CHAPTER 1

Introduction: Growth versus Development

"Development" means making a better life for everyone. In the present context of a highly uneven world in terms of income, a better life for most people still means, essentially, meeting basic needs: sufficient food to maintain good health; a safe, healthy place in which to live; affordable services available to everyone; and being treated with dignity and respect. These needs are basic to human survival. After meeting them, the course taken by development is subject to the material and cultural visions of different societies. This means that the methods and purposes of development should be subject to popular, democratic decision making. Many people might agree that a better life for all is a desirable goal and that development as its theory is imagination well spent. But not everyone thinks development is universally realizable at the present time ("we are not quite there yet"). And even among those who think that the goal of a better life for all is practicable, there are broad disagreements on how to get there.

Development understood as a better life is a powerful emotive ideal because it appeals to the best in people. What might be called the "discourse of development" (the system of statements made about development) has the power to move people—to affect us immediately and to change us forever. Hence, development can be used for many different political purposes, including some, and perhaps most, that conflict with its essentially egalitarian ethic ("a better life for *all*"). Indeed, the idea of development can be used to legitimate what in fact amounts to more money and power for a few—"they" are leading us to a better world . . . eventually! So, putting all this together, development is a contentious issue with several conventional and unconventional positions within it, around which swirl bitter arguments and fierce debates.

Development is a foundational belief underlying modernity. And modernity is that time in Western history when rationality supposed it could change the world for the better. In development, all the modern advances in science and technology, in democracy and social organization, in rationalized ethics and values, fuse into the single humanitarian project of deliberately and cooperatively producing a far better world for all people. In this modernist tradition, the radical, unconventional version of "development" is fundamentally different from the more conventional idea of "economic growth." Conventionally, economic growth means achieving a more massive economy—producing more goods and services on the one side of the national account (gross domestic product [GDP])—and a larger total income on the other (gross national income [GNI]). Economic growth essentially occurs when more productive resources (land and resources, workers, capital plant and equipment) are employed to produce more goods and services. But economic growth can occur without touching problems like inequality or poverty when all the increase in income goes to a relatively few people. Indeed, under neoliberalism, growth has occurred in most Western countries over the past 30 years at the same time that income inequality has actually widened. In this case, economic growth functions in the most basic sense to channel money and power to the already rich and famous. This is fine if you are rich, and even better if you are famous, especially if you are also philanthropic. But for developmentalists this feeding of money to the already wealthy is a travesty of ethics and a tragedy of modern economic theory and practice. The excuses for it, like the "trickle down" theory (everyone benefits from growth as portions of the income eventually trickle down from the rich), are not convincing—except to those already convinced by their complete allegiance to an elite society. For both social and environmental reasons, growth is justified only when it also produces real development—when it satisfies essential needs that are presently not being met.

As this suggests, development is interested not so much in the growth of an economy but rather the conditions under which production occurs and the results that flow from it. In terms of conditions, development pays attention to the environments affected by economic activity and to the labor relations and conditions of the actual producers—the peasants and workers who produce growth. If growth wrecks the environment, deadens working life, or grabs land from reluctant farmers, it is not truly development. Development looks too at what is produced. If growth merely produces more Walmart junk rather than schools or clinics, it is not really development. Development attends to the social consequences of production. If growth concentrates wealth in the hands of a few, it is not development. Most contentiously, development analyzes who controls production and consumption. If the growth process is controlled by a few powerful people rather than the many people who work to make it possible, it is not development. If growth means subjecting the world's people to an incessant barrage of consumption inducements that invade every corner of life, it is not development. If growth is the outcome of market processes that no one controls—although a few people benefit—it is not development. Development is optimistic and utopian—it means changing the world for the better, starting at the bottom rather than the top.

As an ideal concept, development has evolved from Enlightenment notions about how the modern, scientific, and democratic mind can best intervene to improve human existence. Development embodies human emancipation in two distinct senses, namely, liberation from the vicissitudes of nature through greater understanding of earthly material processes as usefully modified by carefully applied technology, and self-emancipation—that is, control over one's social relations, conscious control over how human nature is conceived, and rational and democratic control over one's cultural proclivities. (Is the greatest tragedy of modern times our decision to cede too much social control over the production of mass media images to people and institutions infected with the basest of motives—like big-business magnates and ad agencies, for instance?) In both senses (external and internal), development encompasses economic, social, and cultural progress including, in the last case, finer ethical ideals and higher moral values. As development entails demonstrable improvement in a variety of linked natural, economic, social, cultural, and political conditions, "developmentalism" may be defined as belief in the viability and desirability of this kind of economic progress. Along these lines, Amartya Sen's *Development as Freedom* (2000) describes how society grants to individuals the capacity to take part in creating their own livelihoods, govern their own affairs, and participate in self-government—although Sen does not follow up this contribution with a political economics of societal transformation. Briefly, one may fairly observe that development is quite different from growth in that development springs from the most optimistic motives of the modern rational belief system whereas growth is merely practical and technological—yet also class-prejudiced.

Critics from the poststructuralist school of modern critical social theory would assert that developmentalism, even when understood in this finer, more ethical way (in fact, *especially* when understood in this way!), *presumes to define* all aspects of progress, thereby destroying alternative conceptions of the future. Modern reason, poststructuralists believe, drains one's emotions so that people become machine-like or air-headed, or both. What appear to be the finest development principles at the center of the best of modern existence are subjected by poststructuralists to intense skepticism, and they conclude that modernity, reason, development, and consumption cannot automatically be deemed "good." Yet, we respond, development has frequently been laid to rest before—alleged to be at an impasse, outdated, moribund, morally corrupt—only to rise again. When something is heavily criticized and yet persists, its context is probably genuinely real. Making the world a far better place by taking at one's starting point the basic needs of its poorest denizens is a proposition that packs real punch (i.e., is full of emotive and ethical–rational content). Could it be that development is both the best and worst of human projects—best in terms of potential and worst in terms of its sorry contemporary practice? Either way, as finest ideal of an enlightened humanity or as a strategy of modern mind control, development is too easily simplified or too quickly dismissed, especially by those who take its real benefits, like modern healthcare or clean water and toilets, for granted. Instead, we argue in this book that development is a complex, contradictory, contentious phenomenon, reflective of the best of human aspirations, and yet, exactly for this reason, subject to the most intense manipulation, liable to be used for purposes that reverse its original intent by people who feign good intentions in order to gain greater power. Often when authors use words like "complex," "contradictory," and "contentious," they are just preparing an alibi to excuse themselves from subsequently writing anything meaningful or consequential—everything is relative, the world too complicated for precise characterization or sentiment, nothing much can be done. That approach to authorship will not be followed here. We think the complexities of development can be pierced by rational analysis and its seeming contradictions can be resolved. We believe that development, understood in its true and proper dimensions, *can* be achieved. We take sides in the controversy over development, even if currently it is not the winning side.

Thus, developmentalism is a battleground where contention rages between bureaucratic economists, Marxist revolutionaries, environmental activists, feminist critics, postmodern skeptics, and radical democrats (to name a few). This is an area of profound significance for the interests of the world's most vulnerable people, an area where shifts in emphasis—like the World Bank's shift in focus from basic needs during the 1970s to economy-wide "structural adjustments" by the 1990s—can (and did) end up killing millions of babies and made life far more desperate, miserable, and short for countless millions of others in countries far removed from the sterile "think tanks" of London, Geneva, or Washington, DC. Theories of development reach deeply into culture for their explanatory and persuasive power, while the end product of such applied "deep thinking," combined with the dedicated resolve and implementation practices of millions of well-meaning people, are political tools with potentially massive appeal. Therefore, as a first step we need to make clear the basic theoretical positions taken by proponents engaged in the development debate by effectively presenting and then critiquing both conventional and even highly unconventional theories. We have to assess the fundamental pros and cons of the whole development enterprise. And we have to actively resist the impulse to assume that whatever criticism is the latest to emerge is necessarily the last and best word on the subject. From a truly informed critique of development might eventually arise a new and more valid conception of development.

The Geography of Development

Let us take up the issue of the social-scientific perspective, alluded to briefly earlier. Development can be seen from a number of perspectives that have come to be identified as "academic disciplines." We, the authors, happen to be human geographers, and while we conceptually relate to social theorists in general, we are often apt to dwell on the geographic aspects of an argument or theory. So, we should declare outright what our geographic perspective lends us in the way of specialized insight. The academic discipline known as geography looks at two interrelated aspects, or characteristics, of human life: nature—the relations between societies and environments; and space—the regional variations in societal type and the relations across space among these regionally disparate societal types as well as broad tendencies toward global metaformations. The chief connection between the two aspects of geography (nature and space) is that regional variations in human characteristics are essentially produced by different modes of socially transforming nature. For example, different types of economic enterprise—whether agriculture, industry, or services—manifest different types of relations with natural environments—for example, think of an agricultural landscape as compared to an industrial landscape. In this geographic system, each type of society is spatially related to all others. The most obvious spatial connection is through trade—exchanging goods of various kinds. More significantly, societies with different types and levels of development interact significantly through *power* relations—that is, most obviously, societies with large economies tend to dominate those with smaller ones. Specialized components of society are also bound together through various other kinds of spatial relations, such as commodity chains, the communication of ideologies, ownership systems, flows of investments and profits, and the like. The entire complex of regional economic forms, tied together by spatial relations, makes up the global totality. This "geographic" approach goes through the regional and local parts to reach an understanding of the global whole of human existence. It is one way of making sense of global complexity in terms of its parts.

Human existence today is a function of what was produced in the past. We live and breathe now because either we or our ancestors worked in the past. The modes of production accounting for whoever exists (the character of the main social forces, relationships, institutions, and thought processes) may vary greatly spatially. Most significantly, the degree or extent of material development (e.g., particularly the standard of living) varies widely from one place to another. For example, the "average" U.S. citizen spends some $52,000 a year and is responsible for the release of 20 tons of carbon dioxide annually into the atmosphere (and even more worldwide if exports are considered), whereas the "average" Rwandan survives on only $600 a year while emitting just 0.1 ton of carbon dioxide into the atmosphere (World Bank 2014: 296–297, 315). Different levels of material life entail entirely different life chances for individuals born at various places on the earth's surface—in some places children almost automatically survive their traumatic first months, while in other places death arrives so often as to be treated as normal. Life is experienced as having some fundamental similarities among all people—indeed, among all natural organisms—but there is also a definite version or, in the case of geography, a place-bound type, of this entire existence. In other words, existence has universal qualities of life and needs as well as particular qualities or characteristics of livelihood and life chances. Real differences in the mode of life—differences that arise from variations in the types and levels of development—are what geographers try to understand as their specialized task in social science.

Measuring Growth and Development

Development is important because it produces an economy (and more broadly a society and culture) that determines how people live—in terms of income, services, life chances, and the like. As we have said, "development" is conventionally measured as economic growth, with "the level of development" seen in terms of "size of economy." The size of an economy, under what is called the "income approach" in national accounting, is derived from totaling the wages, rents, interest, profits, nonincome charges, and net foreign factor income earned by the country's people—thus, the gross national income is basically what everyone earns. Total expenditures on goods and services must, by definition, in this kind of national accounting practice be equal to the value of the goods and services produced, and this must be equal to the total income paid to the factors (workers, shareholders, etc.) that produced these goods and services. Thus, gross national product (GNP) is the total value of final goods and services produced in a year by the factors of production owned by a country's nationals (including profits from capital held abroad). Nominal GNP measures the value of output during a given year using the prices prevailing during that year. Over time, the general level of prices tends to rise due to inflation, leading to an increase in nominal GNP even if the volume of goods and services produced is unchanged. So, real GNP measures the value of output adjusted for inflation. When economic growth over a number of years is measured, change in "real GNP" is the figure usually used to express that growth. Gross domestic product (GDP) is the market value of all officially recognized final goods and services produced within a country in a year or over a given period of time—it has a somewhat different theoretical base than GNP. Dividing the GNP, GDP, or GNI (gross national income) by a country's population yields the average (mean) GNP, GDP, or GNI per capita. The higher the per capita production or income, the more "developed" a country's people are conventionally said to be and the higher the annual growth rate in GNP per capita, the more rapidly a country is said to be "developing."

In 2012 the World Bank, the global institution publishing much of the basic data on such matters, divided countries into four categories depending on their income level: low-income, lower-middle-income, upper-middle-income, and high-income. As shown in Table 1.1, the world in 2012 had slightly over 7 billion people, with their total income approaching nearly $72 trillion (a trillion is a thousand billion), thus representing an average per capita income of some $10,000 a year. Just over 1.3 billion people live in high-income countries, where the total GNI is $48.98 trillion and GNI per capita averages $37,595 a year—in other words, the world's richest countries account for 18% of the world's population but fully 68% for its total income! At the other extreme, the 3.4 billion people living in low- and lower-middle-income countries had only $5.3 trillion in total income, thus averaging GNI per capita of just $1,562 a year—in other words, nearly half of the world's

TABLE 1.1. Development Indicators, 2012

	Population (millions)	GNI $ billion	GNI $ per capita	Life expectancy (years)	Education (PCR, %)	CO_2 emissions (metric tons per capita)
World	7,046	71,670	10,015	70	91	4.7
LI countries	847	501	584	59	67	0.3
LMI countries	2,507	4,811	1,877	68	91	1.6
UMI countries	2,391	17,410	6,987	73	98	5.1
HI countries	1,302	48,980	37,595	79	100	11.2

Note. Data from World Bank, *http://data.worldbank.org/income-level*. LI, low-income; LMI, lower-middle-income; UMI, upper-middle-income; HI, high income; PCR, primary (school) completion rate.

population (i.e., those living in the poorest countries) got only 7% of the world's income! As bad as the figures are, global inequality is actualy *increasing*! In 1960, the 20% of the world's people living in the richest countries had 30 times the income of the 20% of the world's people living in the poorest countries; by 1973, the lopsided ratio was 44 to 1, and by 1997 it was 74 to 1 (United Nations Development Programme 1999: 36–38). As statisticians tote up the ugly figures, the world is turning out to be *ever more unequal* than was previously thought—in terms of both the differences among countries and the differences among groups of the world's people (Milanovich 2007). National poverty rates in the low-income countries range from 45–70% of the population, while the percentage of people living on less that $2 a day varies from 50% to 90%, depending on the country.

These sobering worldwide figures—as bad as they are—are only the most visible face of the inequality story. Class, ethnic, gender, and regional differences also conspire to assure that incomes are distributed extremely unequally *within each country*. Of the almost 70% of global income that flows to the richest countries, for example, typically 50% ends up in the pockets of the richest 20%, while the lowest-income 20% of the population receives only 5–9%, depending on the country. At the other extremity, in the low-income countries the richest fifth of the population typically hauls in 50–85% of national income depending on the country, while the poorest fifth is able to garner only 3–5% of the 12% of global income that these poor countries receive (World Bank 2004). Putting the matter more bluntly, roughly 9% of the world's richest inhabitants extract half of the world's income, while the poorest 50% are able to receive only 7% of total global income (Milanovich 2011). Both geographic location and class conspire to produce inequality so severe that one wonders how long global society can continue to countenance such inequality. Moreover, studies employing long time series conclude that income inequality has been consistently increasing since the early 19th century. Milanovich (2009), for example, calculating Gini indices over time, found that global income inequality rose steadily from 1820 to 2002, with a significant increase observable since 1980 (see Table 1.2). Putting the matter differently, the growth of capitalism has generally produced greater income inequality over time.

One of the great unmentioned facts about global income distribution is that poverty *results from* (i.e., is caused by) extreme inequalities. Poor people are poor because rich people take so much of the income that the economy produces. So what has been happening to inequality

TABLE 1.2. Estimated Global Gini Indices, 1820–2002

Year	Gini
1820	43.0
1850	53.2
1870	56.0
1913	61.0
1929	61.6
1950	64.0
1960	63.5
1980	65.7
2002	70.7

Note. The Gini index is the most commonly used measure of income inequality, in which 0 represents perfect equality (e.g., each person having exactly the same income) and 100 perfect inequality (e.g., one person having all the income). Data from Milanovich (2009).

recently? The key factor causing secular changes in class incomes is an even greater divergence in the *ownership* of wealth, especially financial wealth—that is, bank accounts, stocks and bonds, and life insurance and mutual fund savings. Particularly important in this accounting is the ownership of stocks and mutual fund shares. Despite a reported trend in financial markets toward "democratization" (through greater retirement savings invested in mutual funds, and the like), only 27% of U.S. families actually own stocks. While 78% of the richest families own stocks and mutual funds, just 3% of the poorest families do so. The equalizing trends in wealth ownership discernible during the period between the 1930s and the 1970s were reversed sharply during the 1980s so that by 1989 the richest 1% of U.S. households owned almost half of the total financial wealth of the nation (Piketty 2014)—a radical concentration of wealth that has only worsened since then (Harvey 2005b: 16–17). Within this richest 1%, the superrich—that one-thousandth of the population (145,000 people) making an average of \$3 million a year—doubled its share of total national income between 1980 and 2002, to 7.4%, while the share earned by the bottom 90% of the population actually fell (Johnston 2005: 1). See Figure 1.1 for long-term historical trends in income distribution (see also Piketty 2014). Putting this matter simply and starkly, the assets of the world's 200 richest people exceed in value those of the 2.6 billion poorest people on earth!

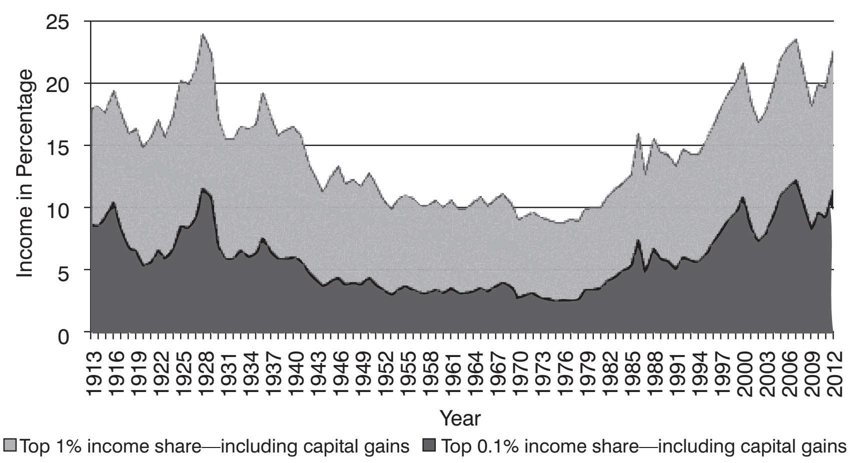

FIGURE 1.1. Income share in the United States 1913–2012. Data from Piketty and Saez (2003; updated 2013).

Alternative Benchmarks

This whole discussion, however, refers to income and economic growth as conventionally understood—although discussions of inequality are usually left out of conventional accounts. There are many other datasets frequently used, even by such conventional agencies as the World Bank, to measure not only growth but the levels and changes in average age of death, infant mortality, population per physician, secondary education, and use of electricity—for instance, see the right-hand side of Table 1.1. An alternative summary measure that takes these into account is the Human Development Index (HDI) calculated by the United Nations Development Programme (UNDP). This measure derives from a different conception of development than usual—what the UNDP calls "enlarging people's choices," especially in terms of access to knowledge, nutrition and health services, security, leisure, and political and cultural freedoms. The HDI measures development in terms of longevity (life expectancy at birth), knowledge (adult literacy and mean years of schooling), and income sufficiency (the proportion of people with sufficient resources for a decent life). A particularly interesting variant is the HDI adjusted for inequality (i.e., higher inequality reduces human development). Adjusted in this way, the countries with the highest HDI are Norway, Australia, Sweden, Netherlands, and Germany, with the United States ranked 16th and the United Kingdom 19th overall. The countries scoring lowest on the HDI scale are Chad, Niger, and the Democratic Republic of the Congo (United Nations Development Programme [UNDP] 2013: 16). The idea behind this kind of work is to capture more and different aspects of the human condition in a broader redefinition of development (ul Haq 1995; UNDP 2006). This notion of human development defends the project of intervening to improve conditions in developing countries. In this light, for the UNDP (1991: 14), development "has succeeded beyond any reasonable expectation. . . . Developing countries have achieved in 30 years what it took industrial countries nearly a century to accomplish. . . . The overall policy conclusion is clear. The development process *does* work. International development cooperation *has* made a difference."

However, the UNDP also documents that during roughly this same time span when "development . . . succeeded beyond expectation" the gap between rich and poor countries actually *widened* and that the average household in Africa now consumes 20% less than it did roughly three decades ago. Americans spend more on cosmetics than it would cost to provide basic education to the 2 billion people in the world who go without schooling. Europeans spend more on ice cream than it would cost to provide water and sanitation to all those in need (UNDP 1998: 2). The UNDP optimistically concludes that human development can be achieved through the promotion of "more equitable" economic growth and more participatory democratic practices. We agree—but we have highly specific notions about what qualifies as "equitable" and what constitutes true "participatory democracy," as you will see.

Criticisms of Development Measures

We should immediately note two kinds of deficiencies in the official data on both growth and development. First, not only do these data vary greatly in reliability from country to country, but also such factors as production, income, or education are in fact *culturally specific* rather than universal. Yet, national and international agencies can report only that which can be measured by using "conventional" accounting procedures. *Whose* conventions are used? Those of the First World market economies, of course. Thus, GDP measures that part of production sold for a price in a formal market—but not products consumed within the family nor services exchanged informally. Thus, a major portion of the economic activity in many Third World countries is either ignored completely or simply estimated. Much of this unreported product results from women's work (Rogers 1980: 61); for example, 60–80% of the food is produced in the "informal sector," and 70% of informal entrepreneurs are women (Snyder 1995: xv). All of this informal activity literally does not count when measuring the economy. Even estimates made in France, generally considered to be a highly organized market economy, show informal exchanges of income, such as gifts, amounting to some 75% of the official GNP (Insel 1993). The proportion is much higher in Third World countries, where far more economic activity lies outside the formal market sphere. In other words, the "official" economy, whose measurements serve as the main indicators of growth, may be only a minor part of the *real* economy, whose true measurements are unknown. This has to be remembered when arguments about growth, development, and poverty are made on the basis of the existing statistics, namely, that these people literally do not know what they are talking about. Similarly, education is officially measured as enrollment in an official school and therefore excludes informal educational institutions, while energy consumption excludes such traditional fuels as firewood and dried animal excrement (and so on).

Additionally, there is the matter of the "shadow economy." The shadow economy includes all market-based legal production of goods and services that are deliberately concealed from public authorities to avoid regulations, taxes, and the like. According to one analysis, the value of transactions in the shadow economy averaged 34.5% of official GDP in some 162 countries during the period 1999–2006/2007 (Schneider, Buehn, and Montenegro 2010).

Because of such widespread imprecisions and internal adjustments within countries, many critics conclude that official GNP and GDP figures measure economic modernization only in the prejudiced sense of how closely a country replicates the characteristics of the West rather than how well it manages its affairs in the indigenous senses of the term. Increases in GNP per capita, energy use, or education may reflect only an increase in the proportion of activity occurring in the organized, taxed, market sector of an economy rather than in the informal sector. Thus, total production (formal plus informal) can actually decline as GDP increases. So, while GDP may measure quantitative change in market production (economic growth), it is just a *gross* indicator of the qualities of domestic production. Moreover, as our earlier discussion on inequality made clear, average (mean) figures such as GDP per capita or the number of potential patients per physician may hide enormous differences among groups *within* countries, as likewise between classes or genders, or between rural and urban populations. *Means* are meaning*less* in terms of representing the real situation in a society. *Medians* might be a better measure, but not by much. In summary, the available data provide only a poor, and often misleading, indication of the level and quality of economic development, if by this term we basically mean the level of material standards of living for the majority of the population.

Second, we move to a more profound criticism of the use of GNP and GDP data to measure development. Even after allowing for the unreliability and insufficiency of much data, the conclusions drawn from income figures are typically suspect theorists intensely skeptical about modernity, development, progress, and the related notions previously taken for granted in the post-(European) Enlightenment world. The argument is increasingly made that such GNP per capita and even more benign statistical devices such as the HDI have *nothing* whatsoever to do with variations in the quality of life. This argument applies to peasants on the margins of a supposedly good earth but also to the richest people ensconced in the suburbs and penthouses of Western cities whose lives are in some ways *impoverished* by the very abundance of gadgets and high-tech toys they enjoy and whose aspirations are limited merely to getting more. Consider one's "happiness," for instance. Despite a massive total increase in income and wealth in the West over the past half-century, levels of happiness have not risen. "The standard of living has increased dramatically and happiness has increased not at all, and in some cases has diminished slightly" (Daniel Kahneman, quoted in Rudin 2006). It is true that people in richer countries generally attest they are happier than people in poor countries. But once people have a home, food, and clothes sufficient for their basic needs, extra income does not necessarily make them potentially happier. It appears, instead, that the level of happiness sufficiency is reached at an average national income of about $20,000 a year (Rudin 2006). So, one might ask: Why not redistribute income from the rich—who don't need it, in terms of their true happiness—to the poor, who could certainly use it to be a lot better off?

Even so, statistical tables of GNP per capita and even tables of happiness can be seen as instruments of power rather than as neutral methods of measurement. This is because a comparative series implies a hierarchy—a kind of league table—with a ladder reaching from bottom to top that would be climbed by people and countries aspiring to "development." High per capita GNP, reached through economic growth, becomes the objective of a society's best efforts, and the economic and political methods used in the past by rich countries become development policy for aspiring poor countries now, with "success" measured by changes in tabular rankings. Yet some critical theorists resist this and point out that people are not statistics but rather are living beings. They might point out that there is an underlying contradiction that, as GNP increases, resource use and environmental damage increase even faster, with such proven consequences as global warming and climate change, destruction of the protective ozone layer, and El Niño effects exacerbated by warmer ocean currents (just witness the spiraling out of control of CO_2 emissions in "economically advanced" countries, observable in Table 1.1). In discourses that transcend developmentalism (discourses in the "postdevelopmentalist" tradition), a high GNP per capita may ultimately entail cultural blindsightedness and environmental degradation if the world's imagination is captured by dreams of American-style happiness-through-consumption.

The Faces of Poverty

The reader might notice that while we, the authors of this book, voice certain reservations, we too sometimes use statistical data to discuss growth, development, and poverty. We do this because we are part of a scientific tradition that values statistical data as the way of proving statements—showing them to be "true" in the sense of accurately representing reality. But we would like to confess that when we think of unequal development and the poverty this produces, we ourselves do not think primarily in terms of figures. We are not numbers people. In fact, we think that too many numbers numb the imagination and make it dead to the real, permitting our minds to contemplate objectively, as though from a distance, the scarcely imaginable horrors of human existence. Distanced contemplation through the dry data of statistics encourages the institutional manipulation of poverty. So, we use figures but mistrust them, not just in terms of "reliability" but more so in terms of the impoverishment of the statistical or mathematical mind. When we think about poverty, graphic images come to mind. Let us tell you about a few of these.

A few years ago, the two of us spent a few months in Johannesburg, South Africa. In that part of the country, illegal migrants mainly cross the border by walking through Kruger National Park, where the lions lie in wait for their nightly feast of human flesh. The migrants then walk a couple of hundred miles farther to the city. There are hundreds of thousands of immigrants in the city, but we encountered them dramatically when we got temporarily lost walking near the University of Witwatersrand. We turned a corner to come across a street filled with a couple of thousand recent arrivals from all over sub-Saharan Africa. These were dignified people. No one asked for money. No one spoke to us, in fact. They just stared at us in a way that haunts us still—because in the city of their dreams that they had just risked their lives to reach we had a house to go to, food to eat, a safe bed to sleep in that night (behind rolls of barbed wire!), and they did not.

In 1990, while conducting field work in Lesotho and Botswana, Elaine met many "gold widows," women whose husbands were working in the gold mines of South Africa. One woman she stayed with for a few nights in Lesotho spoke no English, and while Elaine's Sesotho was limited, they still managed to communicate anyway. The woman who owned the local tavern, was raising five children. As Elaine prepared to leave at the end of her stay, she offered the woman some money but the woman would not take it. But she loved the photograph that Elaine offered her instead and proudly put it on display. The Lesothan woman was amazing—proud, competent, and hard-working—and Elaine will never forget her.

Another quick flash of memory, this time summoning up India. One of us visited New Delhi and Mumbai in late 2007. As the reader may know, both cities have huge slums that stretch for miles—Dharavi (Mumbai) is in fact the largest slum in Asia. But also the sidewalks along the main streets and the edges to the railroad lines are home to further millions of poor people, who attempt to shelter themselves under blue plastic sheets, and eat, wash, and defecate in public—the implications for public health are obvious. Think of a street filled to overflowing with trucks, cars, cabs, and three-wheeled motorcycle rickshaws, all pushing to gain a few yards, with drivers who do not spare the horn, and yet little naked kids tottering a few inches away, their mothers distractedly trying merely to ensure survival for their families that day. No person of conscience can see Mumbai, with its excessive financial wealth, big gated houses, and gracious colonial waterfront, on the one side, and 6 million people living in "informal settlements" (as the euphemism goes), on the other, and emerge the same person. But from this cataclysmic experience, two images stand out: in Mumbai, two boys flying a homemade kite in the only open space available to them, above the traffic filling the street that is their home; and in New Delhi, a 5-year-old girl singing to herself to relieve the rejection she received a thousand times a day while begging at a traffic light amid the hordes of people going to and fro. Kids desperately trying to experience bits of childhood lost to a life mired in perpetual poverty. Snippets of reality seared permanently into our memories rather than statistics gleaned from tables flood our minds as we write this book.

Contentions over Development

In this book, we look at some of the key debates ongoing in the leading social and economic theories of development. The basic pattern of affluence and poverty that characterizes the contemporary geography of the world was already obvious by the 19th century, and it immediately stimulated intense social scientific interest. However, scientific interest is hardly separable from the desire for social legitimation—that is, the desire to make a society, usually one's own, appear to be good. Theorists always pursue truth. But "truth" varies, depending on the truth teller's proclivities. And the theorist's logical capacity is located not in a sphere separate from his or her empathy for others, desire for self-justification, or one's wish to be of service to the dominant social order. The connections among science, values, and development are especially evident when issues like increasing the wealth of some people at the expense of others arises unavoidably, in one's mind. Theory easily diverges into ideology when the mind tries to comprehend scarcely comprehensible things such as racism, imperialism, sexism, and exploitation—all involved in unequal development.

With notions like these in mind, that is, ideology as partial and biased "truths," first we survey some system-supporting (politically conventional) theories of uneven growth and development in Part I of the book, "Conventional Theories of Development," composed of

Chapters 2, 3, and 4. (Note that we are summarizing many complex arguments in the next few paragraphs—we suggest reading them to get a very rough idea of the structure of the book and then rereading them later when this dense jungle of abstractions will make more sense.) Chapter 2 isolates the economic aspect of development, the part designated as economic growth, and separates out the specialized study of this dimension, the discipline called economics, for particularly intensive examination. Anyone wishing to understand development has to know at least the history and basic contents of the leading conventional economic theories. Yet, economic ideas cannot entirely be separated from their material and ideational contexts. So, we delve into the philosophies on which classical economics was founded, especially the concepts underlying the British Enlightenment—like the modern, free individual—that form the basis of Adam Smith's and David Ricardo's economics, and then follow the continuing relations with broader social, cultural, and especially political ideas as economics moved through its various phases (most importantly, the mathematization of economics during the neoclassical phase, when economics made itself recognized as *the* social *science*). The purpose of Chapter 2 is not merely to provide a quick introduction to classical and neoclassical economics but also to demonstrate that the dominant notion of development, as a certain kind of economic growth founded on capitalist efficiency, results from one interpretation of one aspect of one people's history made from the point of view of one class rising to dominance in western Europe. Yet, this biased, particularistic notion is universalized in contemporary neoliberalism as the proven solution to the social and economic problems of the peoples of all countries. Chapter 2 therefore includes fundamental critiques of the philosophical and theoretical bases of conventional (classical and neoclassical) economics.

Chapter 3 covers 20th- and 21st-century conventional economic thought, moving from Keynesian economics through structuralist and developmental economics to neoliberalism. Keynesian economic theory legitimized state intervention into market economies with the aim of achieving growth rates decided on the basis of social policy. Subsequently some degree of state intervention became more or less accepted in mainstream economics and in conventional politics. Similarly, in Latin America a structuralist school of thought emerged that was critical of certain aspects of classical economic doctrine, found conventional economics too abstract, and often urged, as did Keynes, greater state intervention in the growth process. For a while, during the 1950s and 1960s, even quite conventional economists believed in a separate school of development economics. But a "counterrevolution" in development theory, part of a more general neoliberal reaction, opposed Keynesianism, social democracy, state intervention, structuralism, and development economics. We look at this critique and then follow the trajectory of neoliberal economics from its founders in the Austrian School, through the Chicago boys, to the World Bank and the Washington Consensus. However, all this began to change again during the early 2000s as mass protests erupted against the international financial institutions (IFIs), forcing neoliberal development policies to be reconsidered. A slightly different policy formulation (within a reshuffled institutional framework) arose phoenix-like from the ashes—a phenomenon that we have termed the "post-Washington benevolent consensus." The chapter concludes with the argument that all conventional economic theories of growth and development are hopelessly flawed because economics harbors deeply within its structure an unrealistic and biased view of the world.

Chapter 4 discusses how the first modern (late-19th-century) theories of societal development drew on evolutionary biology for explanatory power, essentially arguing that geographic differences in human achievement were the inevitable consequences of prior variations in natural environments. There were two versions of this idea: the strong (deterministic) thesis that nature creates people with unequal potentials, especially differing levels of intelligence; and the weaker thesis that nature provides superior resource environments that are conducive to easier or quicker development in some places than in others. In concluding that the natural environment determines levels of development, both versions assert that nature chooses who should be successful and who should not; this theme is often extended into the notion that the strong naturally exploit the weak in order to survive better or, more benignly, to "bring progress" to the world—"civilize the world" is the phrase often used. These ideas have not disappeared; indeed, they have staged a comeback. A second tradition covered in Chapter 4 sees development as resulting largely from social rather than natural events. In the tradition of Max Weber's sociology, the rationalization of the world, with its utter disenchantment with natural and mystical phenomena, was the original mainspring for the rise of the West. Chapter 4 follows the argument of sociological modernization theory that developed societies carry out their social and economic functions in highly rationalized ways to achieve development. Modernization theory applies this formulation to societal evolution, positing that modern institutional organizations and rational forms of behavior first appeared in 15th- and 16th-century Europe and that subsequent development took the form of the spread of rational action and efficient institutions. Most of these theories take the form of universal stages of growth. Modernization geography thus explains regional variations in development in terms of diffusion, from the originating cores, of modern institutions and rationalized practices. As these innovative cores happened to lie in Euro-America, modernization theory can be seen as continuing the ideological tradition of neoclassical economics. We subject these ideas to considerable criticism. Yet we see modernization theory rising again to provide the theoretical backing for recent proposals on the millennium goals that now are at the focal point of conventional liberal and neoliberal development theory.

From Part I, we next move to nonconventional but highly critical theories of development in Part II, beginning with Marxist and neo-Marxist approaches to societal development in Chapter 5. The most powerful critique of modernization emanated from theorists schooled in the dependency perspective. Dependency theory argues, on a neo-Marxist basis, that contact with Europe may indeed bring modernization to some people in the societies of the Third World, but that modernity arrives bearing the price of exploitation. For dependency theorists, the spread of European "civilization" to the rest of the world was accompanied by the extraction of raw materials, the draining of social resources, and a loss of control over the basic institutions of society—hence arises the notion of "dependency," or at best "dependent development," in what rapidly became the periphery of a world system dominated by a European center. Instead of being developed by their connections with the center of the global capitalist order, peripheral societies were actively *under*developed, and the political and ethical conclusions were catastrophic for Europe's historical evolution.

Most versions of the dependency perspective draw on Marxism as their main philosophical and theoretical basis. Marxism, covered in Chapter 5, is a materialist explanation of societal structures that sees workers as active agents transforming nature, through the labor process, into their livelihood. Development amounts to building up the productive forces available for the making of one's livelihood. However, development takes place in class societies in such a way that the material benefits derived from hard work and increased productivity are *unequally* distributed. Class struggle forms the basis of the societal dynamic (including the economic development process). Profit and overconsumption drive environmental destruction. Marxism has a dialectical understanding of history in which change stems from the contradictions and tensions inherent to human groups and between society and the natural world. Marxist structuralism sees new modes of production as, first, emerging from the contradictions in the old, then maturing and spreading in space, and finally bringing different types and levels of development to societies. The idea of articulations (interpenetrations, combinations) among modes of production is a way of theoretically understanding intersocietal relations that yields a richer version of the theory of underdevelopment than dependency alone. Critics of Marxism generally emphasize its functional and teleological excesses, linking totalization in theory with totalitarianism in politics. We reply to these criticisms from the perspective of our own socialist politics, which takes the form of radical democracy and critical modernism. We provide examples of socialist development, drawing on the experiences of the Soviet Union (now Russia), Cuba, and Venezuela. We conclude that by listening to criticism and changing, Marxism remains capable of providing, still, a coherent and insightful critical theory of societal structures and dynamics as the basis for a politics of liberation.

Marxism comes in for more than its share of criticism: from neoliberalism and conservatism obviously but also from poststructural and postmodern critics, too, who find it to be yet one more (and sometimes the archetypical) modern theory. As we explain in Chapter 6, poststructuralism criticizes all modern theories for their essentializing and totalizing pretensions, while postmodern theorists evidence the most extreme skepticism about the entire modern project of "human emancipation." These criticisms intersect with new examinations of the experiences of the formerly colonial countries by postcolonial critics located often in hybrid positions combining societal types. Then, too, radical and liberal development practice goes through a phase of disillusionment and despair in an age of neoliberal triumphalism. These tendencies come together in the poststructural critique of modern developmentalism. What previously was seen as automatically good (i.e., development) is now theorized as a political technique of modern power, effective precisely because it claims to serve the interests of humanity. A number of these positions uneasily cohere in a growing "postdevelopmentalism," entailing the complete rejection of modern development rather than its modification or democratization. Postdevelopmentalism proposes some new principles to guide lives lived in poverty, like thinking locally rather than globally, "degrowing" the economy, living more simply in material terms, or seeking more spiritual lives rather than worshiping the latest fashions and trends. Yet, the criticisms of the postdevelopmentalists are so severe, so all-encompassing, that they too must be deconstructed. Perhaps modernism is discarded too readily, without sufficient regard for such modern advances as high-tech machinery and hospitals that have undeniably beneficial aspects. Perhaps a better, more democratic, more egalitarian modernism is possible. All these issues are extensively debated in Chapter 6, a discourse full of controversy and give-and-take.

Chapter 7 explores feminist attempts at reformulating development theory. Women perform most of the work in many, if not most, societies. So, why have women largely been excluded from development theory? What differences would result if theory were reformulated to emphasize gender relations? For feminists, new aspects of development are brought into focus—for example, the informal and rural sectors of the economy and the reproductive sphere, that is, the relations between production and reproduction. This change in perspective does not merely change development theory but *improves* and *transforms* it. There are several alternative approaches to the interaction between feminist theory and development, which have historically been categorized as women in development (WID); women and development (WAD); gender and development (GAD); women, environment, and alternatives to development (WED); and postmodernism and development (PAD). We discuss these in detail, present a brief criticism (brief because we agree with much that is said), and conclude that our own position is closest to the WAD perspective.

Then, finally, in Part III, a concluding standalone Chapter 8 reconsiders development in light of the many criticisms made of it. We believe democracy, emancipation, and development are fine principles of modernity that have been perverted by the capitalist form taken by modernity. For us, the main problem with development is not that it is inherently coercive and controlling but that it has never been achieved in anything like the ways we (and many other critics) have characterized it (i.e., as entailing a better world for *everyone*). Our preferred model, a critical modernist developmentalism, gains insights from the many critiques of developmental theory but, most importantly, emphasizes belief in the radical potential of modernity. Development, in this view, entails significantly increasing the economic capacity of the poorest people. Whereas this conventionally means entrepreneurial skills, here we mean "capacity" literally—that is, control over production and reproduction within a democratic politics quite different from either private ownership or state control. Finally, our belief that theory is not made by the exercise of logic alone but also reflects the theorist's moral reaction to a world in crisis culminates in a discussion of the ethics of development and radical democracy. The book concludes with a radical democratic proposal for guiding developmental efforts, more to stimulate readers' discussions about alternatives than to act as a universal blueprint for developmental "planning." Readers who believe that democratic socialist development is the dismal politics of social dinosaurs might prefer to peruse the conclusion chapter now. You should know where we are going and why we are going there before the journey begins. You will find portions of this book difficult to fathom, difficult even to read. But, there is nothing of importance in this book that you cannot understand if you simply persist in making a conscientious effort to do so. Just keep reading and rereading, thinking and discussing, until you do understand. We think that everyone can be intelligent, given the chance. We think that everyone has a conscience. Combine the two: read this book with conscientious intelligence.