

The State of Development Thought

Abstract

What is development? How does it happen? How have ideas on development changed since the Second World War? How has thought driven practice, and how has practice in turn shaped thought? Some initial insights are identified from the volume's examination of the interplay between ideas, ranging from specific issues such as poverty and inequality, and the experiences of particular countries and regions. First, both the generation of ideas on development and their application in practice can be properly understood only within their particular historical, political, and institutional contexts. Second, contemporary thinking is increasingly generated in a more diverse set of locations, while policy-makers are also progressively drawing inspiration from beyond the intellectual capitals that loomed large in the past. Third, as a consequence, consensus on what constitutes "development" and how to best pursue it may well be a thing of the past. Practice may well improve as a result.

Keywords: international development, history, ideas, developing countries, development practice, economics, development policy, human development

Why This Volume?

What is development? How does it happen? What can policy do to make it happen? Our project is designed to trace the evolution of responses to these questions over the past seventy years. The focus is on the interplay between ideas and experience in development broadly construed. How have ideas on development changed since the Second World War? How has thought driven practice, and how has practice in turn shaped thought? Our central proposition is that the certainties of the immediate post-war period are not with us anymore. Development is no longer seen purely in terms of economics and economic growth. It is also no longer seen as being dependent either solely on state direction or solely on the free play of markets. And development “wisdom” no longer emanates from the developed countries of the north. As a result of the current mutability in the field, the moment appears ripe for a stocktaking of where we are, an analysis of how we got here, and some speculation on what all this portends for the future.

Thought on development involves both theoretical and empirical dimensions. The former mostly revolves around theories grounded in the concepts of a particular academic discipline, which are often obscured by more accessible insights and rhetoric about what development constitutes and how it supposedly occurs. Theorizing about development can depart from normative or

empirical bases, from moral principles and values relating to a desirable society, or from evidence about how societies have changed over time. Thus theoretical and empirical lines of thought are intertwined, and many of the contributions to this volume speak to the interplay between the two. If there is a trend to recent decades of thinking on development, it represents a gradual shift away from grand theories, such as modernization or dependency, toward a more modest aspiration grounded in realist and positivist philosophy. Whereas thinking on development once aspired to explain the unintentional evolution of people and places through history, more recent thinking tends to focus on the gap between the goals of public policy and what was achieved in practice, thus evolving in response to perceived success, failure, and surprise. It reflects a desire to do things differently in order to improve upon past performance and realize a better future. Hence the emphasis we place on experience and practice, which might have been seen as less relevant to foundational thinking in this field three or four decades ago.

More than ever, those concerned with development want to understand and assess the policy and experience of others in order to develop ideas relevant to their own countries. On the one hand, thinking on development is pulling together, breaking out of disciplinary silos and drawing on ideas, concepts and theories across the natural and social sciences. This volume recognizes an

increasing accord among scholars and practitioners around the constituents of development (if not the weight that might be attached to each); and the existence of a plurality of views on what “works” and what does not, across time and place. The variety of contributors and their perspectives highlight how diverse approaches complement and enrich one another. On the other hand, thinking on development may be tearing apart, shifting as lines between international politics, development and security blur and hitherto developing countries become major powers. As the developing world becomes more influential for global prosperity and the movement of people and ideas, it challenges the foundations of relations between the developing and developed world. It is thus an opportune time to re-examine the critical debates that have shaped thinking on development until now, and how such thinking may evolve in the coming decades.

In trying to understand the evolution of economic and human development up until today and where it might be headed, a historical approach on the thinking underpinning it is essential. As every chapter in this volume demonstrates, successive phases of thinking are informed by the platform on which they were formed. Beyond this, in a recent book on the history of economic thought Agnar Sandmo (2010) suggests three reasons why understanding the evolution of thought is important. First, the history of thought can be fun. Clearly, such treatises are an acquired taste, and the editors stake no claim on the entertainment value of this book though we

do hope the reader finds many of the chapters enjoyable. But we do place a premium on readability, as part of the challenge in surmounting ideology and disciplinary silos lies in banishing unnecessary jargon within an informed narrative. Second, the history of thought should be part of a liberal education. This comes nearest to our view that as power points shift globally and become more diffused, it is ideas and not gravity that drive change. A liberal education is about broad thinking, and the inculcation of the “scientific method” that advances good ideas and discards bad ones. Third, the study of the history of thought shows that a field is not static but is evolving. Evolution need not mean all new ideas all the time. In development, it is the resurrection of traditional ideas – for example industrial policy, or land as an essentially non-economic entity – re-shaped, combined with others differently than previously, that is as much a feature of current thought as are new ideas (such as the use of randomized controlled trials to guide policy interventions) which may prove ephemeral.

As with any process of evolution, understanding the path is as important as defining the end point. In the case of development, the end point remains unknown and the paths are many. All the more reason to study them. Taking a broad view of development as the starting point, the papers in the volume cover the evolution of thought and characterize the current state of development thinking. They range from explorations of specific issues such as poverty and

inequality, through perspectives on development in particular countries and regions, to broader questions such as the nature of development itself. This overview presents a brief account of the evolution of development thought, focusing on the post-second world war period, as a means to set out the foundation upon which this volume is built. This is followed by a road map to the volume, including a brief introduction to the individual chapters in the collection. The final section presents some insights, reflecting on the motivation for this volume and what the editors have learned along the way.

The Evolution of Development Thought

Concern over development has been with us for as long as people have existed, for it is fundamentally about the improvement of the human condition. But its study as a formal line of enquiry is more recent, and best seen in two waves. The first dates back to what W. Arthur Lewis (1988: 28) terms the “superstars of the eighteenth century”, the contributions of David Hume, Adam Smith¹, James Steuart, and later, John Stuart Mill.² The classicists’ ambit was what we would today term questions of economic growth, the distribution of wealth and the principles underlying personal behavior and public action. Thinking largely concentrated within the British Isles in the eighteenth and nineteenth centuries was complemented by that of the

French *philosophes*, which focused less on economic factors (and perhaps efficiencies) and more on the promotion of greater equality and freedom and a just society. The *philosophes*, driving a form of French *enlightenment*, that culminated in, and rapidly reached a dead end in the excesses of the French Revolution, were discussed and sometimes hosted by elites and courts in Prussia and Russia. While encapsulated in a shallow layer of society, the conversation extended new ideas throughout much of Europe's political and intellectual elite. Meanwhile, in the newly independent United States of America, its former constituent colonies were seeking to practice what the great minds of Europe had merely preached several decades earlier. Finally, and worthy of note, were the efforts of Napoleon Bonaparte in France to codify both law and national education available to all citizens. (In the UK, the development of the "common law" came about as a process of aggregation over time of custom and innovation through the complex interactions of parliament, increasingly independent courts, and monarchs of varying but decreasing autonomous power.³)

The second wave of discourse on development stems from the end of the Second World War and the accompanying preoccupations with European (and of a different scale and nature, Japanese) reconstruction, maintaining the peace while fighting the Cold War, decolonization and the emergence of newly independent but poor countries. There are antecedents here – the outputs of

(mainly) colonial administrators and culturalists who took a fancy (sometimes a dubious one) to the more exotic parts of their country's empire, and with a quite different orientation the seminal work during the 1930s and 1940s on economic planning for a post-independent India by the National Planning Committee of the Indian National Congress. But (for example) Edwin Seligman's pre-war *Encyclopaedia of the Social Sciences* contains precious few entries pertinent to the growth industry that development would constitute just two decades later. It was not until the Marshall Plan of the late 1940s and 1950s that a comprehensive and sustained interest in the design and practice of **development** emerged as the confluence of fighting poverty, (re)building infrastructure, keeping enemies at bay, and strengthening the institutions of good and democratic government.

But the Marshall Plan, focused on Europe, and parallel massive aid to parts of Asia, notably Japan and Korea, were very much concentrated on reconstruction (as were such institutions as the International Bank for Reconstruction and Development and the slightly later Organization for European Economic Cooperation), a notion which explicitly recognized that advanced economic and often political achievements had been attained in those territories in decades preceding the Second World War. The success of these post-war reconstruction ventures produced what seems in retrospect a facile belief that with means, good will and hard work,

development could be encouraged everywhere with similar methods and results. This would not prove the case.

Thus while a post-war timeline for the present examination of development thinking and practice is apposite it is also perhaps prone to generating confusion. Indeed, it was only in the 1950s that thinking and planning for development as we conceive of it today seriously took root (beyond the Soviet Union). Thinking about development tended to be “overarching” in nature: the Big Push, Marxian interpretations, Dependencia theory, and Basic Needs. Beyond these signposts, development came to be seen through two distinct lenses which endure to this day: *early developers* from the West who sought to replicate their own evidently successful experience at modernizing; and *later developers* — foreign aid donors — who prescribe actions especially designed for poorer countries. These lenses in turn shaped notions of development in economic and normative terms. But these lenses were not always complementary or internally consistent in their logic. For what was deemed to have “worked” for the early developers was not necessarily what was prescribed to the later developers. Geopolitics and the ideology of the time clearly trumped pragmatism or the historic record. This is most evident in notions of the role of the state, which cemented into dogma in the two principal blocs (three counting the smaller

though still influential one centered on China) into which the developing world found itself divided during the Cold War period.

Throughout time there have been important voices of dissent from the mainstream approach to development. A principal strand, which went beyond dissent to actually hold sway in many countries, was the view of the leaders of newly independent countries themselves, starting with Latin America in the nineteenth century and continuing with Asia and Africa in the twentieth century. Shaped by their experience with colonialism, they were unsurprisingly wary of close economic and political ties with their former colonizers and other rich Western powers.

Likewise, they were deeply suspicious of advice to adopt those economic and political systems that had enslaved their peoples, sometimes for centuries. Yet many were passionate admirers of the Western model of democracy and its institutions; they were only disillusioned that these were not applied in their own lands by the colonizer. Driven also by the imperatives of nation-building (and their own not incorrect reading of the path that Western countries had taken) these leaders saw a central role for the state and public institutions in charting (rather than merely managing at the margins) the process of development. Indeed, those countries that set their own path early seemed to fare better later on.

Faith in a unique way forward came with perils. In the late 1950s and 1960s, Iran entered into a forced march toward modernization along Western lines, which at the time was hailed by many as exemplary. The strains experienced within the country's social fabric, recognized by anthropologists and sociologists, went unheeded in Tehran and foreign capitals. The 1978 revolution was in many ways a backlash against development as it was then pursued by a self-serving elite. Although entirely different in context and outcomes, the broad point about such blind faith might also be made about the collapse of the Soviet states and the current crisis in the U.S. and Western Europe.

Yet as long as money and ideas were flowing in tandem to the developing world, a hallmark of the post-war multilateral and bilateral aid architecture, the unified understanding of development was one defined in the West and not by the developing world. This was epitomized by the so-called *Washington Consensus* of policy prescriptions which crystallized in the late 1980s, coherent on their own terms, yet seemingly ignoring political and social context. Of course a lot can be said on this and was, including about the extent to which the original proposals were (or were not) traduced and otherwise distorted. Some argued that it was not sound even on its own terms (i.e. the policies advocated would not lead to economic growth even if implemented). Then there were further critiques—the proposals would not be implemented, or would be only

half implemented, because of social and political constraints. Or, further, that the objective of economic growth itself was problematic, even if supplemented by equity, because of longer run environmental constraints. Missed in the din was an important message: that sound policy - not least state financial policy - matters, and that many varying articulations of sound policy are not only possible but desirable.

Inevitably, numerous challenges emerged that critiqued and undermined the tidy (and, in hindsight, over-reaching) nostrums of that “consensus”. These came from within the developing world, from civil society organizations, and from credible institutions such as UNICEF. The ensuing debate conspired to place the field in great flux. Market and political forces at home and abroad demonstrated the limits of grand schemes, albeit in different forms in different places. Compounded by profoundly altered global economic and geo-strategic circumstances, a unified understanding has succumbed to numerous challenges, leaving behind varied new views on how to achieve development. Among the more salient of these are: expanding definitions of success, the importance of context to whether development ‘works’, and a renewed appreciation for the questions economics cannot answer.

First, what is cast as constituting success has changed over time, embracing a bewildering number of goals of different sorts at varying scales of ambition and cost: from national income to individual freedoms, from global health to safer communities. Choosing the objectives, ends or goals of development is a value judgement in the realm of the normative. The early reliance on growth in incomes as the sole measure of success in development practice, or as a proxy for a broader array of the components of development, has withered under the combined assault of experience and reason. For one, measures of economic growth are poorly correlated with other features of development. Also, welfarist approaches have demonstrated the importance of so-called value-heterogeneity (Pildes and E.S. Anderson 1990; Sen 1988). More recent understandings of development have layered new aspirations on top of older ones. For example, many conceptions of the “wealth of nations” expanded to include expectations of a just society that affords its citizens the opportunity to satisfy their basic needs and realize freedoms (on the desirable range and ordering – if any - of which consensus internationally remains elusive, beyond the realm of human right treaties). Progress is now widely assumed to mean positive movement in some combination of income, education, health, nutrition, housing, the environment, personal security, personal liberty, and the quality of public institutions – including their distribution across population groups and regions. There is little consensus on exactly what progress constitutes in its components, nor any need for one, as there is little prospect nor the

theoretical foundation for creating an “optimal” political system that would yield an “optimal” development outcome.

Second, experience and observation have shown that the extent to which development ‘works’ depends in part on particular local, historical or institutional contexts. Thus general policy prescriptions will fail when the necessary conditions that make them work are either absent, ignored or poorly understood. In short, context matters, suggesting a need to study how people understand their own development experience. As Dani Rodrik (2010) puts it, “there has not been a greater instance of poverty reduction in history than that of China in the quarter century since the 1970s. Yet can anyone name the (Western) economists or the piece of research that played an instrumental role in China’s reforms? What about South Korea, Malaysia and Vietnam?” Equally, the implosion of the countries of the former Soviet Union and Eastern Europe demonstrated that it was not market economics alone that was on trial, but perhaps dogmatism more broadly. If the countries of the world are varied in every way from their initial conditions to the degree of their openness to outside money and influence, and success is not centered in any one group of countries, it stands to reason that there cannot be a single recipe for development.

Third, the discipline of economics has well-known, if often overlooked, limitations in its application to real-world problems. A partial list includes the inability of conventional approaches to appropriately value the contributions to human welfare by the environment, house work and leisure; the role of history (“path dependency”) and cultural norms in peoples’ behavior and actions; and the importance of good government and sound public institutions to well-functioning markets. Any single discipline contains its own the strengths, weaknesses, and blind spots. The way forward lies in understanding how various disciplines can be brought together to enrich our understanding of development and its practice.⁴ Such an approach might yield, for example, a nuanced role for government to create and strengthen markets, and sometimes circumvent them in the public interest, but not consistently to replace them.

The financial crisis initiated in 2007-2008 laid bare the continuing fragility of the economic systems and the unpredictable and sometimes shaky capacity of governments in Western countries to manage them. At the same time, the crisis seems to show a new resilience among the emerging powers. The previous near-consensus on the wisdom of deregulating markets eroded quickly, yet it is not obvious what should take its place. In the aftermath of dealing with their recessions, many developed countries chose or were forced to introduce austerity budgets

cutting expenditure, but in so doing risked further decreasing incomes and undermining social protection more needed than in times of smooth sailing.

Heated debate continues among economists on which policies would serve affected economies best, with agreement elusive (although many of the economic dynamics at play are widely accepted within the discipline). This, of course, further calls into question near-certainties of old on how development happens. Citizens and experts alike dusted off previously discarded theories and began to search for new ideas. Such is the nature of inquiring minds. Meanwhile the Occupy Movement rebuked growing inequality in developed countries, while the economic engine of global power appeared to shift to regions hitherto labeled developing, not in absolute terms but in forward momentum.

The ascension of the G20, as the premier forum for economic cooperation (however disappointing at times in practice), has offered larger developing countries a new voice and influence in global affairs, and the historically delicious opportunity to contribute to the IMF resources required to bail out Europe. The financial crisis and related wider economic crisis since 2008 thus generated a crisis of confidence in established ideas, in turn prompting a reflection among a wide range of scholars and practitioners, of which this volume is a result.

The terminology and language used to describe development is increasingly inadequate to describe reality in its many hues. The older dichotomies of developed and developing, or North and South, are poorly-suited to a reality where some of the largest economies are also home to some of the globe's largest numbers of very poor people. The nation-state itself is not always the most meaningful unit of analysis. The phenomenon of globalization and the emergence of meaningful new powers tie together the fates of many, while the diversity of experiences within borders is often greater than that between countries. For example, the levels of poverty and inequality in some municipalities within central Chile approach the national averages in Western Europe, while others more closely match African countries (Bentancor, Modrego and Berdegué 2008). Similarly, some states of India have development indices approaching Latin American averages, while others are at Sahelian levels.

Recent experience also suggests a shift in the fundamental question that drives thinking on development. For much of human history, the question was about how to overcome scarcity, or *how to generate income*. Theories of development proposed different answers to this question, creating points of tension around key concepts, such as the role of states and markets, and their respective failures. At present, with many countries growing at rates many experts would have

considered improbable, the fundamental question is increasingly how to live responsibly (for example, in terms of the environment) and well amid plenty, *or how to manage the fruits of economic growth*. The contributors to this volume mostly see growth as a means to achieve development by investing in health and education, providing safety nets and social protection, and enriching democracy and other dimensions of governance (which likely will continue to vary considerably from society to society). Beyond this, there is currently little consensus. If anything, this volume suggests the importance of paying attention to what is under-emphasized in thinking on development, or what Bauer (1972) termed the ‘dissent on development’. Many of the topics the editors considered vital to include in this volume, such as indigenous people, the role of civil society and adaptation to climate change, were absent in the most forward-leaning thought on development of seventy years ago. That our conception of development has expanded, such that ignoring these issues is now unthinkable, speaks to what Sen (2005) terms the constructive roles of democracy and epistemology, which he defines as “government by discussion” and “learning from discussion”.

Structure of the Volume

This book is organized in three parts, moving from the broad ideas that shape the critical issues and that have featured in development theory (Part 1) to its elemental concepts which, for the sake of exposition, reflect the tone and language of the underlying sector or academic discipline (Part 2) to experiences of countries and regions and the roles of other key actors (Part 3).

Part 1 addresses the key question – what is development? – and in doing so touches on several points of tension in the post-WWII discourse of the field such as: concern with economic growth *and* inequality within society; wider understanding of poverty beyond a narrow focus on income (see David Hulme); recognizing the role of women in development while striving toward gender equity (see Irene Tinker and Elaine Zuckerman); broadening notions of how to evaluate development (see Patricia Rogers and Dugan Fraser); and how changing political, societal, and economic relations have influenced trends in development theory and vice versa (see John Harriss).

It is striking how the great thinkers have always seen development as a broad-spectrum term, encompassing individual well-being through to the condition of large groups of people, even the entire world's population, and within these all manner of well-being not just material. Also, how

broad philosophical concepts such as the capabilities approach have, of necessity, led to advances in the type of statistics that are gathered and used and how seemingly abstract views of development are amenable to measurement. We share the essentially —indeed surprisingly— optimistic view in David Williams’ chapter, that the study of development has over time surmounted tensions rather than exacerbated them, and that of Maria Emma Santos and Georgina Santos that rather than see statistics as essentially limiting “there have been significant advances in terms of enriching the dashboard of development indicators and composite indices”.

There is also a sense of synthesis in two discussions that had become sterile for a while, growth versus inequality, and States versus Markets, both false dichotomies. The chapters on inequality, by Frances Stewart and Emma Samman, and on growth, by Shahid Yusuf, show the inherent importance of each concept on its own terms, but also outline the interplay between them, sometimes virtuously and sometimes not. The empirical evidence on the links between inequality and growth is mixed, and deals with too aggregate a frame to yield very many meaningful results. But the deconstruction into different types of inequality *does* carry more meaning. It is perfectly reasonable for a society to be more intolerant of inequality among health outcomes for infants, for example, than of inequality among male adult professionals. Likewise,

Yusuf's conclusion that growth economics is about more than obscure debates between technical specialists is salutary.

Finally, Shanta Devarajan and Ravi Kanbur provide a way forward in the States and Markets debate, by recognizing that both sets of players are prone to success and failure, and exploring how their interaction will play out in the following areas: the nation state in an era of globalization, the increasing importance of international public goods, and the socially and politically vexing question of entrenched pockets of poverty *within* countries rich and poor.

Part 2 of this volume, on the concepts that form the building blocks of the modern development discourse, picks up on the echoes of the questions raised in Part 1. It is organized into five sections: concepts that relate to the state and society; primarily economic topics; peace and security; sustainability and health; and technology and innovation.

The first section, on State and Society might as well have been named Institutions for it deals with the legal, social and political structures, norms and processes that underpin all countries, developing and otherwise. Here is where nuance and the need to examine issues in their proper context are most apparent. Kevin Davis and Mariana Prado argue that legal systems cannot be

one-size-fits-all and that differences of view in varying societies on what (for example) constitutes private property and that in-State capacity to create and enforce the law should inform its formulation and application. This is especially apparent in Maivân Clech Lâm's account of the treatment of indigeneity in most modern development processes. Indigenous voices, she says, are stronger than ever, and many among them do not articulate "development" as the mainstream does. Armando Barrientos notes that social protection programs have made an important contribution to reducing poverty and vulnerability, yet their rationale, design, and effectiveness remain contested. Albert Berry considers how income growth, socio-economic equality and healthy inclusion interact to determine levels of satisfaction and happiness in a society.

A chapter that begs to differ with cultural relativism is Huguette Labelle's treatment of corruption, which she sees as being unambiguously socially and economically damaging, in contrast to more ambivalent views that make the distinction between "enabling" and "disabling" corruption, or suggest that corruption is indeed understood differently around the world. So this would appear to be one case of a universal truth; yet Charles Cater's analysis of transparency-based policies targeting conflict and corruption suggests there is still room for more than a single narrative.

The second section, on economic concepts, displays the range of options open to countries seeking to raise incomes, and pursue micro-economic and macro-economic policies. Justin Lin and Célestin Monga describe three waves of economic policy, the first concerned with market failures, the second with government failures and an emerging third wave that recognizes a role for government but explicitly in stimulating the private sector rather than replacing it. Variations around this theme – the pragmatic and efficient State – appear in the chapters on trade and finance (by José Antonio Ocampo); entrepreneurship (by Wim Naudé); and public finance (by Richard Bird and Arindam Das-Gupta). Lastly, Adekeye Adebajo addresses these issues from a regional and historical perspective with his focus on the influence of Raúl Prebisch and Adebayo Adedeji, two early ‘prophets’ of regional integration. It is possible that after fifteen years of discussion following the coining of the phrase we are no further ahead than saying states (and markets) should function within their capabilities (and aware of their limitations) and complement each other. But this too is an advance over pre-conceived notions of the primacy of one over the other.

The third section deals with the relatively new, even by development standards, field of the two-way relationships between war and peace on the one hand and development on the other. It is no

coincidence that the parts of the world where poverty indicators have worsened even during periods of global buoyancy, where strains of disease thought to be eradicated stubbornly prevail, and where local and international crime festers are those in conflict. As Gilbert Khadiagala and Dimpho Motsamai note, the political economy of intrastate conflict is rarely entirely “local” in that there has typically been some connection to colonial history or the interplay of outside powers. Development theory and practice is rapidly (if very belatedly, as pointed out by Keith Krause) catching up to the connections between conflict and post-conflict reconciliation and development. Throughout all chapters in this section lie two precepts – large-scale violent conflict is everywhere and unambiguously inimical to development (even if sub-groups might benefit from it); and societies can only make progress from conflict to true development through a process of local reconciliation (however much mid-wifed by external actors). The range of options here might be wide as Pablo de Greiff and Mats Berdal show in their chapters on transitional justice and on peacebuilding respectively, but these two precepts might be the nearest we get to in this volume to suggesting a “universal truth” – perhaps a prelude to it being challenged by future scholars and policy actors, as each field has attracted a wide range of critics.

The fourth section on Sustainability and Health addresses what were once termed “sectors” and operationally are still treated as such in many organizations – agriculture, health, the

environment. Measures of the quality of health or the environment do indeed contribute to an understanding of development, both at the individual level through their contribution to well-being (or human development) and at a more aggregate level, in indicating the priorities of a country or society. M. S. Swaminathan *et al*, Cecilia Tortajada, and Julio Berdegúe *et al* show that the place of agriculture, water, and rural places in development thought have evolved considerably, becoming integral to other development imperatives such as health, nutrition, and sound environmental management. As Ben White *et al* note in their chapter on land reform, if badly managed (and with no help from the agriculture and trade policies of developed countries) the sector may continue to be a source of poverty and conflict. A similar story emerges in the chapters by Tim Evans which traces the evolution from tropical medicine to global health, and by Nandini Oomman and Farley Cleghorn which addresses the tension between targeting disease and strengthening health systems.

The chapter on climate change by Fatima Denton belongs in this section but might also be read as a complement to the chapters in Part 3 on country and regional experiences. Climate change embodies all that is complicated, risky and exciting about development. It is connected with everything else (imagine how lonely and ineffective an isolated Ministry of Climate Change would be); its science, while compelling, remains in its infancy and connects with policy

interventions in complex ways. It is the quintessentially long-term, externality-driven problem. How the world as a whole deals with this threat, and how heretofore successful emerging powers deal with the threat at home and as global citizens, may well define our notions of development in coming decades.

The final section of Part 2 treats competitiveness, innovation, education, and new technologies as part of a continuum. It covers topics such as industrial policy (see Michele Di Maio), innovation systems (see José E. Cassiolato *et al*), incentives for research (see David Brook *et al*), and ICTs for development (see Ronaldo Lemos and Joana Ferraz). In doing so, the focus consciously moves away from the traditional emphasis on primary and secondary levels of education as a “basic need” in order to consider how it connects with both personal development and informed citizenship on the one hand, and economic prosperity on the other. Universities might well be the fulcrum that balances the social and economic dimensions of education. Rodrigo Arocena *et al* make this point explicitly in their chapter on universities and higher education, and it is hard to read the other chapters in this section without having an image of the national university system, effective or dysfunctional, at the back of one’s mind. A greater understanding of, and attention to, universities in developing countries might be the single biggest gap in the current discourse on development. And current excitement over the important role that think tanks can play in the

developing world (notably in encouraging policy development) should not suggest that such institutions can substitute for the vital functions of universities, which are struggling or failing in many parts of the globe, while their business model in much of the West is also in question.

Part 3 of this volume brings home the sometimes abstract discussion inherent in a book on development *thought*. But development is essentially a real-life process, and a fundamental aim of our endeavor is to understand how thought and practice shape each other. It is axiomatic that one learns as much from successes as from failures. This section shows that neither success nor failure is unambiguous. The chapters on China (Xue Lan and Ling Chen), East Asia (Simon Tay), Chile (Ernesto Ottone and Carlos Vergara), India (Devesh Kapur), Brazil (Renato Galvão Flôres), South Africa (Mthuli Ncube *et al*), Sub-Saharan Africa (David Olusanya Ajakaiye and Afeikhena Jerome) and the Arab countries (Ahmed Galal and Hoda Selim) analyze what has worked, but also point to important gaps in development performance. In all cases, it is heartening to see a discourse on development that is increasingly informed by evidence-based decision making and driven by local rather than external contributions and players. International finance and foreign aid still matter, but development tends to be locally defined, and in an increasing number of countries, it is overwhelmingly financed through domestic revenues. At root, it is invariably internally powered, as first the Asian Tigers and later China and India

demonstrate. This is increasingly true of Latin America and Sub-Saharan Africa but appears to be less established in many parts of Central Asia, the Middle East and North Africa that have not yet achieved notable success. We do not offer a chapter on experience in “industrialized” countries of North America or Western Europe, but we conjecture that such a chapter would confirm that development is a path and not an end-point, with new, often politically salient, challenges constantly arising in every society.

The second section in Part 3 deals with the Actors in development, including the State; civil society and NGOs; international organizations with operational roles and more consultative fora; development assistance; and private philanthropy (as Carol Adelman and Yulya Spantchak demonstrate in their chapter, foundations and other private actors are an increasingly important complement to the official development assistance sector as private remittances and foreign investment flows far outstrip the latter in size).

In their chapter on The State, Celia and Jacques Kerstenetzky decry the “capture of development by the idea of economic transformation” and concomitant with it a new almost “mechanical” role for the State which was, however, not apolitical. But states are about more than counterpoints to markets, and this chapter articulates the broad spectrum view of the state both in theory and

through its application in a number of cases. Likewise, as Kumi Naidoo and Sylvia Borren argue in their chapter on civil society, many development challenges cannot be adequately addressed solely within a state-centric framework. This may suggest the need for enhanced civil society participation in future development decision making at all levels – including sub-national, national, and international.

Just as national governments are supposed to provide public goods to their citizens, international organizations were created to provide global public goods (although that term itself is of more recent vintage and might have drawn blank stares in San Francisco and at Bretton Woods.) The actual record is a distinctly mixed one, and there is no more contested space in development than around the nature, role and performance of the UN organizations and other international financial institutions. Moreover, the so-called international architecture has been characterized by overlapping mandates (as in health and agriculture), gaps in global governance (as in climate change and post-conflict development) and pure additionality, with few recorded instances in the post-WWII era of even minor institutions “going out of business”. Still, for example, as is implicit in Diana Tussie and Cintia Quiliconi’s (WTO) and Danny Leipziger’s (IFIs) chapters, the counter-factual of how the international trade and finance systems would have functioned without their much-maligned main multilateral institutional platforms existing, leaves pause for

thought. But averting disaster is hardly the standard by which international architecture should be judged. A more positive agenda ahead lies in drawing on:

- the role that Richard Jolly describes as having been played by the UN in changing the ways in which issues were perceived globally; framing agendas for action; altering the balance of power between groups over time; and creating operational structures to take new ideas forward;
- the gap between the UN and the IFIs being closed or at least narrowed;
- as Homi Kharas mentions in his chapter, new technologies enabling the rapid transformation of official development assistance toward more decentralized and competitive programs;
- and developing countries, especially the larger ones, playing a more active role in the governance of the established institutions or actively replacing them with their own creations (see Gregory Chin and Jorge Heine on Consultative Forums).

Several other chapters were considered for this volume, yet given the limitations on length, the editors needed to be selective. For example, there is a strong case for considering how thinking on demography has evolved over time, yet ultimately the editors decided to pass up on this tantalizing possibility, given myriad mistaken past demographic predictions and that

demographic factors appear frequently in the chapters. Of course demography matters in development, particularly how demographic transition is addressed by policy. In India, it was until recently fashionable to intone that a fast-growing population would prove a decisive boon in the future while China's slowing population growth would limit that country's productive potential. Of course, whether hundreds of millions of young people in due course produce an economic boom, or constitute a social and economic bomb, greatly depends on how well countries can educate and meet the aspirations of the expanding number of young citizens.

Likewise, a case can be made for addressing how nationalism affects development outcomes. Conversations among the contributors and others noted that nationalism threatens to overwhelm today's optimism about continued growth through ever greater economic integration. After short-term exhilaration, the experience of political populism often leads to disastrous economic outcomes. At worst, nationalism and "sub-nationalism" lead to conflict between assertive nation-states and groups identities endemic in regions that lie within countries and sometimes transcend them. But these dynamics are well documented elsewhere.

Initially, the editors hoped the contribution of women to development, and the constraints they face, would be sufficiently prominent throughout the volume. Yet after some debate, it was

decided that a chapter specifically relating to gender was needed. Often the question of women and development is framed as a choice between mainstreaming and exceptionalizing: between accepting women are equal citizens and participants, or acknowledging that women experience development differently than men. In what proves to be an indispensable chapter, Tinker and Zuckerman show this is a false dichotomy. Gender needs to be present throughout development thinking and practice, yet there is continued need to advocate for women's rights and agency, and to analyze this process on its own merit.

In the interplay of ideas and practice, the interplay of power is seldom far behind. This volume does not explicitly address power, but it is present in everything to do with development, from dynamics within the household, to the tensions between different groups in society, and the geopolitics among countries. A chapter on the relationship of power to development would have been intriguing, but the editors ducked this option. Ultimately, no volume of this nature can ever do justice to every perspective, and every key issue. In our failure to meet all expectations in this regard, our consolation is that we tried very hard, not least through our dialogue with authors on what their chapters might touch on.

Past, Present and Future

Development can be defined as simply *how societies change over time*. It is tied to the age-old questions of ‘how did we get here and where are we going?’ This volume embodies a collective attempt to search for a historical understanding of past change in a quest to shape the future. A couple of observations emerge that help to distinguish among the ways of understanding development that stem from this common point of departure.

There is a tension between development as a subject of study and as a field of action. The process of change within society is a subject of scholarship across a multitude of disciplines. Yet understandings of development are not passive. They inform and inspire the actions of individuals, organizations and states in their continuous effort to invent a better world. They include the mindsets and motivations that shape the real-life decisions of central bankers, political leaders, family doctors, parents and beggars. Studying and acknowledging such practice is arguably as important to grasping the contours and content of development as is a command of the formal scholarship.

Analysis of development can seek to explain changes in a country’s social, economic and political situation, or the lack thereof. Extended visions of development might add important

factors such as the bio-physical environment and spirituality or other philosophical and ethical dimensions to the formulation. There has been a continuous quest to learn from past experience and then to apply that knowledge to present action in order to realize future potential. In contrast, the absence of development is also a concern, as demonstrated through attention to the topics of deprivation, dependency, underdevelopment, fragile states and corruption. The focus is on the barriers that prevent desired change rather than to arrive at a universally accepted set of development objectives or strategy to achieve them.

This is not to imply that there are no universally accepted components of success in development. As argued in the papers in this volume, there are several, ranging from those representing basic material needs to personal security and political freedom. But the weight given to each, the order in which they are prioritized and pursued and the manner in which the national development project is framed and implemented can (and must) vary by country and time period.

Development thought has been described as knowledge and understanding of the world in which we live (Sen 2005). Informed by practice and facts on the ground, it can be defined simply as the ideas, concepts and theories that constitute our knowledge of how societies change. The

progression from ideas to concepts and theories forms an intellectual hierarchy with each level relying on the building blocks of the level below. The abstract ideas of state, security and well-being are tied to more refined concepts of social protection, transitional justice and global health. In turn these concepts give rise to theories, which can be understood simply as systems of ideas that provide explanation. Thus the concept of economic growth informs theories on poverty, inequality and inclusion, while the concept of sustainability informs theories of climate adaptation, food security and water governance.

If development is about how societies change over time, change itself occurs as a response to ways of thinking. As noted by Beland and Cox (2011) “what things change and how they change are all the result of what people choose to do... these choices are shaped by the ideas people hold and debate.” Ideas in turn are the product of “pure” academic enquiry but also are a product of their times, driven by experience, the dominant prevailing ideology and other mores—social, political, and cultural—that shape thinking. This volume is interested in how the real-life experiences of different communities, countries and organizations have been inspired by, and have contributed to, thinking on development (Kanbur 2009). Development has always been about much more than foreign aid, which constitutes a modest and shrinking portion of the financial flows into and out of most countries, systematized relatively recently, in the post-war era. More important than the strategies pursued by donors, development has to do with choices

on the ground, how states marshal the resources available to them in order to care for their citizens.

Thinking on development refracts through politics, which mediates between public aspirations and policy. Tremendous advances in access to education, electricity, water, health and other services encourage further rises in what citizens expect of development. Such advances can also foster a sense of complacency if they seem to arrive as too easily through ultimately unsustainable government largesse, or natural resource wealth. By necessity, political leaders must be pragmatic; they define and pursue the art of the possible, navigating among established interests and the watchful eye of the opposition parties (or less formal forums, groupings and dynamics that express criticism). Where there is public debate and periodic changes in leadership, opportunities exist for government by discussion, for people to understand each other's positions. Ultimately, governments do what their citizens force them to do.⁵

These considerations lead us back to the increasing overlap in the challenges faced and how development is pursued by the North and South. The first decade of the twenty-first century has shown that the West no longer has a monopoly on defining the terms of the development debate, if indeed it ever had one. Its countries increasingly struggle to afford their existing social

policies. Add to this the need for a smarter, greener economy and it is clear that all nations are a work in progress, at grips with matching finite state resources ill-matched with infinitely expandable goals. The increased interdependencies created by globalization add an additional dimension to the discussion. In a very real sense, we are all developing.

As more global powers emerge, ideas and the policy recommendations that follow them are less likely to be hegemonically driven. The only unity in future development thought and practice might be at the broadest possible level – that there is no such unity and that its application must be intelligently pursued by local actors (how local would depend on the issue at hand). The aim of this book has been to trace the history of thought in various segments of development that are presently in a state of flux, map the current range of approaches for each sector, and set out options and possibilities for the future, some of which may open new avenues for research.

We hope to have demonstrated that as with any study of thought and practice, there will be fads, deviations, bumps and other inconsistencies from a logical progression of reason. But equally, that the development arena is one massive laboratory for the scientific method. Ideas born of context and necessity are floated, developed, applied, modified or discarded only to be succeeded

by others. Despite the seeming messiness of this process the field is in fact advancing. The lack of a resultant unified theory of development is entirely to be expected and it is no bad thing.

Thus, three major conclusions emerge from our exploration of co-evolution of development thought and practice. First, both the generation of ideas of development and their application in practice can be properly understood only within their particular historical, political, and institutional contexts. Second, contemporary thinking on development is increasingly generated in a more diverse set of locations, while policy-makers are also progressively going beyond the intellectual capitals that loomed large in the past. Third, as a consequence, consensus on what constitutes “development” and how to best pursue it may well be a thing of the past.

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¹ Adam Smith is most often cited for his analogy in the *Wealth of Nations* of a ‘hidden hand’ of self-interest guiding economic growth. However tellingly, his earlier work *Theory of Moral Sentiments* opens with the sentence “How selfish soever man be supposed to be, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it.” Thus, even great minds preoccupied with economic growth and efficiency understood that social solidarity is a core human characteristic, albeit displayed in many varying ways.

² For an account of the classical contribution to current development thought see also Chapter 2 in Jolly et al. (2004).

Although this body of work has not been given the systematic attention that it merits, we should also acknowledge the contributions through history of non-Western sources, ranging from Kautilya’s *Arthashastra* (circa 300 BC) to Dadabhai Naoroji’s contributions in his *The Wants and Means of India* (1870) and *Poverty of India* (1876), Khayr Al-Din Al-Tunisi’s *The Surest Path to Knowledge Concerning the Conditions of Countries* (1867) in the Arab region, and Benito Juarez’s enduring influence on reformists in Latin America via his rule in Mexico during the middle of the 19th century.

³ Several short, lucid and admirably clear books can be recommended on the progression of ideas relating to development in Western countries from the 18th century onward, notably Stedman Jones (2004) which focuses on the French Revolution through too much of the nineteenth century; and Arndt (1981), which, after a bracing canter through “pre-history” to 1945, bears down on how notions of growth, social and other objectives have been pursued by “right” and “left” since then.

⁴ There is a rich and thoughtful literature on the subject, for example see Bardhan (1989) and its review by Lipton (1992). More recent treatments include Kanbur (2002), Kanbur and Riles (2008), Rapley (2007), and Rist (1997).

⁵ The editors gratefully acknowledge the personal insights of Amartya Sen and Ricardo Lagos, among others, in drawing our attention to these points.