'Chapter 2 Contesting development in theory and practice', *International Development in a Changing World*, Rebecca Hanlin and William Brown, pages 31–48.

Contesting development in theory and practice

Rebecca Hanlin and William Brown

Introduction

In Chapter 1 we asserted that development, like any process of social change, is contested. Not only does it create winners and losers, but it opens up conflicts over different visions of the future, of what ought to happen. The different meanings of development, as well as the different aspects of development as an international process, have not surprisingly led to a number of debates in development thinking that have also had important impacts on development practice. It is important to make clear, however, that these have been debates and, while at some times there have been definite shifts from one side of the argument to the other, this is never total and at all times there are those who do not agree with the current 'mainstream' view. Often this is because, as you have seen, development is a multilinear process. It is complex. There are always winners and losers and issues that arise that create chaos, 'contradicting all that the concept of 'development' represented' (Hettne, 2009).

In fact, different views about development and how it happens are based on our values on how development should occur (a **normative** judgement), and our understanding of how it does occur in practice (an **analytical** judgement). As you will see, there isn't a hard and fast distinction between normative and analytical arguments as one will often lead into the other. Nevertheless, it is a useful distinction to keep in mind. Such conflicting normative and analytical views form the everyday content of development practice, the cut and thrust of political debates in the North and South, the arguments of development campaigners, and the proposals and actions of official development agencies and development non-governmental organizations (NGOs).

However, it is possible to stand back somewhat from the intricate detail of such everyday practice in order to identify a number of more general theories that both arise from, and influence, debates about development. Indeed, the formulation of theories about development – that is, generalized explanations of how development does and should occur – informs policies and practice on how to push it in certain directions through active intervention. As you read this book you will become aware of how difficult it is to actually divide development theory from development practice, especially when the same words are used, although often with different meanings (Lund, 2010). As Section 2.4 will suggest, all theories need to be understood in relation to the practical social contexts in which they arise and which they seek to influence. Nevertheless, in grouping together a number of viewpoints that share general propositions about development, we can help to clarify some of the key aspects of debate about development over time, the central shifts in thinking that have occurred and their impact on development practice.

Sections 2.1–2.3 look at development debates through three themes: history, agency and power, and scale. Of these, most attention is given to the history of development ideas and practice in order to provide grounding in some of the key historical turning points in this field. History here provides the framework for looking at development debates. The other themes – agency and power, and scale – are used as ways of differentiating between different positions in development debates. Thinking about issues of agency and power, and scale provides a backdrop to major issues debated within different ways of thinking about development theory and practice. As such, they come to frame development debates but also, as with the theme of history, can provide a lens through which to analyze critically these debates and the wider arena of development practice as a whole.

As we go through each theme, four main approaches to development will be introduced that have had a key role in shaping the debates about development: neoliberalism; structuralism; interventionism; and people-centred approaches. Each of these is summarized in its own box to provide an idea of the main claims. The importance of other ways of thinking about development, sometimes termed 'southern views of development', will be discussed briefly. Finally, Table 2.2 provides an overview of the four main approaches.

In summary, the aims of this chapter are to:

- introduce the history of theoretical thinking about development and the main approaches to development that have emerged since World War II
- look at some of the issues of agency and power that emerge in these theoretical debates and particularly the role of power in shaping theoretical debates themselves
- consider some of the issues about scale and the different perspectives on development that considerations of scale give rise to.

As with Chapter 1, we provide introductions to these issues, many of which are referred to in subsequent chapters in this book.

2.1 The history of development thinking

Quite where you would date thinking about the history of development from is itself a debatable point. In part this is down to different interpretations of development as an intentional or unplanned process. As you will see in other chapters, some writers date the structural transformations talked about in Chapter 1 back 500 years, to the beginning of the European expansion into non-European areas of the world. Others trace the idea of a goal of continual progress in society to the **European Enlightenment** dating back to the 17th century (see Figure 2.1) and the scientific and philosophical advances that accompanied Europe's rise.

Figure 2.1   A picture of 'An Experiment on the Bird in the Air Pump' captures the spirit of the European Enlightenment

Certainly both of these notions have an impact on contemporary debates in the shape of the legacies of historic inequalities between Europe and much of the South, as well as in debates about the European focus of development thinking (also see Section 2.2). One can even make a case that the idea of development has an even longer history in that most literate societies appear to have had some notion of social change over time.

If the focus is on the structural transformations wrought by industrial capitalism, however, as you have seen, this dates back to the late 18th to 19th centuries. And it is within the context of Britain's industrialization that we also begin to see some contours of debates about development that are familiar today. Karl Polanyi (1944, 1957) has written about these in terms of a tension, or what he calls a 'double movement', between market and society that has continued through the 'Great Transformation' of industrialization. Much of the debate about development turns on the relative roles of markets or government and state, and their actions as key drivers of development. You will come back to these discussions throughout this book.

For example, seen as intentional development actions, efforts to relieve severe poverty, such as the Poor Laws and public health initiatives in Britain in the 18th and 19th centuries (Figure 2.2), prefaced much more substantial and effective efforts adopted in the 20th century when state governments in industrialized countries saw poverty as a major cause for concern, and sought to tackle inequality in order to promote stable societies. In many of these countries there were also moves towards socially inclusive policies in education, housing and welfare, all requiring state action.

However, the struggle to enact such social improvement was waged against a prevailing 'laissez-faire' doctrine in the early part of the 19th century, a liberal tradition which forms the historical grounding of what today goes under the title of neoliberalism (see Box 2.1). This view laid greater stress on markets as the key mechanism through which development would happen.

Figure 2.2 One of the first public health initiatives in Britain was the water pump pioneered by John Snow in London to reduce the incidence of cholera and other water borne diseases

Box 2.1 Neoliberalism

Neoliberal views dominated much development thinking and practice in the 1980s and 1990s, and in those decades were reflected in the policies favoured by many governments (North and South) and organizations like the World Bank and the International Monetary Fund. In fact, in many respects, this is a modern variation of the original liberal ideas about capitalism that can be traced back to Adam Smith over 200 years ago. Neoliberalism emphasizes the action of free markets, the unfettered activity of buying and selling, as the best means of providing development. Neoliberals do not trust the state to act in the interests of its people, but believe rather that, because it is an institution, it will act in its own interest and in the interest of people who have power over the state. As a result, they emphasize the need for the state to be restricted in the scope of its actions and they concentrate on upholding the conditions necessary for markets to work, in particular by enforcing the law, upholding contracts and providing a stable currency. Competition within markets, carried out mainly by private individuals and companies, will bring about the most efficient and effective production and distribution of goods and services. As a total economy grows as a result of this efficiency, the new wealth generated will benefit everyone and will eventually trickle down even to the poorest. Thus, neoliberals stress development initiatives that help markets function well. They would emphasize the following actions:

- General economic growth.
- Developing industry that is very efficient.
- Providing the conditions so individuals can become innovative, entrepreneurial, and able to make choices and to become self-reliant.

This follows from the importance they place on individual responsibility and the value of competition.

It will be clear from this that neoliberalism emphasizes ideas of unplanned development in the sense that the workings of the market and competition are seen as the main driver of economic growth. As a form of intentional development it is more limited to actions that remove state barriers to markets. In terms of the relationship between national processes of development and the international system, neoliberalism emphasizes the benefits of open economies that are well integrated with the international economy, that allow a free flow of imports and exports, open the national economy to international competition, and are open to investment. It thus posits a particular kind of liberalized international economic interaction at the centre of development. Because these are

seen to generate benefits to all countries, it creates, according to its adherents, the opportunity for international cooperation to achieve these ends.

Deliberate efforts to tackle poverty and use state action to stimulate economic prosperity grew through the late 19th century, both in terms of social policies aimed at ameliorating the ill-effects of industrialization and in a broader sense of using the state to encourage the growth of industry in those countries (like Germany and Japan) that industrialized later than Britain. Indeed, for some development writers (Gershenkron, 1962) 'late industrialization' has typically been characterized by an increased role for the state in managing the process of industrialization.

In the South, some development efforts had been enacted by colonial powers such as Britain and France, as you will see in Chapter 3. However, it was in the post-World War II period, with many Southern countries becoming independent sovereign states, that structuralism (see Box 2.2) came to the fore. Countries that had recently gained independence after periods of colonialism were concerned to develop their economies and improve the material conditions of their populations, often through state-directed development plans. It was also during this period that we see the acceleration of intentional development in the form of aid, loans and technical assistance from industrialized countries as you will see further in Chapter 12. Certainly in some countries of the South, such as India, the existence of a non-capitalist, state-planned process of industrialization in the form of the Soviet Union played a crucial role in supporting the idea that state intervention in markets was necessary for development to take place. Even in many industrialized countries, mixed economies involving elements of state planning and ownership were prevalent for a time. Levels of state intervention varied from country to country.

Box 2.2   Structuralism

Structuralist views hold that markets only bring economic growth to some, and in order to ensure development you have to look at economic and social structures – who has power and who owns what. These structures greatly affect one's ability to enter and survive in markets. Structuralism therefore takes a critical view of unfettered markets and argues the need for state governments and international agencies to control markets, to make sure that competition is fair, and to distribute the benefits of wealth. Many of the strategies followed in the post-World War II period by governments in the South and North had structuralist elements. Although often associated with the Marxist and socialist left, in fact there are both left- and right-wing versions of structuralism (Brett, 2009).

In terms of intentional development actions, therefore, structuralism sees state actions – such as restrictions on imports, controls over financial flows, subsidies to particular industries, say – as necessary to combat

what are seen as entrenched obstacles to development. In terms of domestic policies, some structuralists would certainly agree with redistributing wealth so that the poor have more resources and, while aiming for higher economic growth, would want equal attention paid to improving social wellbeing, such as access to education and healthcare, and enhanced physical environments. However, structuralism also implies a very different kind of relationship between national economies and the international system, with deliberate and highly politicized interventions in international economic flows of trade and investment. In part, such actions are seen as necessary in order to offset the negative effects of the 'unplanned' developmental tendencies within capitalism which, left unhindered, will exacerbate inequalities within and between countries and create obstacles to the development of the poorer countries.

However, a broader set of structuralist arguments about the place of the South in the international economy strengthened the view that states needed to manage international economic flows (trade, investment and technology transfer) if development was to happen. By the 1970s, many Southern countries argued for the need for reform of the international economy itself, in a campaign for a **New International Economic Order** which would seek to control international markets in commodities and raw materials in order to deliver greater benefits for developing countries.

In the event, the campaign came to little, and by the end of the 1970s, crisis in the industrialized economies and significant political shifts saw a resurgence of neoliberal ideas and practice. Those on the right of the political spectrum saw state interference as hindering the dynamic of private enterprise, and argued that politicians and civil servants were not competent to direct economic growth. These shifts were reflected in policies of major international organizations like the World Bank and, combined with crises in structuralist approaches to development, saw many Southern countries adopt neoliberal ideas. In 1989 the Soviet bloc of communist-inspired, state-led development collapsed, giving greater ascendancy to neoliberal ideas. Since then, most countries, including much of the South, have to some extent embraced the liberal capitalist view of development.

Due to the severe impact on poor people of many neoliberal policies, the 1990s and 2000s saw considerable shifts towards taking greater account of poverty and a renewed emphasis was placed on **accountable governance** in order to further improve the actions of the market. In what some term interventionism (see Box 2.3), governments in both the North and the South combine efforts to limit state public expenditure, encourage private enterprise, and increase exports with more interventionist policies aimed at improving the conditions of the poorest in society. Thus the emphasis on markets from neoliberalism is combined with a set of intentional actions aimed at specific developmental goals. There have also been moves to increase the accountability of the state by devolving services to local government, and encouraging the participation of citizens in planning and evaluating services. Governments differ in their response to the provision of services (healthcare,

education, planning) by providing services directly, working through partnerships with the private sector, or facilitating the private sector to provide services. Accompanying this, the increasing integration of world markets where all countries trade and compete with each other, known by some as **globalization**, provides a critical political and economic context for development activity.

Box 2.3   Interventionism

Many observers claim that a combination of policies, both structuralist (state-led) and neoliberal (market-led) strategies are often necessary. Much development debate now focuses on the extent and form of intervention. This approach, referred to as interventionism, argues that both markets and states are important to development and that both need to operate well in order to create the right conditions for development. Drawing on some of the 'Third Way' ideas of the Labour government in Britain (1997–2010) and Bill Clinton's presidency of the USA (1993–2001) as well as from the criticisms of neoliberal policies of the 1980s and early 1990s, interventionism represents something of a synthesis of the other two approaches (Brett, 2009). The World Bank's view in 1997 gives a flavour of it:

> Development – economic, social and sustainable – without an effective state is impossible […] an effective state – not a minimal one – is central to economic and social development, but more as a partner and facilitator than as director. States work to complement markets, not replace them.
>
> *(World Bank, 1997, p. 18)*

2.2   Agency and power in development

In Chapter 1, you have already come across many different agents of development – states, individuals and businesses operating in markets, international organizations, NGOs and groups of local people. For example, we discussed the power of individual nation states in the UN system. However, Activity 1.2, which looked at attitudes towards the car industry in Detroit, highlighted the power of business entities and particularly the power of what have become large multinational firms and transnational corporations (TNCs).

These actors (states and TNCs) are part of a set of macro level agents of development. There are, however, many other agents of development both as collectives, that is groups of individuals, and individuals themselves. Examples include:

- the influence of individuals in social movements such as the American Civil Rights Movement
- the UK's Make Poverty History campaign
- international activity around the World Social Forum

- smaller community level activity such as in China with respect to the Three Gorges Dam, a controversial building project to create the world's largest hydropower plant on the Yangtze River.

We as individuals, as discussed in Chapter 1, also act as development agents in our day-to-day activities, both consciously and unconsciously, through the decisions and actions we take.

All agent's of development, whether they are working at the macro level (state and market) or the micro level (individual and community), are qualitatively different in the way they operate, maintain themselves and evolve. Linked to this, the agency, or degree to which these agents are free to make their own decisions and follow their own chosen path of action, is also an important issue that needs consideration. This agency is determined by both individual and collective action but is also influenced by a wider context and the interaction of an agent with wider society.

You will read more about the various agents of development in a number of the following chapters. For now the short examples in Box 2.4 should help you contextualize this discussion a bit more.

Box 2.4   Agents of development at work

Computers and their programmes

In 2007 a European Union court found Microsoft guilty of breaching anti-trust rules. The case against Microsoft related to the dominance of its operating system, which was being used by over 95% of the world's computers at the time. *The* Economist (2007) magazine wrote: 'Microsoft's pride may have been hurt by the court, but its dominance is hardly under immediate threat.'

Latin America's development

In the 1950s and 1960s many Latin American countries started to move their economic activity towards more inward-looking markets through a policy known as **Import Substitution Industrialization (ISI)**. Instead of importing industrial products from abroad, tariffs were used to protect industry so that goods needed by national consumers (both individuals and firms) were produced domestically. One argument (from Dependency theory, discussed later) to explain this decision was that Latin American countries were on the periphery, that is they were not key players in the global system both politically and economically, and were therefore prone to 'underdevelopment'.

Baby milk advertising

An international boycott of Nestlé products from the 1970s by concerned consumers due to their aggressive marketing of powdered baby milk, particularly in developing countries, led to the setting up of a range of consumer groups and social movements, including Baby Milk Action and the International Baby Food Action Network, as well as the development of the International Code of Marketing on Breastmilk Substitutes by the World Health Organization (in the 1980s). In 2009, the boycott had

resulted in a ban on all Nestlé products in 73 student unions and 102 businesses in the UK (see Figure 2.3).

Figure 2.3 Nestlé's promotion of its baby milk products was a source of civil society action

Activity 2.1

Once you have read through the examples in Box 2.4, answer the following questions:

1 Who were the main agents of development involved in each of these case studies?
2 What do you think was a major factor in determining the outcome of the agents' activities?

Do not spend more than 15 minutes on this activity.

Discussion

In answering the first question it is important to realize that there are the obvious agents of development – the main actors of the story – such as a TNC, a state government and individuals often acting within social collectives. However, they have not operated in isolation. In each of these examples there are multiple agents of development involved.

The degree to which the TNC, the state, the individual and the social collective were successful in their activities is determined in part by the degree of power that they hold in relation to other agents or actors, which in turn determines their ability to act. Power is therefore an issue that is intricately bound to the notion of agency. People often define power in terms of control and influence over others but it is also important to consider power

in terms of the degree of freedom an individual has, or in other words the degree to which power is enabling or constraining. As such, power is relational because it is determined by your interaction with others. Related to this, it is also ever present because we exist within a society where we are constantly in contact with other people, organizations or institutions, resulting in a constant juggling of power relations.

The extent to which agents can (or can be enabled to) act together while recognizing their own interests is a major issue for development. As you may have noted, much of the historical evolution of debates about development turns in part on arguments about who or what are the primary agents for development. In particular a tension exists between those approaches that emphasize state-based actions, and those that emphasize market operators as the best drivers of development. Many neoliberal interventions in development are based on a critique of the negative impact of states as agents in guiding policy. Conversely, much structuralist analysis is based on a critique of the structure of markets as a limiting factor in the development prospects of the poorest. Both critiques shaped the interventionist compromise that came to dominate official development discourses in the early 21st century.

In understanding these different takes on agency, it is important to realize that, at different times, different theories have been heralded as correct for understanding the present, explaining the past and providing a framework for the future. However, we would do well to remember Brett's words of caution:

> Development studies, unlike mathematics or chemistry, has to deal with a conflict-ridden reality and produce future-oriented predictions and prescriptions that will constantly be undermined by unforeseen events. The fashionable orthodoxies of the day will always be threatened by dissolution, but they incorporate all the knowledge we have about how to proceed, and are constantly being criticized, corrected and improved as the development community responds to its successes and failures.
>
> *(Brett, 2009, p. xviii)*

In recognizing this, it should become clear that visions of development are dependent on whose understanding of development becomes the most dominant. It is difficult not to recognize that the dominance and prominence of different views of development relate to the knowledge, power and politics of those involved.

This, to some extent, is an argument as to why many Southern theories of development, which developed outside of the North (this is discussed further in Section 2.3), have not taken hold, although more often than not it relates to the specificity of their development and scope. Such a view builds on arguments of neocolonialism whereby, in a similar way to during the colonial history, agents of development often seen as being located in the North exerted their influence over the countries and populations of the South.

Recognizing the power and inequality inherent even in theory accepts that 'each development theory can be read as a **hegemony** or a challenge to

hegemony' due to its role in building support or opposition for theories in order to influence policy discussions and ultimately policy implementation (Nederveen Pieterse, 2010, p. 27). As analysts we bring our values, ideals and perspectives to issues and with that also our politics and existing dominant power relations (Clifford and Marcus, 1986; Crewe and Harrison, 1998).

It is perhaps unsurprising therefore that there is a set of theorists who reject all other theories of development because they are critical of the political processes by which those theories were produced. These theorists and practitioners argue for a more critical reflection on what 'development' actually means. For some this requirement is premised on the argument that what is seen as the dominant view of 'development' has come about because of the 'universalizing power' of the relationship between the market and the state determining how all economic, political and social activity takes place (Sachs, 1992). Thus, these theorists argue for the theory and practice of international development to become more self-critical (Rahnema and Bawtree, 1997) or 'reflexive' (Nederveen Pieterse, 2010). By this they mean that we (that is, those studying or working in international development) must recognize our place within the world and our impact on it. At the same time this approach calls for more inclusive development research and practice, requiring ownership by those for whom development is taking place. There is thus an emphasis placed on investigating alternative representations and practice within local settings (Escobar, 1995) so that the 'multiple narratives' of all those involved in development activities are heard reflecting the importance of participatory approaches to development (Peters, 2000), but also the politics inherent within such an approach (Mosse and Lewis, 2005). This approach acknowledges difference and therefore power relations from the outset (Hettne, 2009).

2.3   Questions of scale

Our final theme focuses on how different approaches to development conceptualize the scale of these processes and actions. Questions of scale can be divided into a number of registers – local community or household level, sub-national regional level, national level, international and global. We have made a case already in Chapter 1 that in studying 'international development' we think that the international scale has a unique role in conceptualizations of development, so there is no need to repeat those points here. But it is apparent from the history of development ideas discussed in Sections 2.1 and 2.2 that scale matters in defining goals of development and in understanding the unplanned and intentional routes towards those goals.

Activity 2.2

Review Table 2.1. This was first introduced to you in Chapter 1. Note down whether these examples are focused at local, regional, national or international scales. We have numbered each goal to help with this task, and provided a couple of examples to start you off.

Do not spend more than 15 minutes on this activity.

Table 2.1 Development goals and routes

		Goals of development		Scale levels
		Broader goals: the structural transformation of society	Narrower goals: achieving specific social targets/ improvements	
Routes to development	Unplanned processes of social change	1.1 Transition from agricultural to industrial society 1.2 Dynamic growth and change inherent to capitalism 1.3 Urbanization 1.4 Modernization 1.5 Unintended impacts of warfare and conflict 1.6 'Shocks' – economic crisis, political upheaval or environmental disaster	2.1 Impact of economic growth on incomes 2.2 Positive impacts of technological change on livelihoods	1.1 National 2.2 Local
	Intentional collective action in international, state and non-state forms	3.1 Macroeconomic and governance reforms 3.2 State promotion of industrialization 3.3 Promotion of technological change 3.4 Promotion/regulation of urbanization	4.1 International and national efforts at poverty reduction 4.2 National social policies to promote literacy, health, education, etc. 4.3 State and non-governmental aid 4.4 Rural and urban community improvement and fair trade schemes	3.4 National 4.1 International

Discussion

You may have found it quite difficult to put an issue into a single level of scale. This is because often issues cross traditional boundaries or the issue may depend on the contextual environment on which you are focusing. So, for example, there are interactions between national-level development processes and the international implied in relations between international organizations and national governments. At the same time, there is an argument that suggests all issues impact at the local level even if they start out as international issues.

Therefore, it is important to spend a few moments reviewing a key debate in development that we have not yet touched upon, which focuses our attention very firmly on issues of scale. People-centred development (see Box 2.5) arose in the early 1970s in part as reaction to the large-scale state-directed development efforts inspired by structuralism. As you can see from Box 2.5, it has two key differences when compared with other approaches. The first is a disagreement about the goals of development, making a strong case that they

focus too heavily on economic growth rather than the narrower specific goals of improving the lives of poor people. However, the second difference is about scale, with the focus of development efforts being the need to bring people more directly into control over change, supporting localized action, participatory processes and local ownership of development projects. As such, they are critical of the role of donors, large NGOs and even the state in acting for people. But it is also a critique of these actors as being too remote because of the scale at which they operate.

Box 2.5   People-centred development

People-centred development is highly critical of all economic approaches instead emphasizing:

- redistribution of wealth so that the poor have more resources
- improving education and skills
- improving the health of the people
- providing the conditions for people to become self-reliant
- ensuring that government is accountable and well managed.

It emphasizes **participation** and **empowerment** rather than economic growth and the satisfaction of human needs as the purpose of development. Dudley Seers (1969, 1979) pioneered this approach to development. His original six 'conditions for development' build on the five key issues raised above and have been extended by the experience of the decades since the 1970s (points 7 and 8 below). These eight key 'conditions of development' form a human-needs-centred development approach (an extension of the people-centred approach):

1   low levels of material poverty
2   low level of unemployment
3   relative equality
4   democratization of political life
5   'true' national independence
6   good literacy and educational levels
7   relative equal status for women and participation of women
8   sustainability, the ability to meet future needs.

The people-centred approach has also been presented as a juxtaposed stance against other 'mainstream' Western approaches. The people-centred approach and others similar to it were influential in the 1980s as a counterpoint to the rise of neoliberalism. Since then they have remained a constant force. In fact, by the beginning of the 21st century there was something of a return to this approach within mainstream international development policy arenas of social as well as economic concerns of development. The development of the MDGs discussed in Chapter 1 is an example of this. As the WHO's Commission on Social Determinants of Health put it:

> Take the central policy importance given to economic growth:
> Economic growth is without question important, particularly for
> poor countries, as it gives the opportunity to provide resources
> to invest in improvement of the lives of their population. But
> growth by itself, without appropriate social policies to ensure
> reasonable fairness in the way its benefits are distributed, brings
> little benefit to health equity.
>
> *(Commission for Social Determinants of Health, 2008, p. 1)*

The dominance of Western approaches to development thinking and practice
has led some to argue that much development tradition is based on 'Western
ways of creating the world' (Strathern, 1988; Escobar, 1995). However, there
are a variety of 'Southern' theories of development that have been influential
at various times and places. Examples of these are listed in Box 2.6. The
discussion above has concentrated on Western theories of development
because of their international prominence. However, this is not because we
elevate these in importance over other theories of development. These
alternative theories of development that originated in the South have at times
been extremely important in shaping the international development debates.
For example, dependency theory was key to shaping much structuralist theory
and has also contributed to **world systems theory**, which has been applied to
a wide range of fields not just that of international development. As the global
forces of power change axis (see Chapters 3 and 4 in this book), it is possible
that future Southern theories of development will have the potential to eclipse
these current dominant Western theories. The experience of some Asian
countries has already made many development economists reconsider their
understandings of how development happens.

Box 2.6   Examples of Southern theories of development

Dependency theory: argues that the reason some economies have not
developed as others have (resulting in 'underdevelopment') is because
they stand on the periphery of technological innovation which is seen as
crucial for promoting economic growth. Some proponents of the theory
believe that countries can 'catch up' with the central countries but for
other theorists this would result simply in a new set of dependencies
being created. This approach was developed in Latin America and has
been influential since the late 1950s.

Gandhian economics: building on the writings of Gandhi from the early
1900s, this approach views small-scale, community-based self-sufficiency
as the key to economic and social sustainability. The emphasis is on
wellbeing as the driver of economic activity, and limits to the amount of
wealth required. In addition there is a strong emphasis on trusteeship and
the notion that those with wealth would act in the service of wider
society. Gandhi's ideas on a village-based economy are said to have had
some influence in shaping alternative approaches to development such as

Tanzanian socialism of the 1960s–1980s. Gandhianism has occasionally resurfaced in Indian politics (as with the protests over corruption in India in 2011), though has had little influence over India's overall approach to development.

2.4   The key approaches to development

This chapter has outlined a series of key approaches to development that have been influential within development studies theory and international development practice. These key approaches have been introduced through a framework of thinking about the context within which development occurs and three key themes that need to be considered: history, power and agency, and scale. Table 2.2 provides an overview of these approaches to development, outlining their main concerns, the time period they were most influential, key thinkers associated with each approach, examples of this approach in practice and, finally, the specific international implications of each approach. The aim of this table is to provide a good overview of the key 'take-home' points from each approach, building on what you have already read. Take some time to go through this table and understand it. It will become a useful tool, along with Table 1.1 in Chapter 1, to help you understand many of the arguments and issues raised in the rest of this book.

Table 2.2   Summary of key approaches to development

	Neoliberalism	Structuralism	Interventionism	People-centred
Main claims/ concerns	Emphasis on free market solutions and limitations on state/government action. For a strong but limited state, allowing markets to emerge and work.	Emphasis on the structural bias in world economy against growth and industrialization in developing countries. Need for strong public action in the form of national controls on economic flows (investment, trade) and international regulation to change international commodity markets, technology transfer, etc. More radical versions emphasized 'de-linking' from world economy and national or autarchic development.	Something of a mid-point between neoliberal and structuralism. Has neoliberalism emphasis on market solutions and on capitalism as the motor for development but recognizes market limitations and failures and need for state intervention to address social problems (poverty, education).	Emphasis on meeting human needs (poverty, unemployment, education, housing, etc.) and for policies directed to these ends rather than macro-level aims (economic growth, industrialization, etc.). Emphasizes the negative effects of industrialization strategies.
When influential	Intellectual background in classic political economy of Adam Smith and Ricardo in the late18th to19th centuries, whose ideas influenced 'laissez-faire' British policy in the early 19th century, as well as the inter-war Austrian school of economics. More recently came back into favour (hence 'neo-') from mid-1970s. Dominant in UK and USA from 1980 and over the international finance institutions. Continuing, albeit more qualified, influence from mid-1990s on.	Early versions in work of German economist Friedrich List in 19th century but key ideas were post-World War II analyses of the problems of 'catch-up' facing developing countries. Major influence in 1950s and 1960s on development policies of the South. More radical versions in the dependency theory of Gunder-Frank and Wallerstein had less practical influence.	In some versions, influence of Keynesian ideas of economic regulation which were influential in 1950s and 1960s in the industrialized world, but mainly to the fore from mid-1990s with much less Keynesian influence. Evident in policies of New Labour in the UK and Clinton administration in the USA; and increasingly in World Bank policies towards the South, especially from 1997 onwards.	Originally developed in the 1970s as a response to what was seen as the top-down nature of development strategies (e.g. structuralist). Influence on some policies (e.g. World Bank rural development) in 1970s but growing influence within development NGOs in 1980s and 1990s. Some ideas are reflected in poverty reduction strategies of late 1990s and beyond.

Table 2.2 Summary of key approaches to development (continued)

	Neoliberalism	Structuralism	Interventionism	People-centred
Key thinkers	Ludwig Von Mises, Fredrich Von Hayek, Milton Friedman, Peter Bauer	Raúl Prebisch, Fernando Henrique Cardoso, Andre Gunder Frank	Joseph Stiglitz, Jeffery Sachs	David Korten, Dudley Seers, Amartya Sen
Examples of development practice	Structural adjustment policies of the IMF and World Bank, trade liberalization, e.g. through World Trade Organisation (WTO)	Import Substitution Industrialization (ISI) policies of 1960s and 1970s, campaigns for New International Economic Order of 1970s	Poverty Reduction Strategy Papers (PRSPs) from the late 1990s on social sector spending combined with market liberalization and governance reforms in the 2000s	Community-level aid (and empowerment) projects funded by governments and NGOs
International implications	Implies that development occurs through liberalized integration between national and world economy, with free flow of trade, investment and finance. Politically for stringent conditions on granting public money through international aid efforts and the like.	Implies a highly regulated and managed relationship between national and international economies; nationalist in political orientation and an anti-colonial/ -imperialist political rhetoric.	Entails liberalization of international economic flows, but also for international public action to achieve social goals. Political rhetoric of international consensus around markets, governance reform and social improvements.	Can contain anti-corporate discourses against TNCs as well as radical critiques of impact of World Bank aid projects. Presents a picture of communities struggling against outside (national and international) impositions and exploitation.

Summary and looking forward

In this chapter you have seen how many of the contested ideas about development, introduced in Chapter 1, turn exactly on different ways that development actors and theorists define development in relation to the different goals and routes of development. Indeed, you might find it useful to look at the boxes outlining different development approaches to confirm this claim. In between, we have explored how both the meanings of development and the contests around development theory and practice have to be interpreted through a framework of the international system which both sets a context for, and shapes the nature of, development in its different guises. We emphasized in particular how development is both interactive between different countries and multilinear in the sense that no one country is fated to follow exactly the same historical trajectory as another. It is partly because of this complex and fluid terrain that studying international development is such a stimulating and challenging prospect. It is also a necessary one if we are to contribute to achieving change for the better in the world.

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