countries. The theory advances the view that lack of industrial development in the third world is due to their economic surplus is drained to the metropolitan centers in the west.

The capitalist system has enforced a rigid international division of labor, which is responsible for the underdevelopment of many areas of the world. Western capitalism penetrated third world countries and made them economically poor and politically weak. The dependent states supply cheap minerals, agricultural commodities and cheap labor, and serve as the repositories of surplus capital, obsolescent technologies, and manufactured goods. These functions orient the economies of the dependent states toward the outside: money, goods, and services do flow into dependent states, but the allocations of these resources are determined by the economic interests of the dominant states, and not by the economic interests of the dependent state. This division of labor is ultimately the explanation for poverty and there is little question but that capitalism regards the division of labor as a necessary condition for the efficient allocation of

resources. The most explicit manifestation of this characteristic is in the doctrine of comparative advantage.

To illustrate more, dependency theory is a theory based on the notion that resources flow from a “periphery” of poor and underdeveloped states to a “core” of wealthy states, enriching the latter at the expense of the former. It is a central contention of dependency theory that poor states are impoverished and rich ones enriched by the way poor states are integrated into the “world system.” There are three main streams of thought within this general approach. These are:

- i. The Neocolonial Dependency model,
- ii. The false-paradigm model, and
- iii. The dualistic Development Thesis

i. **The Neocolonial Dependency Model:** The neocolonial dependency model is an indirect outgrowth of Marxist model. The model attributes the underdevelopment of developing countries to the existence and continuance of highly **unequal international capitalist systems** of rich country-poor country relationships. This model brought the issue of center-periphery relationship to the forefront of development study. The center-periphery relation has important implication to the study of class structure and inequality in third world countries. It enables us to explain how structured social inequality develops in third world nations.

According to the model, the relationship between poor nations (periphery) and rich nations (core) are dominated by **unequal power relationships**. Economic and political power is concentrated and centralized in industrialized countries. This relation affects attempts by poor nations to be self-reliant and independent.

Developing country elites (such as Military rulers, merchants, salaried public officials, trade unions, etc of developing countries) are in the perpetuation of international capitalist systems. Todaro called them **comprador groups**. The proponents of the theory said that they serve the interest of rich countries and dependent of international special interest groups such as IMF, World Bank, Bilateral aid agencies, and so on. This is because they are beneficiaries of the system. In general, neocolonial dependency model attributes poverty and underdevelopment to the existence of policies of industrially developed countries of the Northern hemisphere, and their extension in the form of small but powerful comprador groups in less developed countries.

ii. **The False-Paradigm Model:** this is another approach of dependency model. The theory attributed the underdevelopment of developing countries to inappropriate, false advice given by international “experts” to developing countries. According to the proponents

of the model, international advisers are from developed countries and uninformed, biased and ethnocentric. The experts can provide sophisticated concepts, theoretical structures of development that couldn't take into consideration knowledge of local conditions. Thus, the advice may lead developing countries to adopt inappropriate or incorrect policies. The proponents of the model also believe educational systems of developing countries are designed resembling developed country structures. Many local universities teach irrelevant Western concepts and models. The whole system is designed in the way that perpetuates the international system.

- iii. **The Dualistic Development Thesis:** This is also another approach of dependency model. Dualism is a concept widely discussed in development studies, including sociology of development. The term represents the existence of dichotomies in a country or at international level. It represents the existence and persistence of increasing divergences between poor and rich nation, and poor and rich peoples on various levels.

The concept of dualism embraces four key arguments, as indicated in Todaro and Smith, 2006. The first argument is that **different set of conditions**, of which some are "superior" and others are "inferior", can coexist in a given space. For instance, modern and traditional methods of production coexist in developing countries. The second argument is that this **coexistence is chronic and not merely transitional**. It is not due to a temporary phenomenon that time could eliminate the discrepancy between superior and inferior elements. In other words, the international coexistence of wealth and poverty is not simply a historical phenomenon that will be rectified in time. The third argument is the degree of superiority or inferiority fails to show any sign of diminishing but they even have an **inherent tendency to increase**. The final argument is that the interrelations between the superior and the inferior elements are such that the existence of the superior elements does **little or nothing to pull up the inferior element**, let alone trickle down it.

The Policy Implications of Dependency Analysis

The main question to be raised here should be how developing countries can realize development.

1. The model states that the success of the advanced industrial economies does not serve as a model for the currently developing economies. Dependency theory suggests that the success of the richer countries was a highly contingent and specific episode in global economic history, one dominated by the highly exploitative

colonial relationships of the European powers. A repeat of those relationships is not now highly likely for the poor countries of the world.

2. Dependency theory rejects the central distributive mechanism of the neoclassical model, what is usually called "trickle-down" economics. The neoclassical model of economic growth pays relatively little attention to the question of distribution of wealth. Its primary concern is on efficient production and assumes that the market will allocate the rewards of efficient production in a rational and unbiased manner. This assumption may be valid for a well-integrated, economically fluid economy where people can quickly adjust to economic changes and where consumption patterns are not distorted by non-economic forces such as racial, ethnic, or gender bias. These conditions are not pervasive in the developing economies, and dependency theorists argue that economic activity is not easily disseminated in poor economies. For these structural reasons, dependency theorists argue that the market alone is not a sufficient distributive mechanism.
3. Since the market only rewards productivity, dependency theorists discount aggregate measures of economic growth such as the GDP or trade indices. Dependency theorists do not deny that economic activity occurs within a dependent state. They do make a very important distinction, however, between economic growth and economic development. For example, there is a greater concern within the dependency framework for whether the economic activity is actually benefiting the nation as a whole. Therefore, far greater attention is paid to indices such as life expectancy, literacy, infant mortality, education, and the like. Dependency theorists clearly emphasize social indicators far more than economic indicators.
4. Dependent states, therefore, should attempt to pursue policies of self-reliance. Contrary to the neo-classical models endorsed by the International Monetary Fund and the World Bank, greater integration into the global economy is not necessarily a good choice for poor countries. Often this policy perspective is viewed as an endorsement of a policy of autarky (an economic policy in which a country is independent of international trade or not reliant on imported goods).

Criticisms of International Dependency Model

The international dependency model rejected the policy options the modernization theorists indicated for the development of developing countries. The theory also offered an explanation of why developing countries remain poor. However, firstly, the proponents of the theory offer little formal or informal explanations on how countries initiate and sustain development. Secondly, the industrial nationalization and the state run production become unsuccessful in most developing countries. The import substitution policies suggested also failed. The failures of these policies are clear, and

the failures suggest that autarky is not a good choice. Rather a policy of self-reliance should be interpreted as endorsing a policy of controlled interactions with the world economy: poor countries should only endorse interactions on terms that promise to improve the social and economic welfare of the larger citizenry.

III. Marxism, Socialism and Development

Marxism is a philosophy of social existence, called historical materialism; a theory of history, phrased as dialectics; and a politics of socialism, meaning collective social control over the development process. The founders of this school of thought, Karl Marx (1818–1883) and Friedrich Engels (1820–1895), were Enlightenment modernists. As with the Enlightenment philosophers, they believed in social progress and the perfectibility of humankind. As with the positivists of their mid-19th-century time, they saw science as having transformative potential. They thought that **material plentitude**, made possible by technological advances, could make life easier, better, longer, and happier. Yet, they thought differently than most of their contemporary modernists. They saw modern industrial production as emancipator in the sense that more could be wrested from nature, but they also saw capitalist industrialization as alienated from nature as the environment was destroyed and polluted by **uncontrolled overuse**.

They saw **modernity as progress in material life**, but they also viewed it as a movement that was directed by a few rich people motivated by profit and capital accumulation and that had unequal results in terms of benefits. So, while modernist in overall commitment, Marx's theoretical analysis was intended as a guide to radical political practice, aimed at **changing society**, especially its leaders, so that science could directly meet the needs of the poorest people. Marx and Engels came to liberate modernism, not to praise it.

Mode of Production

For Marx, class control over production and development had profound implications for socio-cultural and political life as a whole. Marx's own summary of the complex social and economic structures, layers of institutions, and social relations and practices intervening between economic necessity and symbolic consciousness reads as follows:

In the social production of their existence, [people] inevitably enter into definite relations, which are independent of their will, namely relations of production appropriate to a given stage in the development of their material forces of production. The totality of these relations of production constitutes the economic structure of society, the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of

material life conditions the general process of social, political and intellectual life. It is not the consciousness of [humans] that determines their existence, but their social existence that determine their consciousness (Marx, 1970 ed.: 20–21).

Marx did not say, in this passage, that the “economic structure” stamps out political and cultural components called “political superstructure” and “consciousness.” Dialectical terms for structural relationships like “correspond” and “condition” cannot imply such a mechanical process of determination. Marx did argue that the level of development of a society’s productive forces—society’s ability to transform nature—limited its social and political development and directed its entire cultural mode of existence. Putting it simply, the economic structure (forces and relations of production) determine (influence) the superstructure of society (culture, politics, moral values, ideologies and consciousness) in general. Beyond this general determination, phrased by Marx in terms of influences and pressures, we had to look at the particular historical and geographic conditions to see exactly how economy conditions affect social and cultural development.

Recalling, that for Marx, societies are exploitative when elites and their institutions take uncompensated surplus labor or its products from the direct producers, be these states or corporations. Surplus is not easily extracted. Particularly at a low level of development of the productive forces, when the margin of survival is narrow, exploitation that takes half of the worker’s product means the difference between life and death, especially at times of natural scarcity—exploitation means the death of children and elderly people.

So, the exploitation process is seen by Marx as an arena of struggle, the dominant using a combination of economic, political, and ideological force to ensure control over socially produced surplus and the dominated resisting through overt means such as labor organizations, strikes, and rebellion and covert means like reluctant compliance, breaking machines, and idling on the job. However, the exploited might be induced to “volunteer” their own exploitation with the right persuasion. In such a context, consciousness has to take ideological forms that rationalize and legitimize exploitation. Organized religion is one such form—for example, the notion of heaven as a realm of eventual peace, with a place in paradise gained through good deeds like hard work and devotion to law and order, as guided by the priest or as self-disciplined by the Calvinist mind. Yet, even religion is a contradictory ideology, and so oppositional groups have formed alternative interpretations of spiritual principles—liberation theology, for example, or humanism as a nondeified admiration of the inherent good in people.

The most sophisticated system-supporting ideologies are ideas like equality of opportunity—meaning that everyone has an equal opportunity to join the exploiting class, and, if you do not make it, that’s your own fault. So, exploitation is the mechanism hidden by rationalization and legitimation.

Turning to the political aspects of superstructure, we see that a society characterized by exploitation and conflict has to develop collective institutions for ensuring elite domination and for socially reproducing the conditions and infrastructures of production. Many of these collective institutions are accumulated in the apparatus of the state, governed by an appropriate kind of politics (“liberal representative democracy” in advanced capitalism, for instance).

In other words, Marx does not see governments acting on behalf of everyone equally. He sees the state as made up of rich people, elected by means controlled by money, pressured by big money to act in the interests of corporations, and aggressive in its external relations to create wider spheres of influence for capital—in general, the **state is the political arm of the economically dominant class**. Again, however, while the necessity for a complex of institutions called “the state” originated in the contradictory nature of production, its exact character can be found only by examining the particular empirical circumstances of a given time period. Hence, for Marx, there are structural connections among the economy, culture, and politics. The forms of social consciousness and the kinds of state and politics that come into existence are limited and directed by the exploitative social relations of production. Within these structural pressures and constraints, people living in specific times and places create the more exact historical forms of consciousness and politics. Notice that this means using two kinds of social analysis, structural and empirical.

In summary, the Marxist concept “mode of production” entails a system of forces of production and social relations that organizes and directs the forces of production in the transformation of nature. The social objectives of economic activity are the production of material goods used to reproduce the conditions of production (necessary labor) and the production of a surplus of values, used partly for investment in new means of production and partly to support the lifestyle of the elite (surplus labor).

Development is driven by the exploitation of labor, producing surplus value, and the reinvestment of part of this surplus, under compulsive conditions of competition, in improved technology. Capitalism is the only system in history in which economic growth is compelled to occur through exploitation and competition. The social ability to transform nature, measured by the level of development of the forces of production and

guided by exploitative social relations, limits and directs the making of social consciousness into ideological forms, while the state monopolizes collective violence, rationalizes inequality, and guarantees the continued reproduction of the social order in slightly changing but eternally unequal forms. For Marx, this whole process is suffused with social, political, and ideological struggles generated by contradictions at the very heart of society—in the relations that bind social actors together as collectivities of producers.

Development as Social Transformation

Economic development, for Marx, occurs by building up the forces of production, especially adding tools, machines, and infrastructure to human labor power. This process makes production more productive—that is, the average amount of product made in an hour increases. And higher productivity yields the possibility of a better material life—if some of the extra product can be won by labor through struggle (union strikes, for example).

Social transformations involve shifts from modes of production at low levels of the forces of production to modes at higher levels of productive force. Marx envisioned these qualitative changes (“revolutions”) as violent episodes undertaken by desperate people only when the productive possibilities of the old social order have been exhausted:

At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production or—this merely expresses the same thing in legal terms—with the property relations within the framework of which they have operated hitherto. From forms of development of the productive forces these relations turn into their fetters. Then begins an era of social revolution. The changes in the economic foundation lead sooner or later to the transformation of the whole immense superstructure. (Marx 1970 ed.: 21)

In other words, **material development is full of crises**. These sharpen and intensify the social struggles endemic to class societies. Heightened struggle presents the possibility for structural change. This transformation is led by political and ideological contestations. The new social relations, put into place through struggle, do not materialize out of thin air, nor from utopian thought alone, but are constructed out of embryonic relations already present in the dying body of the old society.

The culminating moment in this line of thought is a re-conceptualization of history in terms of temporal sequences of modes of production, and geography in terms of articulations (combinations, interactions) of modes of production. Marx thought it is

possible to theorize “laws of social transformation” — “laws” being understood dialectically as tendencies or probabilities rather than “iron laws of history” or utter structural necessities (as with functionalist theories).

Marx only began to outline the main modes of production that have characterized human history, and he investigated one (capitalism) in detail. Marx’s knowledge of non-capitalist modes of production was biased by the (colonial) nature of the available information. However, judging from notes posthumously published as *Grundrisse* (Marx 1973 ed.: 471–514) and subsequent work, we can conclude that Marx seems to have seen societies as passing through the following general types:

- **Primitive Communist Hunter-gatherer Societies:** Recognizably human forms of chimpanzees emerged in eastern Africa some 1.6 million years ago, while *Homo sapiens* came from the same region 130,000 years ago. Based on studies of contemporary hunter-gatherers, mobile groups of foraging and hunting peoples have egalitarian, nonhierarchical “band” social structures, although more sedentary groups have more (but limited) hierarchy — hence the designation “primitive communism.” What Marx and others appear to imply by this historical reconstruction is that human beings are thinking apes, all people were originally black, humans lived as communists for 90% or more of their history and, given that hunter-gatherers get most of their protein from plants gathered primarily by women, people are naturally feminist vegetarians.
- **Kin-ordered Tribal Agricultural Societies:** Agriculture was made possible by the domestication of plants and animals some 10,000 years ago in Mesopotamia, the Nile valley, South-east Asia, and Central America and the Andes — that is, keeping animals under human control and selectively planting seeds, cuttings, tubers, and so on. This massive increase in the forces of production was accompanied by increased resort to hierarchy in tribal rather than band societies, with the subjugation of women being the main act in forming incipient class society.
- **Tributary or State Societies:** Early state formation began to arise in fertile agricultural regions often amenable to irrigation, such as Mesopotamia, the Nile valley, the Indus valley, China, Meso-America, the Andes, and Western Africa about 6,000 years ago. In the great “civilizations” of the Middle East, India, and China, social hierarchies were concentrated on emperors and god-kings, with the mass of peasants and artisans supporting the monarchical state through surplus in the form of taxes, tribute, and committed labor. Areas where the central state was less organized had feudal social systems in which the local landed nobility held power and contended for control over the weak central state in incessant interregional and interfamilial wars.

- **Capitalism:** From disintegrating feudal societies, primarily in Western Europe, a new social order led not by the landed nobility or the king but by self-made artisans and tenant farmers began to emerge about 500 years ago. Capitalism is characterized by the extension of saved money as capital by an entrepreneurial class intent on making profit by employing waged labor in the making of commodities to be sold in markets; by science and the advance of technology; and by the gradual democratization of the state through struggles by the bourgeoisie, workers, and women .

In early simple statements Marx tended to see all societies passing through all these historical stages, or modes of production, in a unilinear conception of history. In later statements each mode of production informed several different versions of societal types ("social formations"), and any particular society could move through some modes but not others, might skip a mode or reverse track, in a multilinear and more varied theory of history. What first appears as a simple process of "societal evolution" turns out to be a complex process of uneven development of modes of production, such that capitalism could appear in western Europe while the previously dominant civilizations (China, India, Egypt, Mayan and Incan America) remained societies informed by "Asiatic"-type (that is, centralized) tributary systems, and much of the rest of the world was tribal or communal. In the "articulation of modes of production" approach, spatial relations among societies during any time period took the form of "articulations" (combinations and interactions) among societies with unequal powers, for example: among state formations in Mexico and subsidiaries in southwestern North America; between the Incas and the hunter-gatherer agriculturalists of the Amazon basin; between the Aryan invaders of India and the indigenous forest dwellers; or between European imperialistic capitalists and kin-ordered tribal groups in Africa. Each of these articulations had developmental and underdevelopmental effects, with surplus extracted as value or tribute by the dominant society from the subordinate, further developing the powerful and underdeveloping the less-powerful. Mode of production analysis enables this surplus extraction to be seen as part of an entire structure of economic, cultural, and political relations among societies, each society "informed" by a dominant mode. Hence, the Marxist geographic study of development becomes an analysis of the articulations among modes of production unevenly developing in global space.

IV. **Feminist Theories of Development**

Women, Development, Theory

Feminists and development activists made a series of attempts at reformulating development theory. The basic issue was this: Given that women performed most of the

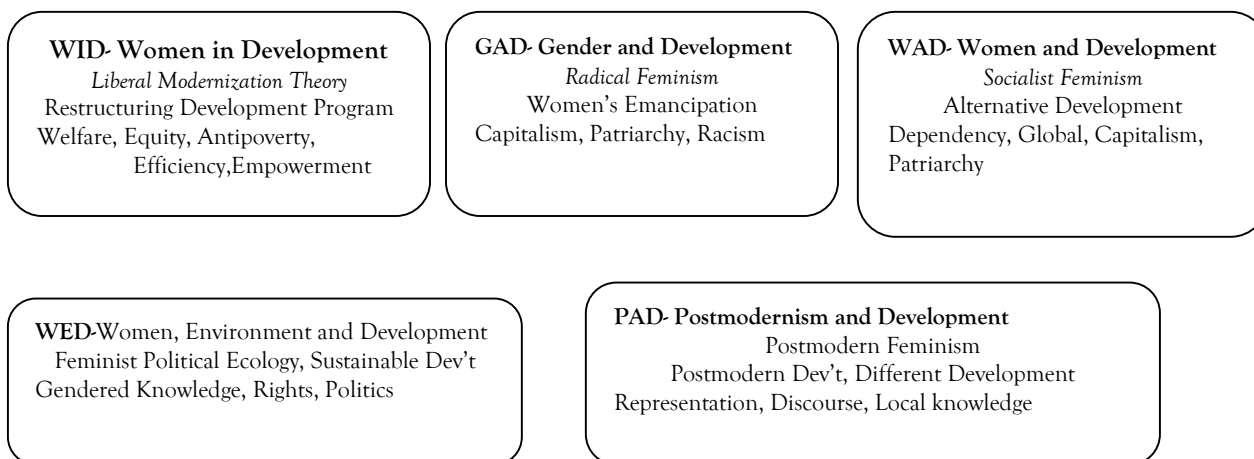
labor in many, if not most, Third World societies, why had they been excluded from development theory, and what differences would it make if theory was reformulated to center around gender relations and women's experiences? Placing gender relations at the center of theorization, feminist development theorists argued, reorients developmental discourse toward different topics and interests. Traditional areas of developmental concern are seen from a different vantage point. Aspects of development previously relegated to the margins become, instead, the main foci of interest; for example, Third World industrialization employed not labor (assumed to be male) but women workers, while gender relations, previously subordinated to class considerations, became essential to understanding productive activity. As a consequence new aspects of development can be brought into focus—for example, the informal and rural sectors of the economy, the reproductive sphere as a vital component of development, relations between production and reproduction, gender relations in export-oriented production, inequalities stemming from development, the products of development (needs, not whims), with the thinker going all the way from conceptualization to experience.

To make this discussion a bit more concrete, we might consider rethinking development from specific feminist positions. For example, let us take the position of the feminist standpoint theory mentioned several times already and outlined in *Money, Sex and Power* by Nancy Hartsock (1985). In Hartsock's work, standpoint theory posits a series of levels of reality, with the deeper levels including and explaining the surfaces, or only appearances, of reality. Within this ontological position, feminist standpoint theory amplifies the liberatory possibilities embodied in women's experience. The feminist standpoint is related to the working-class standpoint (that is, Marxism theorizing on behalf of the exploited) but is more thoroughgoing, particularly because women do most of the work involved in reproducing labor power. For Hartsock, the male worker's contact with nature outside the factory is mediated by women, hence the female experience is deeper. Women's experience in reproduction represents a unity with nature that goes beyond the proletarian experience of material metabolic interchange. Motherhood results in the construction of female existence centered on a complex relational nexus and focused on the woman's body. By comparison, the man's experience is characterized by a duality of the concrete versus the abstract, deriving from the separation between household and public life. Such masculine dualism marks phallogentric social theory, a system of hierarchical dualisms (abstract-concrete, mind-body, culture-nature, stasis-change, developed-underdeveloped, First World-Third World, etc.). By comparison, suggests Hartsock:

Women's construction of self in relation to others leads in an opposite direction—towards opposition to dualisms of any sort; valuation of concrete, everyday life; a sense of variety of connectedness and continuities with other persons and with the natural world. If material life structures consciousness, women's relationally defined existence, bodily experience of boundary challenges and activity transforming both physical objects and human beings must be expected to result in a world view to which dichotomies are foreign (Hartsock 1985: 242).

A feminist standpoint, Hartsock thought, might be based in the commonalities within women's experiences, but this is not obvious, nor is it self-evident—it needs reading out, developing, propagating. Hence, for Hartsock, women's life activity forms the basis of a specifically feminist materialism and, we might add, a specifically feminist development theory. Generalizing the human possibilities present in the life activity of women to the whole social system might raise for the first time in history “the possibility of a fully human community, a community structured by a variety of connections rather than separation and opposition” (Hartsock 1985: 247). Extending this insight, socialist feminists want to reformulate development in a way that combines, rather than separates, everyday life and the wider societal dimension, with productive activities of all kinds considered as a totality rather than split into hierarchical types (work-home), and with relations with nature placed at the heart of decisions on what and how much to produce.

Richard Peet and Elaine Hartwick (2009), find socialist feminism of the Hartsock type to be the most convincing. But, as the preceding discussion has already shown, feminists have many different epistemologies and hold to quite different political beliefs. Thus, when it comes to feminist critical discussion of development, a variety of positions appears. Many feminist theorists of development think that the interaction between feminism and development has taken five main forms (see Figure 2.1): Women in Development (WID); Women and Development (WAD); Gender and Development (GAD); Women, Environment, and Development (WED); and Postmodernism and Development (PAD) (Rathgeber 1990; Young 1992; Visvanathan et al. 1997).



Forms of Feminist Development Theory

A. Women in Development (WID)

This term came into being in the early 1970s following the publication of Ester Bosurp titled *Women's Role in Economic Development* (1970) where she showed the sexual division of labor that existed in agrarian economies. In her analysis she tried to show how the exposure of to modernization impacts the works done by male female in traditional agricultural practices. She divided the agricultural communities in to three clusters: the sparsely displaced regions practicing shifting agriculture; densely populated regions, where ploughs and other simple technologies were used and last, the communities where intensive, irrigation based cultivation. Accordingly, in the first communities, women tend to do the majority of agricultural tasks; in the second communities men tend to do majority of the agricultural works and finally in the last case, both women and men share in agricultural tasks.

The WID approach was closely linked to modernization paradigm which dominated the mainstream discourse on the international development during the 1960s and 70s. this paradigm argued that the living standard of developing countries would improve as a result of the growing of industrialization and modernity. Massive expansion of education systems, stocks of well trained workers and managers would emerge; this would open way for evolution of static agrarian societies into industrialized and modern ones. It was assumed that the norm of male experience was generalizable to females and that all would benefit equally as societies increasingly became modernized. As a result, the WID approach argued that women should be brought into the modernization process. It calls for administrative and legal requirements to ensure better integration of women in development.

Women and Development (WAD)

The WAD perspective started in the second half of 1970s, argued that it was precisely their link with modernization that had impoverished women. Its focus is on the relationship between women and development processes rather than purely on strategies for the integration of women into development, because it argued that women have already been integrated into their societies and the work they do both inside and outside household is central to the maintenance of those societies. This view finds women always playing important roles in the economies of their societies as both productive and reproductive actors. It was precisely how women and their labor had been integrated into global capitalism by the core countries that explained marginalization and oppression—as a contemporary example, women used as cheap labor for multinational corporations in export-processing zones. As opposed to WID's

modernization theory, WAD drew much more from dependency theory and neo-Marxist approaches to underdevelopment. Questions such as the origins of patriarchy, the intensification of patriarchy with the spread of capitalism, and Engels's (1972) analysis of the rise of private property, along with the agricultural revolution and the domestication of animals, formed the deep historical background to this school of thought (Bandarage 1984; Mies 1986). Rathgeber (1990) has pointed out that the WAD perspective focused on the social relations between men and women rather than Marxism's class relations.

There has long been a socialist strain to the feminism that formed around WAD. However, the relationship often takes the form of a critique of Marxism. Socialist feminists pointed to deficiencies in classical Marxism—that its analysis missed activities and relations fundamental to women's existence—yet many also continued to admire the historical materialist form of understanding and shared Marxism's liberating intent. Socialist feminists have been particularly critical of classical Marxism's emphasis on the economy and its relative silence on the question of women (Mitchell 1966). An early feminist theorist, Heidi Hartmann (1981), argued that the analytical categories of Marxism were "sex-blind" in that the causes of gender inequality (male dominance over women) were lost during structural Marxist analyses of class inequality (ruling class domination over workers). A specifically feminist socialist analysis was needed to reveal the systematic character of gender inequalities. Yet, also, most feminist analyses were insufficiently materialist and historical for Hartmann. Hence, both "Marxist analysis, particularly its historical and materialist method, and feminist analysis, especially the identification of patriarchy as a social and historical structure, must be drawn upon if we are to understand the development of western capitalist societies and the predicament of women within them" (Hartmann 1981: 3).

A main concern of socialist feminism involved retheorizing the significance of women's work. Juliet Mitchell (1966), of Cambridge University, differentiated between the several structures affecting women's condition—production, reproduction, socialization, and sexuality—with the first involving women's work in the nondomestic economic sphere and the others concerning women as wives or mothers. Each structure had different contradictions and dynamics. But all formed a unity in women's experience, with the family triptych of sexual, reproductive, and socializing functions dominant. Women performing domestic labor within the home and family created a different relation to the means of production than men. These activities fulfilled the function of the maintenance and reproduction of labor power in (contradictory) relation to production. Mariarosa Dalla Costa (1973) emphasized the quality of life and relations

in domestic work as determining women's place in society regardless of circumstances of place or class. Housewives were exploited workers, whose surplus was used most immediately by their husbands as an instrument of oppression—under capitalism, Dalla Costa said, women became the slaves of wages.

In socialist feminism, as compared with Marxism, emphasis was replaced on the sexual division of labor or different types of social praxis (broadly interpreted) as the material experiential bases of physical and psychological differences between men and women. Women were constituted by the social relations they inhabited and the types of labor they performed. Beginning with the Marxist notion of production for the satisfaction of needs, socialist feminism argued that needs for bearing and raising children were as important as material needs (food, shelter) as well as needs of sexual satisfaction and emotional nurturing, all of which required (usually female) labor. Gender struggles over reproductive activity were fundamental, yet often ignored in traditional Marxist theory.

Socialist feminist theories elaborated some of the implications of this basic position. Nancy Chodorow (1978), a sociologist at the University of California, Berkeley, argued for the social construction of masculinity and femininity within the family, especially in relations with the mother. Boys grew into achievement-oriented men adapted to work outside the home; girls grew into women adapted to emotional work inside or outside the home. Relations between economy, procreation, and male dominance were conceptualized by Ann Ferguson and Nancy Folbre's (1981) notion of "sex-affective production," the historically specific sets of activities that restricted women's options and remuneration. Socialist feminists in general theorized procreative activities and public-sphere production as mutually interdependent, neither ultimately determining the other rather than the public determining the private. Public-private distinctions, socialist feminists thought, rationalized the exploitation of women. In general the idea was that women performed unpaid labor in reproducing labor power as a kind of subsidy for capital, as well as working directly for capital as employees in factories or producers of commodities. Women were the superexploited working class.

Two tendencies emerged from critical statements like these. First, there were those who wished to develop explicitly Marxian ideas in the direction of considering women and gender (Vogel 1983). Hartmann's statement that Marx and Engels were analytically sex-blind was only three-quarters true: Engels had one eye half-open. Engels said:

According to the materialistic conception, the determining factor in history is, in the final instance, the production and reproduction of immediate life. This, again, is of a twofold character: on the one side,

the production of the means of existence, of food, clothing, and shelter and the tools necessary for that production; on the other side, the production of human beings themselves, the propagation of the species. The social organization under which the people of a particular historical epoch and a particular country live is determined by both kinds of production: by the stage of the development of labor on the one hand and of the family on the other (Engels 1972 ed.: 71–72).

Engels argued that the position of women relative to men deteriorated with the advent of class society. In a significant elaboration of these insights, anthropologists Mona Etienne and Eleanor Leacock (1980) argued for the primary importance of social relations for understanding socioeconomic and sexual inequalities and hierarchies—the origins of all these inequalities were inextricably bound together. They developed a historical framework for considering relations between socioeconomic and sexual hierarchies by defining four broad historical types of production relations:

1. *Egalitarian relations* among most hunter-gatherer and many horticultural people. Women had autonomy, a multiplicity of economic roles, and decision-making power.
2. *Inequalities* in tribal ranking societies attributable to the growth of trade, specialization, and the reorganization of production relations. In particular, a “public” sector of the economy concerned with production for wealth accumulation and trade was differentiated from a “private” household, or lineage, sector concerned with production for subsistence and sharing. Men’s responsibilities in hunting and warfare often led directly to their dominating trade and external political relations. The growth of the public sphere undermined women’s previously egalitarian position.
3. *Stratified relations* in preindustrial societies. The patriarchal household became an economically independent unit. Women’s work was further privatized.
4. *Exploitation* in industrial capitalist society where the subjugation of people generally was paralleled by the special subjugation of women (Etienne and Leacock 1980: 8–16).

The main point of this historical analysis was to link modes of production with social forms of gender relations, which helped in theorizing the transition from earlier egalitarian relations to later male domination in history. It also dispelled the myth that women have always (“naturally”) been subordinated to men (see also Coontz and Henderson 1986).

Second, however, some feminists still had problems with this kind of analysis. They thought that traditional Marxist analysis was simply pointed in the direction of women in a kind of “add women and stir” formula. They believed, instead, that new analytical categories like “patriarchy” were needed. Thus, Hartmann (1981: 14) defined patriarchy

as a “set of social relations between men, which have a material base, and which, though hierarchical, establish or create interdependence and solidarity among men that enable them to dominate women.” Patriarchy’s material base lay in men’s control over women’s labor power. Control was maintained by excluding women from access to essential productive resources. Here the analytical potential lay in connecting the social institutions that coerced and legitimized unequal power relations with the personal processes of psychology and consciousness through which people, especially women, accepted and rationalized their unequal positions in society.

Significant advances were therefore made by socialist feminists in broadening the Marxian conception of the material reproduction of life. The equivalent socialist feminist theories of development stressed production and reproduction as inseparable aspects of the making of existence—and therefore equally significant parts of development theory. This broader conception of development included gender relations as well as class, women’s labor in the domestic and public spheres, child rearing and socialization, and the family as the particular locus of reproduction. For most of human history, productive and reproductive processes have occurred at the same time and in the same geographic location—as the barely distinguishable aspects of the social creation of a whole way of life. More recently and increasingly with “development,” the various aspects of the productive-reproductive whole separated into different social and spatial spheres. These spheres were bound together by relations of inequality and dominance. The entire surplus production system came to be underwritten by the unpaid labor of women. Sophisticated ideologies legitimized this exploitative system as natural (“women have always been the weaker sex”). Development therefore was gender-determined as well as a class process. Indeed, gender and class intersected to form the specifics of the developmental process. Contradictions between parts of the life process have been a driving force in societal change. Indeed, socialist feminists find that class- and gender-dominated societies characterized by exploitation, dominance, and unequal life conditions regularly develop in biased, dangerous forms. Inequality produces catastrophe. Socialist feminists believe in entirely different forms of development predicated on transformed (egalitarian) gender relations. Socialist feminism remains committed to the Marxist notion of the historical and social creation of human nature in a process that includes gender, race, ethnicity, and other distinctions as well as class. Socialist feminism calls for reproductive democracy, including collective participatory control over family and procreative decisions, as well as collective control over commodity production (Jagger 1983: 148–163).

During the early 1980s, as Third World women were calling for new theories of development that embraced feminism, related conferences were urging the empowerment of women as agents, rather than depicting them as problems, of development (Bunch and Carrillo 1990). During this period a key event was the founding of DAWN (Development Alternatives with Women for a New Era) in Bangladore, India, in 1984. DAWN is seen as essentially adhering to the WAD perspective. Grassroots organizing experiences had led the founders of DAWN to link the microlevel activities they were engaged in to macrolevel perspectives on development. As Gita Sen and Caren Grown (1987: 9–10) point out in a later study produced by DAWN:

The experiences lived by poor women throughout the Third World in their struggles to ensure the basic survival of their families and themselves . . . provide the clearest lens for an understanding of development processes. And it is their aspirations and struggles for a future free of the multiple oppressions of gender, race, and nation that can form the basis for the new visions and strategies that the world now needs.

Based on extensive research and debate, DAWN produced work on alternative development strategies that greatly influenced subsequent research and activism in the field. Basically the group argued that short-term ameliorative approaches to improving women's employment opportunities (of the WID type) were ineffective unless they were combined with long-term strategies to reestablish people's (and especially women's) control over economic decisions shaping their lives: "Women's voices must enter the definition of development and the making of policy choices" (Sen and Grown 1987: 82). The idea was to strengthen the voices of Third World women in an "empowerment approach" to women's development. So, at the fourth World Conference on Women, held in 1995 in Beijing, the Platform for Action highlighted the human rights of women—rights to education, food, health, greater political power, and freedom from violence (Bunch, Dutt, and Fried 1995).

Sen and Grown, in their 1987 study, argued that poor oppressed women supplied a powerful perspective for examining the effects of development programs and strategies. Oppressed women, they said, knew poverty. Yet, oppressed women's undervalued work was nevertheless vital to social reproduction. This paradoxical experience with economic growth (with hard work yielding only poverty) was largely determined by gender and class acting together. Then too the existing economic and political structures, often deriving from colonial domination, were highly inequitable between nations, classes, genders, and ethnic groups. Thus, fundamental conflicts arose between

women's economic well-being and mainstream development processes. Because economic growth often ended up being detrimental to the needs of poor people, and basic needs were marginalized from the dominant production structures, survival became increasingly difficult:

Systems of male domination . . . on the one hand, deny or limit [women's] access to economic resources and political participation, and on the other hand, impose sexual divisions of labour that allocate to them the most onerous, labour-intensive, poorly rewarded tasks inside and outside the home, as well as the longest hours of work. Thus when development programmes have negative effects, these are felt more acutely by women (Sen and Grown 1987: 26).

Women, they thought, were controlled through sexual violence. For example, public spaces were physically dominated by men, making it difficult for women to make a living in the formal ("public") sector. Modern education and mass media perpetuated sex-biased stereotypes. A series of interlinked crises (growing impoverishment, food insecurity, financial disarray, environmental degradation, demographic pressure) worsened the problem—so much so that the majority of the world's people found survival almost impossible. Rather than channeling resources into antipoverty programs and reducing the burden of gender subordination, nations militarized while donor agencies expressed hopelessness and lack of concern; the World Bank, for example, deemphasized basic needs in the 1980s, advocating that recipient governments undertake structural adjustments instead.

By comparison, an approach that originated in the perspective of poor Third World women might reorient development analysis to critical aspects of resource use and abuse; to the importance of women's labor in satisfying needs; to focusing attention on poverty and inequality; and to policies pointing to new possibilities for empowering women. The basic needs approach of agencies like the World Bank in the 1970s had involved loans for urban sites and services, social forestry, and the support of small farmers. But the basic-needs approach had adopted a methodology of commercialization and market integration, and in the context of inequality had led to exacerbation of the very problems that it was expected to solve. While development programs used a top-down approach to project identification, planning, and implementation, the real need, asserted Sen and Grown (1987: 40–41), was for policies oriented toward meeting people's basic needs and drawing heavily on local participation. Moreover, the approach of "integrating women in development" used during the UN Decade for Women had basic flaws, not only because of the difficulties in overcoming ingrained cultural attitudes and prejudices but because of the nature of

the development programs into which women were to be integrated. "Short-term, ameliorative approaches to improve women's employment opportunities are ineffective unless they are combined with long-term strategies to reestablish people's—especially women's—control over the economic decisions that shape their lives" (Sen and Grown 1987: 82). What was needed, suggested Sen and Grown, was a shift from export orientation to internal needs, reducing military expenditures, and controlling multinational corporations—in other words, structural transformation rather than mere structural adjustments.

Nevertheless, according to a critique by Eva Rathgeber (1990), WAD can be seen as neglecting social relations of gender within classes and not completely considering variations in patriarchy in different modes of production and how these impact women. The WAD approach emphasized, rather than patriarchy, women within international class structures of inequalities. When it came to the creation and implementation of development projects, critics claimed that WAD, like WID, tended to group women together without much notice being given to race, class, or ethnicity (though Sen and Grown's analysis is clearly an exception to this criticism). There was also the difficulty of changing fundamental structures (structural transformation). Kabeer (1994) argued that Marxists and dependency feminists took uncompromising (revolutionary) stands that prevented them from undertaking realistic, effective changes. Furthermore, poststructural critics saw analyses such as Sen and Grown's (1987) as universalizing the Western sexual division of labor and employing categories like "labor" and "production" rooted in the culture of capitalist modernity that were inadequate for describing "other" societies. Such concepts were abstracted from the historical experience of the European man, who repressed not just women but also "other" people (although this criticism seems to neglect the Third World woman's perspective adopted by Sen and Grown). Feminists using the Marxist paradigm had not overcome its limitations. Extending this paradigm repressed, distorted, and obscured many aspects of women's existence. Additionally, Sen and Grown were said to represent poor Third World women as too much in the thrall of feminism's own narcissistic self-image. Instead of patronizing "poor Third World women," we were best advised to learn from them, which meant appreciating the immense heterogeneity of the field. Poststructural critics also believed that First World feminists should learn to stop feeling privileged as women (Spivak 1988: 135–136). In this light, Sen and Grown's "alternative visions" were said to be mired in androcentric Western thinking in that they failed to provide a genuine alternative to mainstream development.

Gender and Development (GAD)

The origins of the GAD perspective lie with women working in the mid-1970s at the Institute of Development Studies, University of Sussex (U.K.). This feminist group was interested in analyzing women's subordination within the development process from the vantage point of gender relations between men and women; initially it drew on Marxist analyses of social change and feminist analyses of patriarchy (Young 1993: 134). GAD differed from WID in its conceptualization of the sexual division of labor. Whereas WID tended to accept the sexual division of labor as allocating tasks between men and women, hence arguing that more value needed to be placed on the tasks done by women, GAD argued that the sexual division of labor in a society was one of connection in which men and women became dependent on each other and that therefore the allocation of tasks should be changed. DAWN's work also contributed greatly to the gender and development approach (Chowdry 1995; Rathgeber 1990). In the GAD approach, gender relations rather than "women" became the main analytical category, while also a number of assumptions ignored by WID and WAD were explored in greater depth. For example, GAD argued that women were not a homogenous group but rather were divided by class, race, and creed. Women's roles in society could not be seen as autonomous from gender relations, and this perspective became a way of looking at the structures and processes giving rise to women's disadvantaged position, which was a function too of the globally pervasive ideology of male superiority—men had power and control over women. Young (1993: 134–135) notes that GAD was an holistic approach in which culturally specific forms of inequality and divisions occurred, and gender became interrelated with this overall socially created hierarchy. Consequently, gender had to be acknowledged as part of a wider international system. For example, capitalism used gender relations to produce a reserve of labor, while women's unpaid labor in the household was a way of creating wealth for global corporations. When it came to developmental practice, GAD was seen as opening doors for women as social actors within wider structures of constraints: It is therefore necessary to analyze how these other forces (political, religious, racial and economic) intersect with and dynamize gender relations, provoking in some instances structural rather than individual responses to produce rational configurations which may be reinforcements of old forms or may be quite new ones. Alternately, individual responses may take on a momentum and massification which leads to structural change. (Young 1993: 139) Unlike WID and WAD, GAD saw the state as an important actor promoting women's emancipation. Rathgeber (1990) has argued that GAD went further than WID or WAD in questioning underlying social, economic, and political structures, which made its recommendations difficult to implement since structural

change was found to be imperative. However, Kabeer (1994) argued that GAD also opened new strategies for feminist intervention: GAD's multifarious approach distinguished between capitalism, patriarchy, and racism and also enabled feminists to identify key weak links in official policies for strategic interventions. While some saw these strategies as necessary for feminists to respond to the needs of poor women (Visvanathan, Duggan, Nissonoff, and Wiegersma 1997: 24), others argued that GAD did not get rid of its modernist tendencies while still essentializing poor women: The poor, vulnerable Southern woman is a powerful image, and its easy adoption by both mainstream and alternative development theorists and practitioners is understandable ... Yet this very image reinforces and maintains the discourse of modernity so essential to Northern hegemony and development practices. (Parpart and Marchand 1995: 16–17). This focus on image and discourse resulted from the influence of post structural and postmodern ideas on the gender debate. But before we discuss postmodernism, we turn to an important offshoot of the WAD and GAD approaches that focuses more on relations among women, development, and the natural environment.

Women, Environment, and Development(WED)

This perspective (dubbed WED for short) also began in the 1970s as feminists increasingly drew parallels between men's control over women and male control over nature, with connections made among masculine science and industrialization and assaults on the ecological health of the planet. Carolyn Merchant (1980) saw the roots of the world's environmental dilemma as emanating from the worldview developed by the founding fathers of modern science, Francis Bacon, René Descartes, and Isaac Newton, in which reality was thought of as a machine rather than a living organism. She saw the acceleration of the exploitation of human and natural resources in the name of culture and progress resulting in the death of nature as a living being. Similarly, eco-feminists interested in the contemporary Third World, such as Vandana Shiva and Maria Mies, adopted a radical feminist perspective on the exploitation of nature. Shiva argued that science and development were not universal categories but rather special projects of Western patriarchy that were killing nature (Shiva 1989). Development in the Third World superimposed the scientific and economic paradigms created by Western gender-based ideology on communities previously immersed in other cultures with entirely different relations with the natural world. As victims of the violence of patriarchal development, women resisted this "development" to protect nature and preserve their own sustenance: Indian women have been in the forefront of ecological struggles to conserve forests, land and water. They have challenged the western concept of nature as an object of exploitation and have protected her as Prakriti, the living force

that supports life. They have challenged the western concept of economics as production of profits and capital accumulation with their own concept of economics as production of sustenance and needs satisfaction. A science that does not respect nature's needs and a development that does not respect people's needs inevitably threaten survival. (Shiva 1989: xvii) Thus, ecological struggles simultaneously liberated nature from ceaseless exploitation and women from limitless marginalization. The effects of the green revolution in the Punjab region, on India's border with Pakistan, Shiva argued that the assumption of nature as a source of scarcity, with technology as the source of abundance, created ecological and cultural disruptions that ended in diseased soil, pest-infested crops, waterlogged deserts, discontented farmers, and unprecedented levels of conflict and violence. For Diane Rocheleau, Barbara Thomas-Slayter, and Esther Wangari (1996), there were real gender differences in experiences of nature and a responsibility for the environment deriving not from biology but from social constructions of gender that varied with class, race, and place. They saw feminist scholarship on the environment taking a number of forms. Some schools of thought, such as socialist feminism, disagreed with biologically based portrayals of women as nurturer, and saw women and the environment more in terms of reproductive and productive roles in unevenly developing economies. For example, Bina Agarwal (1991) argued that women in India have been active not because of some "natural" relation with the environment (as with Shiva) but because they suffered more in gender-specific ways from environmental destruction. Feminists thus drew from cultural and political ecology's emphasis on unequal control over resources (Peet and Watts 1996) but treated gender as a critical variable in interaction with class, race, and other factors shaping processes of ecological change. Three themes were pursued in feminist political ecology: gendered knowledge, reflecting an emerging science of survival in healthy homes, workplaces, and ecosystems; gendered environmental rights, including property, resources, and space; and gendered environmental politics, particularly women's involvement in collective struggles over natural resources and environmental issues (Rocheleau, Thomas-Slayter, and Wangari 1996). The notion of "sustainable development" became central to the WED perspective. This notion linked ideas of equity between generations, the balance between economic and environmental needs to conserve nonrenewable resources, and the idea of reducing industrialization's waste and pollution. Sustainable development was seen as an opportunity for challenging the development-equals-economic-growth equation from the perspective of a feminist methodology. This meant differentiating feminism even from other alternative notions of economics and development. Thus, according to Wendy Harcourt (1994b), an alternative "real-life economics" (Ekins and Max-Neef 1992) arose that wanted to

expand the notion of development to consider environmental degradation, poverty, and participation, yet still needed demystifying to disclose its sexism. In this perspective, economics in the form of mathematical models was reductionist and inadequate for expressing the ambiguities and contradictions in complex processes. Similarly, Frédérique Apffel-Marglin *Feminist Theories of Development* 271 and Steven Marglin (1990) saw economics as part of an episteme (system of ideas and discourses) based on logic and rationality disembodied from contexts (that is, an instrumental logic of calculation); by comparison, *techne* (knowledge) was embedded in practice and gained through processes within communities. But Western civilization considers only episteme as pure knowledge. For feminists, the historical replacement of *techne* by episteme in the West and the contemporary process of replacement in the Third World undervalued women's nurturing and sustaining of the environment. Western development economics, with its devaluation of nature and failure to treat other cultures with dignity, can well afford to learn from other modes of social organization rather than always assuming its superiority (Harcourt 1994b). Postmodernism and Development The Postmodernism and Development perspective asked whether a more accessible and politicized postmodern feminism had relevance for the problems facing women in Third World societies (Marchand and Parpart 1995). The PAD perspective criticized the GAD view as representing Third World women as "other" or, in the case of WID, using images of women as victims, sex objects, and cloistered beings. Postmodern feminists found the WID view embedded in colonial/neocolonial discourse and enshrined in the liberal discourse on markets, both of which disempowered women. Particularly appealing for PAD theorists was postmodernism's emphasis on differences, providing space for the voices of the marginalized (Hooks 1984), and disrupting the representation of women in the South as an undifferentiated "other" (Mohanty 1991a). Also the postmodern critique of the subject and its suspicion of the "truth" suggested an alliance between postmodernism and feminism based on a common critique of the modernist episteme. Postmodern critics questioned the certainty of Eurocentric development studies and criticized the silencing of local knowledges by Western expertise—all this they found relevant to the development of women. Some of the themes arising from the encounter between feminism, postmodernism, and development included a critique of colonial and contemporary constructions of the "Third World" woman—what Apffel-Marglin and Simon (1994) call "feminist orientalism"; deconstruction of development discourses that disempowered poor women in particular; the recovery of women's knowledges and voices; the celebration of differences and multiple identities; and a focus on consultative dialogue between development practitioners and their "clients." A good example was Jane Parpart's

(1995) deconstruction of the development “expert” as a person with special technical knowledge of the modern world who can solve the problems of the developing countries. The notion of “expertise” underlying this privileged position, Parpart argued, is embedded in Western Enlightenment thought with its specialization of knowledge—for example, development economics as the “science of economic progress.” Yet, many also recognized that postmodern feminism, taken to extremes, could stymie collective action among women and that the impenetrable jargon of postmodern writing was an un surmountable obstacle for people mired in illiteracy and economic crisis (Parpart and Marchand 1995). Rather than rejecting development altogether, most postmodern feminists in this field recognized the real problems faced by poor women and the need for addressing development issues. They favored an approach “that accepts and understands difference and the power of discourse, and that fosters open, consultative dialogue [that] can empower women in the South to articulate their own needs and agendas.”

3. Culture and Development

Defining Culture

When we talk about “culture” we often mean intellectual and creative products, including literature, music, drama, and painting. Another use of “culture” is to describe the beliefs and practices of another society, particularly where these are seen as closely linked with tradition or religion. But culture is more than that. Culture is part of the fabric of *every* society, including our own. It shapes “the way things are done” and our understanding of why this should be so. This more comprehensive approach is proposed in the definition of culture adopted at the World Conference on Cultural Policies (Mexico, 1982) and used in ongoing discussions on culture and development: “Culture... is... the whole complex of distinctive spiritual, material, intellectual and emotional features that characterize a society or a social group. It includes not only arts and letters, but also modes of life, the fundamental rights of the human being, value systems, traditions and beliefs.” Culture can be defined as “the set of attitudes, values, beliefs, and behaviors shared by a group of people, communicated from one generation to the next.

3.1 Traditional and Modern Culture

Modern and traditional societies differ according to their complexity of organization and their rate of growth in complexity. Modern societies are much more complex than traditional societies and are growing ever-more complex. Traditional societies are simpler and have a static structure (or one that increases its complexity so slowly or erratically those they perceive themselves as static). Complexity is favoured by selection processes, which are more powerful in modernizing societies, because specialization of function enables greater efficiency (for instance when division of labour, or increased trade and communications enables greater efficiency). Increasing efficiency then frees resources and drives further growth. Modern societies are based upon growth and the expectation of growth. Indeed the cohesion of modernizing societies requires more or less continuous growth. This is why it is impossible to stop modernization at a particular favoured point – if growth stops then the nature of society reverts towards a traditional form.

Growth in modern societies includes economic growth (increasing output and productivity), but also entails ‘cognitive growth’ – which means an increase in knowledge and capability across a wide range of activities such as science, technology and political administration. Traditional societies exhibit division of labour and cognitive specialization, but their complexity is constrained by the hierarchical structure

into three main categories of peasants, warriors and priests (Gellner's 'plough, sword and book'). Warriors and priests constitute the ruling class who are concerned mainly with maintaining social cohesion by means of physical coercion and ideological propaganda. Peasants – whose role is agricultural production – constitute the vast majority of the population of traditional societies. Beyond the division into warriors priests and peasants there is only a small 'middle class' of technical specialists (for example the different types of craftsmen). But in modern societies the 'middle class' is dominant: the vast majority of the population is cognitively specialized, and there are many thousands of distinctively different occupations. A deeper understanding of modernization reveals that one vital qualitative difference between traditional and modern is the difference between a unified social system in which all activity is (in principle) subordinated to politics ('politics' being variably combined from different proportions of military force and theological legitimation); and a modern society in which politics does not dominate all activities, but in which there is instead a fundamental and continually-increasing functional specialization such as ever more division of labour into more different types of job.

The categorization of societies into traditional and modern is crude, and of limited usefulness. At present almost all societies are at least partially modernized. On the other hand, no society is 'completely' modernized and the rate of modernization is variable between societies, and between systems in a society. Pre-modern forms are obvious in all societies. There has always (so far) been scope for further increase in adaptive complexity, in a positive feedback cycle where increased productivity fuels increased complexity, which in turn fuels increased productivity. Since modernization is dynamic, it is more useful to consider modernization as a process than as a state. A 'modern' society based on the process of modernization: this is 'modernity'. Modernization can be seen as the general mechanism by which the social transformation from agricultural dominance to domination by trade and industry takes place, and the permanent continuation of this process. The difference between modernizing and traditional societies is profound – being the difference between simple static structure and complex dynamic process.

Traditional culture, if understood in a broad sense, indicates all human activities such as religion, philosophy, moral standards, laws, politics, economic, society, history, literature and art, such as have been preserved, learned and transmitted in a given community or group over a long period of time.

Modernization has seven characteristics as follows:

1. A comparatively high concentration of population in cities and the increasingly urban-centeredness of the total society.
2. A relatively high degree of use of inanimate energy, the widespread circulation of commodities, and the growth of service facilities.
3. Extensive spatial interaction of members of a society and the widespread participation of such members in economic and political affairs.
4. Widespread literacy accompanied by the spread of secular, and increasingly scientific, orientation of the individual to his environment.
5. An extensive and penetrative network of mass communication.
6. The existence of large-scale social institutions such as government, business, industry and the increasingly bureaucratic organization of such institutions.
7. Increased unification of large bodies of population under one control (nations) and the growing interaction of such units (international relations).

In today's world, the modern person is educated, independent and aggressive. To be a success, you must put forth your most competitive side and win it all. Nothing less will be permitted. This is the mindset of most business tycoons, stockbrokers and the like. However, on the other side of the globe, third world countries follow a more traditional lifestyle where the outlook on life is a little less malicious. In these countries, the society's idea of success is being part of a large family with prosperous crops and livestock. How is it that our society and theirs have both been successful? And why has the traditional way of life stayed so prevalent in such an industrialized world?

First, what exactly does a traditional society entail? A traditional society has many distinguishable traits. A big difference is the rate of illiteracy in these societies. Since everyone in the family is working together to survive, no one has the time or energy to learn how to read and write. Education is considered an indulgence in traditional societies. Farming is the main career - low urbanization and more rural communities fill these areas. Farming is not meant to bring profit, like in a modern society; it means survival for these people.

Many people are needed to reap a field when the crops are ready. Therefore, many children must be born. The birth rates in third world cultures are very high as a result. Males are obviously preferred. Then the contemporary sense of culture becomes passive and completely captured in disciplines of the past, patriarchal and conservative times. It can usually be recognized in the absorption of past, myths, prejudices, outdated ideologies, and values in firm concepts of understanding and social behavior. Like the form of regression and stagnancy in culture, traditionalism opposes each change or

innovation, it withstands to modernization, stigmatizing everything that carries with it the accompanying sound of new, other, and different.

It is important to take into consideration the relation of tradition and modernization. Very significant authors in sociology, such as E. Durkheim, M. Weber and G. Simmel have comprehended tradition importance and have also been occupied with it, before all, with the intention to show a more clear difference between traditional and modern societies. While the classical theory of modernization was opposed to tradition, a very careful examination of the mentioned relation in contemporary sociological literature does not support their exclusiveness.

Accordingly, tradition is viewed as incompatible with modernization, since, from the aspect of social development, what is in question here is a very complex relation in which the two intertwine and mix. Modernity is related to "forms of social life or organizations which appeared in Europe from approximately the seventeenth century and further, more or less throughout the whole world" (Giddens 1998:166). Discussion about modernization always involves, complex and causatively-consecutively related social changes, in the direction leading from undeveloped, closed, and traditional societies, to modern, developed, open, democratic ones. Certain modernizations spread in a very wide range when various dimensions and indexes of this process stand out. Beside rationalization, which presents the deepest strength of modernity, as essential decision of modernization, we find industrialization and urbanization, then engineering, technological and democratic revolution, economic growth and capitalistic market growth, as well as demographic explosion, the growth of educational importance, mass media and ecological awareness, the growth of social mobility and human inter-dependence, then the processes of regional, continental and planetary integrations, a tendency for universality of human rights and freedom, and finally the stressing of importance of different cultures which have been quoted. In this way, as one of the fundamental consequences of modernity, the process of globalization is emphasized, which we can understand by paraphrasing A. Giddens's thought, as strengthening of economic, political, social and other links all over the world. We can understand it, in the way that very far areas are linked to that extent that events at one point, hundreds of kilometers away, can be caused by events in some other place, and the other way round.

In value sense, it is however inadmissible for the concept of modernization to be equated with the concept of social advancement. Both positive and negative aspects of the process of modernization can be observed, through which various understandings about the character and identity of modern society are seen. Namely, anti modernistic

and anti global warnings point out (contrary to scientification, rationalization, efficiency, mobility, and adaptation) the deformation and pathology of social development. In that way, crises of identity, very powerful social conflicts caused by the growth of social inequality, as well as refugee dramas, frightening consequences of terrorism, an increase of violence within one nation and among many nations, but also the breakdown of traditional solidarity, under the pressure of fast and dispassionate life in big cities, are being emphasized. If we add various experiences in creating the process of modernization, which can be very painful, especially in undeveloped societies, then the causes and consequences of resistance in this process become more noticeable.

In some countries, especially in those hit by transitional changes, such as Serbia, the question of relation between tradition and modernization often gets the form of ideological- polemical discourse, which ultimately boils down to one question. To the falsely stated alternative between keeping indigenous tradition and cultural identity, on the one hand, or drowning into the processes of regional and continental integrations on the other. There is also conclusion that the choice between a nationalist and a cosmopolitan is exclusive, according to the saying that "there can be only one". Presented this way, the dilemma leads to a wrong impression that it is impossible to provide an adequate answer to challenges of contemporary times and modernization without a radical breakup with tradition. This kind of opinion can be found with people who do not make a distinction between tradition and traditionalism, and in that way "they became captives of their personal view of the world."

All suspicious and illusory attempts to distance themselves from modernization, in order to preserve personal identity and tradition, are immediately condemned to failure. They can only lead to value-confusion, to rebuilding of traditionalism and nationalism, with manipulative recollection of past fragments, as well as to conservation of social consciousness and culture. (See: Savić 2003) "There is a foe that lies in us, in our relation and opposition to the change itself. Refusal of change, or incapability to adjust to it, the fear of the new and the unknown, are all very frequent causes which make difficulties, and sometimes they incapacitate social progress." (Koković 2000:56) Therefore the question, which is in the process of coordination of tradition and modernization very important, concerns the way in which traditional elements can incorporate and adjust to demands and needs of modern development. All that could be done if an adequate way is found to overcome and out power traditional mistakes, which can be a disturbance in the process of modernization and in further social advancement.

It is said that man is a child of history, society and culture. Even if modernization is necessary to improve human life, it will be indispensable for nations to maintain their traditional cultures too. Traditional cultures need neither to reject modernization nor to be absorbed in the streams of modernization. These two must harmonize and complement each other. Now is the time for each nation to seek its own individual and unique way of modernization.

The relationship between tradition and modernity has been a central theme of postcolonial African philosophy. While African philosophers have examined this theme from many angles, several basic questions have become the focus of ongoing debate and discussion:

- What is the relevance of indigenous African traditions to the challenges of contemporary life?
- Do traditional modes of thought and behavior constitute resources or impediments to the projects of development and modernization in Africa?
- What, precisely, is meant by the terms “development” and “modernization” when they are used in reference to African countries?

Discussion of such questions reveals a conflict between two broad perspectives. The **first** perspective, which Kwame Gyekye calls “cultural revivalism,” assumes a basically reverential attitude toward the African cultural heritage. According to this view, the key to effectively addressing contemporary problems lies in reclaiming and revitalizing indigenous traditions that have been degraded and suppressed in the wake of colonialism. Colonialism violently disrupted African cultural traditions and imposed, with varying degrees of success, European forms of thought and social organization upon colonized peoples. Having achieved political independence, postcolonial Africans must now pursue a more decisive liberation, a “decolonization” of African minds and societies. While revivalists are often skeptical of calls for development and modernization, viewing them as thinly veiled calls for the continued imposition of European cultural norms, it is important to realize that they do not typically view their own project as *anti-modern*. For revivalists, the key point is that genuine modernization in Africa can only be realized through the revitalization of African cultural norms.

The **second** perspective assumes a more critical attitude toward the indigenous heritage. Adherents to this perspective argue that the revivalist project is fundamentally misguided and ill-suited to the challenges of contemporary Africa. According to critics, the call for a nostalgic return to the past is not merely naïve and romantic, but positively dangerous. In their view, cultural revivalism diverts attention from pressing political issues, such as authoritarian oppression and class exploitation, and endorses forms of

thought that interfere with the important goals of scientific and technological advancement. The most extreme form of this view, hinted at by some thinkers but seldom explicitly endorsed, suggests that Africans must make a “clean break” with the pre modern past in order to address the most urgent demands of the present. Modernization, for them, requires a mental orientation commensurate with the problems of the present, not an attempt to resurrect ideas from societies of the distant past. It should come as no surprise that the debate between cultural revivalists and their critics hinges in large part on contrasting interpretations of “modernity” and “modernization.”

“Modernity” is a much discussed term in philosophy. In order to understand the debate within African philosophy, it will suffice to identify two distinct aspects of modernization. The first and most conspicuous aspect involves scientific and technological development—that is, the emergence of science-based technologies that can be used to improve the basic conditions of human life. The second element is broadly political in nature. This aspect, described by one scholar as the “modernity of liberation” involves the development of political institutions that move away from authoritarian rule, toward forms of government that enhance the liberty and welfare of all citizens, rather than the select few. We can think of this political project as the “modernity of democratization.”

Cultural revivalism has its historical roots in the colonial era, and in fact emerged as a response to European discourse about African culture and identity. In order to understand the revivalist project, it is necessary to begin with some brief remarks on this European discourse. Colonialism in Africa was supported by a broad range of popular and scholarly literature which highlighted fundamental differences between Europeans and Africans, and which reinforced ideas of European superiority. One of the most notorious examples of this literature was the work of the French anthropologist Lucien Levy-Bruhl. In a series of works bearing titles such as *The Primitive Mentality* and *The Mental Functions of Inferior Civilizations*, Levy-Bruhl distinguished between two fundamentally different mentalities: the mentality of the civilized European and that of the primitive non-European. According to Levy-Bruhl, the civilized mentality is regulated by reason, and interacts with the world through carefully organized conceptual schemes. In contrast, the primitive mentality is “hardly capable of abstract thought,” and is regulated by the forces of myth and superstition. The racism expressed in Levy-Bruhl’s work under the guise of scientific objectivity was echoed not only in popular European writings, but in remarks of esteemed philosophers, such as Hume, Kant, and Hegel. Although this discourse fulfilled several

functions in the context of European culture, for our purposes its most important function was the role it played in the European understanding of colonialism. The images of the civilized European and the primitive African helped sustain the idea that colonialism was a fundamentally benevolent enterprise—that is, an enterprise in which Europeans were attempting to bring civilization to the “dark continent.” In short, European domination, exploitation, and cultural devastation were rationalized under the guise of a so called “civilizing mission.”

Perhaps the most notable early effort in this direction was the philosophy of *négritude* developed by Leopold Senghor. Senghor accepted the idea of fundamental differences between black Africans and white Europeans, and his account of the black and white mentalities echoed at least some of the ideas that had long been part of colonial discourse. For example, Senghor argued that “the negro is a man of nature” more sensuous and responsive to the rhythms of the environment than his white counterpart. In contrast, whites approach the world in the manner of a scientist or an engineer, differentiating themselves from the natural world, placing nature at a distance, so to speak. Through this objective stance, the natural world can be surveyed, measured and, ultimately, manipulated for human purposes. Of course, in distinguishing these two mentalities, Senghor directly challenged claims of white superiority, almost to the point of inverting the colonial racial hierarchy. In his view, Africans did not lack reason, but displayed a different form of reason, a more fundamental way of apprehending the world, one that allowed objects to shine forth in their “primordial reality”. In contrast, Senghor argued that the objectifying reason of classical Europe “slays the object” and “feeds off” the natural world.

Négritude was thus articulated as something to be valued and drawn upon as a resource in the struggle for independence. This concept of black identity became the basis for a cultural nationalism that carried over to Senghor’s tenure as the first president of Senegal. A brief survey of anthologies in African philosophy shows that this revivalist project remains influential. For example, in his contribution to one collection of essays, Innocent Onyewuenyi argues that “The African has an unwritten timeless code of behavior and attitudes which have persisted for centuries.” After offering an account of these behavioral codes that draws heavily on Tempels, he concludes that Africans emphatically must not yield to laws and institutions that are “divorced from our philosophy, from the nature of beings as we understand them, . . . from our view of the world.” As we can see from these remarks, the goal for Onyewuenyi and other revivalist thinkers is to mobilize African cultural norms to address contemporary problems. These thinkers by no means absolve Africans of

responsibility for the numerous problems that beset the continent, but they ultimately attribute these problems to the cultural and spiritual corruption initiated during the colonial era. The problem, as they see it, is that indigenous beliefs and practices have been swallowed up by systems of thought and social organization that are impediments to African wellbeing. The solution, as stated by another revivalist thinker, is to “rediscover and resume our proper selves” through a study of African civilizations. Until this is done, spiritual and social subservience will persist, despite the de facto end of colonial rule. For revivalists, questions about modernization must therefore be addressed within the framework of a careful examination of African culture, with due attentiveness to the ongoing task of “decolonization.” With regard to the scientific aspect of modernization, revivalists typically challenge the idea that indigenous African cultures lacked scientific knowledge, citing the medicinal use of herbs, advanced agricultural techniques, and methods of food preservation as evidence of such knowledge.

There is, in addition, a burgeoning literature on the accomplishments of ancient Egyptian civilization, including evidence of developed metallurgy, astronomy, and mathematics. For revivalists, the call for Africa to become “more scientific” overlooks these accomplishments, and amounts to a call for Africans to duplicate European models of scientific development, which is just one more version of the so-called “civilizing mission” at the heart of colonial ideology. Cultural revivalists take a similar approach to the political aspect of modernization, arguing that indigenous African societies displayed a humanistic ethical orientation and a communalist political philosophy that can be mobilized in the contemporary setting, serving as powerful antidotes to political authoritarianism and the growing influence of Western individualism and consumerism. These ideas must be reclaimed and revitalized, not ignored in favor of European ideas about political organization.

Progress in any society requires adapting, changing, and in some cases abandoning traditional ideas and behaviors. It also involves borrowing and adapting ideas from other cultural contexts. The humanist essence of African culture ought to be maintained and cherished in the attempt to create a postcolonial modernity. It must be realized that technology alone cannot solve . . . deep-rooted problems such as poverty, exploitation, economic inequalities and oppression in human societies *unless* it is underpinned and guided by some basic moral values; in the absence of the strict application of such values, technology can in fact create other problems, including environmental problems. Social transformation, which is an outstanding goal of the comprehensive use

of technology, cannot be achieved unless technology moves under the aegis of basic human values.

3.2 Rational and Irrational Belief

Rational thinking is defined as thinking that is consistent with known facts.

Logical means thinking that makes sense. For example, if you said you would very much like to succeed at something, does it logically follow that therefore you *must* succeed? No, the necessity for success does not follow logically from the fact that success would be beneficial. Or does it make sense to think: "Because something is bad, I can't stand it"? Rational beliefs represent reasonable, objective, flexible, and constructive conclusions or inferences about reality that support survival, happiness, and healthy result; they:

1. Promote productivity and creativity;
2. Support positive relationships;
3. Prompt accountability without unnecessary blame and condemnation;
4. Encourage acceptance and tolerance;
5. Strengthen persistence and self-discipline;
6. Serve as a platform for conditions that propel personal growth;
7. Correlate with healthy risk-taking initiatives;
8. Link to a sense of emotional well-being and positive mental health;
9. Lead to a realistic sense of perspective;
10. Further the empowerment of others;
11. Stimulate openness to experience and an experimental outlook;
12. Direct our efforts along ethical pathways.

Irrational thinking is thinking that is inconsistent with (or unsupported by) known facts. Harmful irrational beliefs cloud your consciousness with distortions, misconceptions, overgeneralizations, and oversimplifications....They limit and narrow your outlook such that you repeat mistakes. Some forms put temporary escape of tension over long-term goals and benefits. We find core irrational beliefs present in destructive...conditions such as impulsiveness, arrogance, defeatism, condemnation, depression, anxiety, hostility, insecurity, addictions, procrastination, prejudice, envy, compulsions, and obsessions.'

The fact that people act rationally has, of course, been recognized by many sociologists, but they have seen rational actions alongside other forms of action, seeing human action as involving both rational and non-rational elements. Such views of action recognize traditional or habitual action, emotional or affectual action, and various forms of value-oriented action alongside the purely rational types of action. Max Weber (1920), for

example, built an influential typology of action around just such concepts. His ideas were taken up by Talcott Parsons (1937) and became a part of the sociological mainstream. In a similar way, the social anthropologists Bronislaw Malinowski (1922) and Marcel Mauss (1925) looked at how social exchange was embedded in structures of reciprocity and social obligation. What distinguishes rational choice theory from these other forms of theory is that it denies the existence of any kinds of action other than the purely rational and calculative. All social action, it is argued, can be seen as rationally motivated, as instrumental action, however much it may appear to be irrational or non-rational. Rational choice theories hold that individuals must anticipate the outcomes of alternative courses of action and calculate that which will be best for them. Rational individuals choose the alternative that is likely to give them the greatest satisfaction.

The methodological individualism of rational choice theorists leads them to start out from the actions of individuals and to see all other social phenomena as reducible to these individual actions. For Homans, however, it was also necessary to see individual actions as reducible to these conditioned psychological responses. This position was justified on the grounds that the principles of rational choice and social exchange were simply expressions of the basic principles of behavioural psychology. While many other rational choice theorists have rejected this claim - and Homans himself came to see it as inessential - it is worth looking, briefly, at the argument to act in altruistic ways or to feel a sense of obligation that overrides their self-interest. This and the problem of collective action comprise what Parsons (1937) called the Hobbesian problem of order: if actions are self-interested, how is social life possible?

Equally important, it is not at all clear that rational choice theory can explain why cooperative and altruistic behaviour is so often sensed as a normative matter, as a matter of obligation and commitment. Durkheim (1893) argued that all rational economic actions occur within an institutional framework of norms that cannot itself be explained as the result of rational action alone. The norms of fair exchange and reciprocity, for example, cannot be explained in terms of specific contractual acts of exchange.

Elster, among rational choice theorists, has accepted this conclusion. He argues that norms are not 'outcome-oriented' but are internalized and so acquire a compulsive character that cannot be explained in purely rational terms. Norms operate, he holds, through shame and guilt, rather than through rewards and punishment. As far as the explanation of norms is concerned, rational choice theory has nothing to offer. Rational choice and normative commitment, he argues, are complementary processes in the formation of social action.

'The rational choice approach can only explain what people *do*. It can explain why people might institute a norm and might then enforce it, but it cannot explain why they should change their values - for this is what internalisation amounts to. Values ... must always remain a "given" in the rational choice approach and to explain how they change we should have to introduce additional psychological mechanisms that have nothing to do with rationality'

The classical economic theory provides that individuals make rational decisions that are not dependent, as the final object: to maximize its utility in an environment marked by risk and uncertainty. Thus, because it is a question of economic issues and not sentimental, emotions are absent from this theoretical framework. The common vision is also a disturbing element of the decision process. Yet these two visions, very theoretical or very simplistic, ignore a fundamental point: very often, the emotions can make good decisions quickly, and away from the danger of getting lost in details. The field of behavioral economics is quite old, and goes back to the publications of Allais (1953) and Ellsberg (1961) concerning the paradox of the rational choices on the notion of ambiguity in decision theory. Yet it is only relatively recently that behavioral economics has really established itself as an alternative theory to the standard theory.

The starting point of the behavioral theory is to consider the individual bounded rationality. In other words, it does not always have all the information needed for decision-making or any capacity to optimally treat this information. Therefore, the challenge is to define the bounded rationality. Indeed, we could say that, as long as there is only one way to be rational, there is a variety of ways of being "irrational". In other words, when one considers that rationality is limited, there may be multiple forms of limitations of rationality: the importance of the norms of behavior in the actions of individuals, distortion of probabilities, and use of heuristics in decision cognitive biases. Specifically, behavioral economics questions the standard theory of the decision on four main grounds: the question of maximization of expected utility, the stability of preferences, the process of computing information and rational expectations. Behavioral theory is not to build a decision theory that is prescriptive and that would indicate how agents should behave rationally, but rather to describe how agents effectively behave. To avoid pure description, which would have limited utility, behavioral economics seeks to identify recurring effects, ideal types of decision making in bounded rationality. Thus, the emphasis is on general heuristics or biases typical particularly, identified especially at experimentation, which can then be applied on other contexts than these experiments.

Chapter Four

New Trends and Debates in Sociology of Development

4.1 Democratization and Development

Is democracy inherently a good thing? And do democratic institutions facilitate economic development? It appears reasonable to answer the first question affirmatively: democracy is a good thing because it facilitates free human choice and it furthers the good of political participation. But the answer to the latter question is an empirical one, and there is debate within the development field about the effects of electoral democracy on the development process. Some argue, for example, that the experiences of Korea, Taiwan, or Indonesia show that a strong authoritarian state is better able to engineer a successful process of economic development than an electoral democracy such as India (because of its ability to discipline fractious demand groups). This chapter will consider both the normative and the empirical side of these questions. It will argue, first, that democracy is inherently desirable; second, that the empirical record of authoritarian developing states is about as mixed as that of democratic states; and finally, that only democratic institutions give any promise of tilting economic development policies toward the interests of the poor.

There has been an extended debate about democracy and development, and the relations between democratization and economic growth. Do the institutions of electoral democracy facilitate or impede development? Samuel Huntington (1968) characterizes the debate in terms of “conflict” and “compatibility” theorists. Some have maintained that democratic regimes are in general less capable of managing effecting economic development than authoritarian regimes. The central premise of this reasoning stems from the observation that development requires change, and that change affects some voters adversely. So governments dependent on electoral support in the next election will typically tend to avoid choices that impose hardship on significant numbers of voters. Others have argued that democratic regimes are positively associated with economic development, and especially with more egalitarian modes of development. Finally, there is a body of thought which holds that democracy is neither positive nor negative with respect to economic development. Sirowy and Inkeles (1990) provide a careful review of this issue and the empirical data that pertains to assessment of the various hypotheses.

Ever since Deng Xiaoping opened up China's economy more than 25 years ago, inaugurating an era of blistering growth, many in the West have assumed that political

reform would follow. Economic liberalization, it was predicted, would lead to political liberalization and, eventually, democracy.

This prediction was not specific to China. Until quite recently, conventional wisdom has held that economic development, wherever it occurs, will lead inevitably -- and fairly quickly -- to democracy. The argument, in its simplest form, runs like this: economic growth produces an educated and entrepreneurial middle class that, sooner or later, begins to demand control over its own fate. Eventually, even repressive governments are forced to give in.

The fact that almost all of the richest countries in the world are democratic was long taken as iron-clad evidence of this progression. Recent history, however, has complicated matters. As events now suggest, the link between economic development and what is generally called liberal democracy is actually quite weak and may even be getting weaker. Although it remains true that among already established democracies, a high per capita income contributes to stability, the growing number of affluent authoritarian states suggests that greater wealth alone does not automatically lead to greater political freedom. Authoritarian regimes around the world are showing that they can reap the benefits of economic development while evading any pressure to relax their political control. Nowhere is this phenomenon more evident than in China and Russia. Although China's economy has grown explosively over the last 25 years, its politics have remained essentially stagnant. In Russia, meanwhile, the economy has recently improved even as the Kremlin has tightened the political reins.

The overlap of these trends -- economic growth and shrinking political freedom -- is more than a historical curiosity. It points to an ominous and poorly appreciated fact: economic growth, rather than being a force for democratic change in tyrannical states, can sometimes be used to strengthen oppressive regimes. Zhao Ziyang, China's premier during the 1980s, may have been right when he argued, "Democracy is not something that socialism can avoid." But there is now plenty of evidence to suggest that autocratic and illiberal governments of various stripes can at least delay democracy for a very long time. Over the past half century, a large number of such regimes have undergone extensive economic growth without any corresponding political liberalization. In other cases, autocrats have been forced to introduce modest political changes but have nonetheless managed to limit their scope and hold on to power.

What explains the often lengthy lag between the onset of economic growth and the emergence of liberal democracy? The answer lies in the growing sophistication of authoritarian governments. Although development theorists are right in assuming that increases in per capita income lead to increases in popular demand for political power,

they have consistently underestimated the ability of oppressive governments to thwart those demands. Authoritarian regimes are getting better and better at avoiding the political fallout of economic growth -- so good, in fact, that such growth now tends to increase rather than decrease their chances of survival.

Escaping the Growth Trap

Autocrats have good reason to view economic growth ambivalently, as both a tool and a trap. On the one hand, it increases a tyrant's prospects of survival, by expanding the government's resources (through higher tax revenues) and improving its ability to deal with various problems (such as economic recessions or natural disasters). Over the short term, economic growth also tends to increase citizens' satisfaction with their government, making it less likely that they will support a change of regimes.

In the long term, however, economic growth can threaten the political survival of repressive governments by raising the likelihood that effective political competitors will emerge. This happens for two reasons: economic growth raises the stakes of the political game by increasing the spoils available to the winner, and it leads to an increase in the number of individuals with sufficient time, education, and money to get involved in politics. Both these changes can set in motion a process of democratization that can slowly gather momentum, eventually overwhelming an autocratic status quo and creating a competitive, liberal democracy in its place.

Until now, many Western policymakers and development experts have assumed that political liberalization basically tracks the rate of economic growth, with only a slight lag, and that there is little that autocratic governments can do to stop it (as long as they remain committed to maintaining economic progress). Such thinking can be traced back to Seymour Martin Lipset, the eminent sociologist and political scientist who popularized the notion that economic growth fosters democratization by increasing the size of the educated middle class. Lipset, however, cautioned his readers that the process was not guaranteed: although it had worked in Western Europe, success there had depended on a very particular set of circumstances. In the years since Lipset published his findings, unfortunately, his cautionary note seems to have been largely forgotten.

Lipset's followers have also tended to overlook the fact that autocratic states are not passive observers of political change; in fact, they set the rules of the game and can rig them to suit their interests. Autocrats enjoy a marked advantage over the average citizen in their ability to shape institutions and political events. And they have proved

far more savvy at this than expected, adroitly postponing democratization -- often while still continuing to achieve economic growth.

To understand how authoritarian regimes manage this trick, it helps first to understand the concept of strategic coordination. The term "strategic coordination," which comes from the literature of political science, refers to the set of activities that people must engage in to win political power in a given situation. Such activities include disseminating information, recruiting and organizing opposition members, choosing leaders, and developing a viable strategy to increase the group's power and to influence policy.

Strategic coordination is a useful concept here because it helps to explain why economic growth has traditionally been thought to promote democratization. The process works as follows: economic growth leads to urbanization and improvements in technology and infrastructure. These improvements dramatically facilitate communication and recruitment by new political groups. Economic growth also tends to lead to increased investment in education, which benefits the opposition by producing more learned and sophisticated individuals from which it can recruit supporters. Strategic coordination, however, also helps explain how some autocrats have managed to break or weaken the link between economic development and democratization. If authoritarian incumbents can limit strategic coordination by the opposition, they can reduce the prospect that their enemies will be able to remove them from office. There is a catch, however: to remain secure, autocrats must raise the costs of political coordination among the opposition without also raising the costs of economic coordination too dramatically -- since this could stymie economic growth and threaten the stability of the regime itself.

Threading this needle is difficult, but not, as it turns out, impossible. Gradually, through trial and error, oppressive regimes have discovered that they can suppress opposition activity without totally undermining economic growth by carefully rationing a particular subset of public goods -- goods that are critical to political coordination but less important for economic cooperation. By restricting these goods, autocrats have insulated themselves from the political liberalization that economic growth promotes.

How to stop a revolution

Examples of this strategy abound. Consider a few cases over the last three years. China has periodically blocked access to Google's English-language news service and recently forced Microsoft to block the use of words such as "freedom" and "democracy" on the Microsoft software used by bloggers. These moves were only the latest in a long line of

Chinese restrictions on Internet-related activity, strictures that have run the gamut from the creation of a special Internet police unit to limiting the number of Internet gateways into China. In Russia, meanwhile, President Vladimir Putin has placed all national television networks under strict government control. In October 2003, he engineered the arrest of Mikhail Khodorkovsky, one of his most prominent critics; a highly visible prosecution followed.

In Venezuela, its former President Hugo Chávez pushed through a new law in December 2004 allowing him to ban news reports of violent protests or of government crackdowns and to suspend the broadcasting licenses of media outlets that violate any of a long list of broadly phrased regulations. And in Vietnam, the government has imposed strict controls on religious organizations and has branded the leaders of unauthorized religious groups (including Roman Catholics, Mennonites, and some Buddhists) as subversives.

Each of these cases has involved the restriction of what might be called "coordination goods" -- that is, those public goods that critically affect the ability of political opponents to coordinate but that have relatively little impact on economic growth. Coordination goods are distinct from more general public goods -- public transportation, health care, primary education, and national defense -- which, when restricted, can have a substantial impact on both public opinion and economic growth.

Historically, oppressive governments seeking to crack down on those pushing for democratic change have suppressed both types of goods -- undermining their economies in the process. This was the dominant pattern in much of Asia and Africa until the 1980s, and it remains the case today in many of the poorest states, such as Myanmar and Zimbabwe. Recently, however, governments in Russia, China, Vietnam, and elsewhere have discovered that by focusing their restrictions on coordination goods only, they can continue to provide those other services necessary for economic progress while short-circuiting the pressure for political change such progress typically promotes.

Of course, the availability of most public goods has at least some impact on the ability of opposition groups to organize and coordinate. But four types of goods play a fundamental role in such activities. These include political rights, more general human rights, press freedom, and accessible higher education.

The first of these goods, political rights, includes free speech and the rights to organize and demonstrate peacefully. Although political rights are largely negative, in the sense

that they limit state interference rather than require state action, they do sometimes require governments to take a variety of steps to enforce them, especially when they involve minority groups voicing opinions that are unpopular with the majority.

As for more general human rights, these include freedom from arbitrary arrest and the related protection of habeas corpus; the right to nondiscrimination based on religion, race, ethnicity, and sex; freedom from physical abuse; and the right to travel, both domestically and abroad.

A diverse and largely unregulated press (and other forms of media) is also vital to effective political opposition, since it enables the dissemination of information that can bring diverse groups together around common interests. Like political rights, the right to a free press is a largely negative one, since it generally requires the government not to interfere. It may also require affirmative steps, however, such as granting licenses to radio and TV frequencies, guaranteeing public access to those and other media, and translating official documents into regional languages.

Finally, broad access to higher education and graduate training is vital if citizens hope to develop the skills to communicate, organize, and develop a political presence. Advanced education also facilitates the creation of a large pool of potential opposition leaders, thereby increasing the supply of rivals to the incumbent government.

Some authoritarian governments claim that they deny access to higher education (and other coordination goods) because of their exorbitant costs. In reality, coordination goods are not generally more expensive than other public goods and are far cheaper than some, such as national defense or transportation. When governments choose to restrict them, therefore, it is to increase the political costs of coordination, not to save money. In fact, some coordination goods actually cost more to suppress than to allow -- as when governments expend their resources cracking down on opposition movements or jam free media outlets and produce their own propaganda.

Recipe for (Autocratic) Success

Recently, in order to better understand how autocrats and illiberal democratic incumbents manage to embrace economic growth while postponing democracy, we examined the provision of public goods in about 150 countries between 1970 and 1999. Four findings from this study are particularly noteworthy.

First, the suppression of coordination goods is an effective survival strategy; the study confirmed that providing coordination goods significantly decreases the survival

prospects of incumbent regimes. The provision of other public goods, meanwhile, either does not affect survival at all or improves it. Allowing freedom of the press and ensuring civil liberties, in particular, reduce the chances that an autocratic government will survive for another year by about 15 to 20 percent: a stark statistic, and one that helps explain media and political suppression throughout the developing world.

Second, the study showed that today's autocrats tend to suppress coordination goods much more consistently than they do other public goods. Around the world, from Beijing to Moscow to Caracas, authoritarian regimes seem to be well aware of the dangers of providing coordination goods to their people, and they refrain from doing so with remarkable consistency. On the other hand, most autocratic leaders appear to recognize that there is little to fear from providing other public goods, such as primary education, public transportation, and health care. Fidel Castro risked nothing politically when he aggressively improved public health care in Cuba, and Kim Jong Il did not place himself at much risk when his government committed itself to increasing the North Korean literacy rate to above 95 percent. Both regimes, however, have been careful to suppress coordination goods.

The study also confirmed that the greater the suppression of coordination goods in a given country, the greater the lag between economic growth and the emergence of liberal democracy. Of course, some undemocratic regimes are more successful at suppressing coordination goods than are others. But there is a clear correlation between failure at this and the likelihood that the state will become a modern democracy.

Moreover, the study found that except at the highest levels of per capita income, significant economic growth can be attained and sustained even while the government suppresses coordination goods (remember China, Russia, and Vietnam). And when such trends occur together -- that is, when a state enjoys economic growth while suppressing coordination goods -- the regime's chances of survival substantially improve and the likelihood of democratization decreases (at least for five to ten years). Although data limitations make it difficult to determine whether in the long term economic growth will tend to push regimes toward democracy, there is growing evidence that at least in the short term economic growth stabilizes regimes rather than undermines them. China, therefore, is best viewed not as the exception to the rule that growth produces liberalization, but as emblematic of the fact that it usually does not.

Who's fooling whom?

The growing disconnect between development and democracy holds three important lessons for those policymakers and other affluent liberal democracies -- who are

frustrated with the slow pace of change in the developing world and hope to speed up the process.

First and most obvious, democratic policymakers need to recognize that promoting economic growth in the developing world is not nearly as effective a way to promote democracy as they once believed. Oppressive incumbents have learned from their collective experience that although development can be dangerous, it is possible to defuse that danger to a considerable extent. By limiting coordination goods, autocrats can have it all: a contented constituency of power brokers and military leaders who benefit from economic growth, increased resources to cope with economic and political shocks, and a weak and dispirited political opposition.

The **second** important lesson for policymakers has to do with what the above means for the conditions they attach to the loans and grants they extend to the developing world. When the World Bank, for example, conditions a loan to a developing state on the requirement that the government invest in infrastructure, health care, or literacy, it does so in the belief that these investments will lead to increased economic growth, which in turn will lead to an expanded middle class and, eventually, democracy. But this expectation is unrealistic. Such investments are just as likely to extend rather than shorten the reigns of illiberal governments. Foreign aid, as it is currently administered, tends to bolster rather than undermine undemocratic leaders.

The answer to this problem is not to place a lower priority on economic growth or the provision of standard public goods. It is to broaden loan conditions to include requirements that recipient states supply their citizens with coordination goods, such as basic civil liberties, human rights, and press freedoms. Making it easier for ordinary citizens to coordinate and communicate with one another will promote the growth of political freedom. Accordingly, before autocrats get international aid, they should be forced to accept modest reforms such as supporting greater access to higher education, allowing a freer press, and permitting more freedom of assembly.

In introducing such conditions, development agencies should not be distracted by the debate over whether human rights are best defined in terms of housing, food, clothing, health care, and other basic human necessities or in terms of individual freedom and the protection of both minority and majority interests. Dictators prefer the former definition solely because it best suits their interests. Such arguments are transparently self-serving. Copious evidence suggests that political freedom and the provision of basic necessities go hand in hand; those societies that respect civil liberties almost invariably also provide for the survival of most or all of their citizens.

The **third** lesson of this study for policymakers concerns the events in the Middle East. It is tempting to view the elections in Iraq, Syria's withdrawal from Lebanon and the subsequent elections there, the announcement that local elections will be held in Saudi Arabia, and the promise of more competitive elections in Egypt as collectively signaling a new democratic dawn in the region. But it is important to remain realistic. In particular, observers must remember that the repressive policies that have served Middle East autocrats so well for the past 50 years have not been significantly eroded in Saudi Arabia, Egypt, or even Lebanon. This is not necessarily grounds for despair. But those interested in measuring the democratic progress of the region should pay more attention to the availability of coordination goods there -- to how tightly the media are controlled, for example, or how difficult it is to safely hold an antigovernment demonstration. These elements, more than the mere presence of elections, remain essential for the transition to real democracy.

5. Development Planning and Aid

5.1 The Politics of Foreign Aid and Debt in Africa

Introduction

In this section we try to look at the impact of foreign aid and debt on Africa's development. To do this, we need to examine the politics of external assistance and debt in Africa. It argues that most foreign aid to Africa has strings attached which in a long-run undermine development in the continent. Also, foreign debt has been deployed by the developed countries of the world and their International Monetary Machines to intimidate the Third world countries into accepting and implementing liberal policies which often lead their economies into deeper crisis.

5.1.1 Foreign Aid in Africa

Foreign aid is the material and non-material assistance which a country that is in need receives from another country, other countries and, or international aid agencies. In other words, it is any financial, material or human assistance from a donor country to a recipient country. That is to say foreign aid may be in form of money, humanitarian (e.g rescuers, medical doctors, lawyers, engineers, etc) or materials such as food, medications, building materials, weaponry and so on. Almost every developed nation has an aid agency through which it renders help to poor countries of the world. One of the most famous of such aid agencies is the United States Aid for International Development (USAID) which gives billions of dollars in aid to poor countries across the world particularly those in Africa, Asia and South America. Poor countries receive aid from the rich nations and international organizations like the United Nations, European Union, World Bank, etc, to address one developmental need or the other. Thus, on the surface, foreign aid may be given for the provision of social infrastructure; or to support democratization policies; or to cushion the effects of natural disasters such as drought, earthquake, tsunami, flooding, etc, or to wage war on terrorism.

War and crisis have made most countries in Africa so poor that they depend largely on foreign aid to survive. A typical example is Somalia which is referred in most literature as a "failed state". Moreover, all countries in Africa including Nigeria receive one form of foreign aid or another. However, there is hardly any of such foreign aid that has no string attached to it. In some cases, foreign aid is tied to a particular reform or liberal policy or project of the donor nation. Such reform or project is more often than not designed to promote economic well-being and influence of the donor nation at the

expense of the recipient country. In fact, foreign aid is sometimes used to promote imperialism in Africa.

For example, the use foreign aid to promote European languages such as French etc, to the detriment of developing countries' indigenous languages and values. This often creates cultural vacuum in the Third World. Unfortunately, development is imbued in culture and the best way to kill a culture is to destroy its language. All these mechanisms only serve one purpose – deepening of imperialism or neo-colonialism by inculcating Western values and culture on the Third world so as to perpetuate the parasitic dependent relationship between the West and developing countries.

Another good example is that sometime foreign aid is debased from the urgent primary needs of the recipient country. For instance, Egypt receives about 1.3 billion dollars worth of military aid from the US every year. This is a country that many of its people still don't have access to basic social amenities like constant electricity, good network of roads, functional hospitals, well equipped schools and so on. Imagine if the foreign to Egypt for military training and acquisition of weaponry is rather given for job creation and provision and improvement of social infrastructure. Surely, if that is done, millions of Egyptians will be lifted out of poverty.

There is no doubt that insecurity is one of the major banes on Africa's development. But the rising insurgency, terrorism and insecurity on the continent are consequences of the rising unemployment and poverty. This therefore requires economic solution rather than military crackdown.

Moreover, foreign aid is most times tied to liberal policies such as privatization and deregulation under which the Third world countries are compelled to open up their economies with promises of rapid economic benefits. Regrettably, such policies usually end up in compounding the problems of the Third world rather than solving them. The truth is the more they opened up their economies, the poorer they have become, whereas the richer the advanced capitalist nations have become.

5.1.2 Foreign Debt in Africa

Many countries of the world borrow external loans to finance their revenue deficits and development needs. Some Africa countries did collect foreign loans from International Financial Institutions (IMF and World Bank) and bilateral sources with the intention of using them to fast-track development, but that never happened. Rather the loans they collected deepened their underdevelopment more. Most observers of international affairs believe that the origin of Africa's debt crisis could be traced to the "petrodollar recycling" of the 1970s. During this period, the price of crude oil rose geometrically in

the international oil market. Thus oil exporting countries made billions of dollars, but some of them particularly those in Africa and Latin America in an attempt to build massive social infrastructure so as to achieve rapid development, started borrowing foreign loans thinking that the oil boom would continue, and with billions of dollars accruing to them from the sale of crude oil, they could easily repay the cheap loans. However, the global economic recession of the early 1980s gave a blow their dreams. Following the recession, the price of crude oil in the international oil market dropped, exports of developing countries decreased, the value of dollar increased relative to other currencies, global interest rates increased and the foreign reserves of the developing countries dropped since they relied on them heavily for their international transactions. Worst still, their foreign loans started to double since they carry floating interest rates which increase along global interest rate.

To add salt to injury, the creditor nations and institutions later started attaching additional conditionality to the loans. First, the floating interest rate metamorphosed into compound interest rate. It was this development that really caused debt crisis in the Third World especially in Africa because the debtor countries' debts skyrocketed at a speed that made it increasingly difficult not only to repay the debts, but even to service them. Year after year, the debts kept accumulating - both in principal and in arrears. The cost of debt servicing alone became very high such that it surpassed the amount borrowed. This was and is still the fate of most debtor nations. To give life to this analysis, let us use Nigeria to illustrate. Before the debt relief granted to Nigeria in 2006, she owed approximately 34 billion dollars to the London and Paris Club of Creditors. But the truth is that actual total amount that Nigeria borrowed was only 17 billion dollars, and she had spent 18 billion dollars on servicing and repayment. Despite the fact that Nigeria spent more than the amount she borrowed (\$18 billion - \$17 billion), she still owed 34 billion dollars. This was the major reason why the debt profile of developing countries doubled from 500 billion dollars to 1 trillion dollars between 1980 and 1985, and doubled again between 1985 and 2000. The implication of this was that money which the debtor nations would have used for development is often spent on debt servicing and repayment. This has become one of the major sources of capital flight and underdevelopment in Africa.

Furthermore, another issue worthy of note is "odious debt". Alexander Sack cited in Carrasco et al (2007) remarked that a debt is presumed to be odious if it satisfies the following criteria: First, if it was contracted by a despotic and corrupt regime. Second, if it was not used for the general interests or needs of the citizenry. Third, if the lenders knew about the first and second situations, but continued to lend the money. Examples

of odious debts abound in Africa. In South Africa, IMF and Bilateral Lenders ignored the apartheid regime's crime against humanity, and continued to pour in billions of dollars to the government. At the end of the Apartheid, the successor government was saddled with a foreign debt worth 21 billion dollars. Another good example is Nigeria where the various military regimes were lent billions of dollars by the London and Paris Club of Creditors, the IMF and World Bank. Most of these loans were either used for white elephant projects like the Ajaokuta Steel Mill, or used to buy properties like houses in foreign countries or siphoned into private bank accounts domiciled in the USA and European Banks. No wonder Le Monde (1990) cited in Igwe (2010) revealed that:

Every franc given to impoverished Africans, comes back to France or is smuggled into Switzerland by African bureaucrats and politicians.

And the most pathetic aspect of this is that a significant percentage of the siphoned money which is deposited in foreign banks indirectly comes back to Africa as loans on which interest must be paid. This is why some scholars are of the opinion that the popular perception of Africa as "heavily indebted continent" is sometimes misleading. The truth is that despite Africa's debt liability, it still remains a "net creditor" to the rest of the world particularly the capitalist North. Africa's foreign assets far exceed its foreign liabilities. The problem is that while these assets are owned by private Africans most of whom cornered the commonwealth of their various countries, the liabilities are public and owed by African people at large through their governments. The accumulated capital flight from Africa in the past four decades is estimated at 700 billion dollars in real terms, and over 900 billion dollars if interest earnings are added. This overwhelmingly exceed its overall debt stocks.

Apart from capital flight caused by debt servicing and repayment, more than half of the loans borrowed every year are siphoned out of Africa. Often at times, the loans depart the same year they are borrowed with significant proportion ending up in private accounts at the very foreign banks that provided the loans in the first place. The same International Financial Institutions or creditor nations that made the official lending would help the corrupt African leaders that were entrusted with borrowing for their countries to misappropriate the loans. The same creditors would turn blind eye on the illicit wealth accumulation by the corrupt African leaders, and even offer them the comfort and protection of the banking secrecy laws, to pursue unlawful and parasitic enrichment. The same creditors would turn back and say 'African leaders are corrupt' and that is why the loans were mismanaged by them (Ndikumana and Boyce, 2011b). In this way, enormous wealth is siphoned out of Africa to the developed North. In other

words, the wealth of the poor countries is used to subsidize and finance development of the rich nations of the world. What an irony!

Moreover, even the so-called debt relief has not saved Africa from this exploitation. More often than not, debt forgiveness is granted after the actual debt or loan has been indirectly repaid by the debtor nation through debt servicing. Worst still, in most cases the debtor nation is compelled to pay half of the accumulated arrears and interest on the debt or buy back significant percentage of the total debt in a single settlement, as one of the conditions to have the remaining part of the debt cancelled. No wonder Chiakwelu (2009) describes the Nigerian Government payment of about 12 billion dollars to the London and Paris Club of Creditors so as to have 18 billion dollars debt relief, as “the largest transfer of wealth in the modern time” by a relatively poor country to wealthy nations.

Africa is a continent beset with dire problems – diseases, wars and economic instability are still ravaging the continent, the least thing that Africa needs at this difficult time is enormous capital flight in the name of debt-buy-back or debt servicing. Every penny in Africa is needed to curb these array of problems so as to improve the quality of life in a continent that is regarded as the cradle of human civilization.

5.2 North/South Dichotomy and the Search for a New International Economic Order

5.2.1 North/South Dichotomy

Global inequalities arise from exploitation of many countries by a few others and this exploitation manifests itself in global capitalism, imbalance terms in international trade and payment, biased policies of international monetary machines and exploitative activities of MNCs and their home governments in the periphery. All these have polarized the world into two – nations that are exceedingly rich and others that are extremely poor. While the rich nations are mainly found in the north of the equator, the poor ones are mainly found in the southern hemisphere. This is the reason why the former is referred to as the “North” while the latter is referred to as the “South”.

The North or West is characterized by political stability, economic prosperity and development, whereas the South is riddled with political instability, economic stagnation, war and crisis cum underdevelopment. The South always blames the North for its underdevelopment which it attributes to imperialism, colonialism and neo-colonialism. On the other hand, the North often refutes this blame, but rather attributes the lack of development in the South to its internal factors such as retrogressive political and socio-economic culture, bad leadership, corruption as well as war and crisis. At a

time, even some Western economic theorists did argue that underdevelopment is only a stage in the development ladder. For example, according to W. W. Rostow's thesis on Five Stages of Economic Development, underdevelopment is only a stage that nations pass through on their way to becoming developed. Thus, nations of the world will all get rich and developed in a matter of time.

However, the existing social realities around the world have shown that the classical economic theory of development was wrong. Since the World War II, the income gap between rich and poor nations has widened dramatically. While in 1950 the poor countries had an average per capita income of \$164, the industrialized countries' per capita income averaged \$3,841. Hence the income differential was \$3,677. Three decades later, in 1980 to be precise, as the per capita income in the industrialized countries soared to \$9,648, the poor countries' income only rose to an average of \$245, thus the absolute income gap nearly tripled to \$9,403. This was clear evidence that the rich countries are getting richer, while the poor countries are getting poorer in terms of relative wealth. In the thirty-year period, the little income increase in the poor countries was an average of \$2.70 per year – an amount less than what a North American might spend for a lunch. Even up till the new century, the gap has continued to increase. By 2001 for instance, the gap has even become greater as the rich nations' income increased to \$26,710, while the poor countries averaged only \$430 in gross national income, yielding an income differential of \$26,280. This means that the relative gap had become even greater by 2001 than it was in 1980, with the income of the low-income countries equal to only 1.8 percent of that of the industrialized countries. In other words, since 1950 the relative gap between rich and poor countries had widened by 60%.

Mitchell Seligson further argues that the Third world countries are in double jeopardy because apart from the rising gap between them and industrialized nations, there is another growing gap separating their own rich and poor citizens. Therefore, many poor people who live in poor countries are not only falling behind the citizens of rich nations, but also the more affluent or bourgeois countrymen.

Also, it will be misleading to speculate that the gap between the rich nations and poor countries will soon be narrowed simply because sometimes the economic growth rates of the latter out-perform those of the former. For example, it will take Pakistan with a population of 152 million people, 1,152 years to close the gap, while emerging economies like China where economic growth rates have been far higher than in the industrialized countries, will spend 64 years to close the gap on the assumption that China would maintain a steady economic growth for many decades (Passe-Smith, 2008). The continuous exploitation of the rest of the world by the United States and Europe

has produced what (Mayer-Foulkes, 2006) describes as the “great divergence” which is the simultaneous emergence of development and underdevelopment.

The consequences of the ever increasing gap between rich nations and poor states can be seen every day. In international arena, the tensions between the North and South dominate debates in the United Nations and other international fora. The poor countries now demand a New International Economic Order (NIEO) so as to stem many years of economic exploitation of the South by the North and ensure symbiotic international economic relations and benefits.

But before we turn to the call for a New International Economic Order (NIEO), it is worthy to note at this juncture that both the developed nations and the Third world countries have all contributed to the prevailing underdevelopment in the latter and the ever-increasing global inequalities. Thus, factors such as neo-colonialism, unjust terms of trade, exploitative activities of MNCs, biased policies of IMF and World Bank, corruption, political instability and war have all contributed both individually and collectively, to the crisis of development around the world.

5.2.2 The Call for a New International Economic Order

...tensions and disagreements between developed and developing countries continue: the latter expect a greater degree of special treatment than industrialized countries have afforded them. This demand was expressed comprehensively in the New International Economic Order and the Charter of Economic Rights and Duties of States promoted by UNCTAD in the 1970s. Although the Charter was never accepted by developed [sic] countries and is now dead, the political, economic, and social concerns that inspired it are still present. The Charter called for restitution for the economic and social costs of colonialism, racial discrimination, and foreign domination. It would have imposed a duty on all states to adjust the prices of exports to their imports (Matsushita, Schoenbaum and Mavroidis, 2003).

The above assertion by Matsushita et al brings context and understanding to our subject of discussion. In the 1970s, the Third world through the United Nations Conference on Trade and Development (UNCTAD), pushed for a New International Economic Order (NIEO) which is a set of proposals asking for fair terms of trade; increased development assistance; transfer of technology to the developing nations; debt cancellation; internal

control of the operations of MNCs in the developing nations' territories; central planning as against free market; replacement of Bretton Woods institutions which have benefitted the West most particularly the United States; with democratic and mutual international financial organizations and so on. The central thrust of NIEO is the restructuring of global economy so as to permit greater participation of, and benefits to developing countries. The call for NIEO has led to the North-South Dialogue (a discussion between the industrialized and developing countries on economic relations and development) which culminated to the declaration and adoption of "a Programme of Action and a Charter of Economic Rights and Duties of States" by the UN General Assembly in 1974. Nevertheless, the North-South Dialogue could not convince the industrialized nations to accept the NIEO entire proposals.

The Third world demand for a New International Economic Order emanates from three facts: **First**, that there is something fundamentally wrong with the prevailing International Capitalist Economic System which needs to be corrected; **second**, that something wrong is blamable on the past and present exploitative policies of the industrialized Western countries, hence they should atone for their exploitation of the Third world resources by accepting the obligations of the New International Economic Order; and **third**, that a change in the International Order requires a massive shift of political and economic powers from the domination of the West to the voting General Assembly of the United Nations as well as the restructuring and democratization of the UN Security Council and IMF, World Bank cum WTO in order to give the Third world countries fair representation and voice in global affairs particularly those that affect their economies. Unfortunately, the Third world lacks the political capability and economic wherewithal to alter the prevailing global order and institute the proposed New International Economic Order (NIEO). Thus, NIEO can be a reality only when the great powers particularly the super power – the United States of America support it.

However, the industrialized capitalist nations have refused to accept and support the call for a New International Economic Order on the ground that the development aid they give to the Third world is enough to transform its economy and atone for the perceived injustice in the past and present economic relations, if any.

The North also argued that even if they were to compensate the South for Trans-Atlantic Slavery and Colonialism, "who should the compensation go to?" they asked! Is it to the Third world countries who sold their countrymen and women into slavery, or to the descendants of the ex-slaves who are now domiciled in Europe and America and

whose living standard is better when compared to those in their ancestral homes in Africa and Asia?

Moreover, the industrialized North equally argued that corruption, bad leadership and political instability are the major bane of Third world's quest for sustainable development, other than the prevailing International Economic Order.

Having faced strong resistance from the industrialized North, the Third world countries tried to promote their development through regional blocs aimed at fostering greater political and economic cooperation and integration. For example, in Africa, the New Partnership for Africa's Development (NEPAD) was evolved. However, as a result of pervasive war and crisis in the continent, and lack of political will, consensus and commitment among African leaders, NEPAD has not achieved its goals, and it is unlikely to do so in a foreseeable future.