Lecture Notes

DEVELOPMENT PROCESSES: NATURE & TREND OF GLOBAL DEVELOPMENT

(Part-II)

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Learning outcomes:

Having read this lecture note, you should understand:

● ***D/development is both a continuous intellectual and ideological project as well as an ongoing material process***

● ***The value of historical and geographical perspectives on D/development***

● ***The power and politics of 'labelling' and categorizing poor peoples, places and the spaces of development.***

● ***The changing geographies of north-south and south-south interactions and development cooperation and the rise of emerging economies from the global South like China, India and Brazil.***

Development Practice: The Historical Geography of Development

Whilst both modernization and dependency approaches alluded to the importance of 'tradition', many early writings about development lacked a sense of historical perspective (Rist 1997). As Crush (1995) points out, development is primarily 'forward looking', imagining a better world, and does not always examine issues of historical and geographical context. Many recent histories of development have dated its beginnings as an area of theory and state practice to President Truman's speech of1949, but the idea of development is much older than this (Cowen and Shenton 1996) and has much more diverse geographical origins. Development was not a simple 'gift' following contact with Europeans but predates the 'age of discovery' (1400–1550) and the 'age of empire' (1875–1914) (see Section 1 of this book). It is, however, particularly important to examine the significance of Empire in the making of international development. Between 1800 and 1878, European rule, including former colonies in North and South America, increased from 35 per cent to 67 per cent of the earth's land surface, adding another 18 per cent between 1875 and 1914, the period of 'formal colonialism' (Hoogevelt 1997: 18). In the last three decades of the nineteenth century, European states thus added 10 million square miles of territory and 150 million people to their areas of control or 'one fifth of the earth's land surface and one tenth of its people' (Peet with Hartwick 1999: 105).

Colonialism has been variously interpreted as an economic process of unequal exchange, as a political process aimed at administration and subordination of indigenous peoples, and as a cultural process of imposing European superiority

(see Chapters 2 and 20). According to the dependency theorists it was in this period that the periphery was brought into an expanding network of economic exchanges with the core of the world system. A new sense of responsibility for distant human suffering also first emerged during this time as the societies of Europe and North America became entwined within global networks of exchange and exploitation in the late eighteenth and early nineteenth centuries (Haskell 1985a, 1985b). Thus the origins of a humanitarian concern to come to the aid of 'distant others' lay partly in response to the practices of slavery in the transatlantic world (see Case study 8.4) and to the expansion of colonial settlement in the 'age of empire': Not only did colonisation carry a metropolitan sense of responsibility into new Asian, North American, African and Australasian terrains, it also prompted humanitarians to formulate new antidotes, new 'cures' for the ills of the world. (Lester 2002: 278). These new antidotes, cures and remedies were to have enduring significance for the shaping of twentieth century global development theory and practice, which also often carried an implicit 'metropolitan sense of responsibility'. Colonial development was also associated with an unconditional belief in the concept of progress and the 'makeability' of society, being heavily conditioned by the dominance of the evolutionary thinking that was popular in Europe at the time. Imperialism was viewed as a cultural and economic necessity where colonies were regarded as the national 'property' of the metropolitan countries and thus needed to be 'developed' using the latest methods and ideas. With this came a missionary zeal to 'civilize' and modernize the colonized and their ways of life. An important contention here then is that colonialism 'conditioned' the meanings and practices of development in a number of important ways.

After 1945 and under US President Truman, 'underdevelopment' became the incomplete and 'embryonic' form of development and the gap was seen as bridgeable only through an acceleration of growth (Rist 1997). Globally, development would have its 'trustees', guiding 'civilized' nations that had the 'capacity' and the knowledge or expertise to organize land, labour and capital in the South on behalf of others. Quite a paternal and parental style of relationship was therefore established through the imperial encounter between colonizer and colonized in ways which have continued to have a bearing on the definition of North–South partnerships in the 'post-colonial' world. Additionally, what is also relevant here is that many 'post-colonial' states continue to maintain important political, cultural and economic ties with their former colonial rulers (see Figure 8.1). Colonialism put in place important political and economic relations but the cultural legacies of colonialism bequeathed deep social and cultural divisions in many societies. In the process of decolonization, 'development' became an overarching objective for many nationalist movements and the independent states they tried to form. Although experiments with development were tried in many colonies, the idea of development was invested with the hopes and dreams of many newly emerging states who wanted to address these inequalities and divisions in their societies (Rahnema 1997). Decolonization was thus simultaneously an ideological, material and spatial process,

just as complicated as colonization (Pieterse and Parekh 1995). An important issue here concerns the extent to which colonial state machineries were reworked and transformed after independence (Power 2003). The colonial state had rested on force for its legitimacy, a legitimacy that was thus highly superficial. Colonial states also had a role in creating political and economic communities, defining the rules of the game and the boundaries of community whilst creating power structures to dominate them. The colonial state was also the dominant economic actor, creating a currency, levying taxes, introducing crops, developing markets, controlling labour and production. Above all, colonial state administrations sought the integration of the colonial economy into the wider economies of empire, to make linkages with the metropole and to establish flows of peoples and resources. After the formal end of colonialism, new states have had to formulate alternative methods of garnering legitimacy for their authority (i.e. other than the use of force preferred by the colonists).

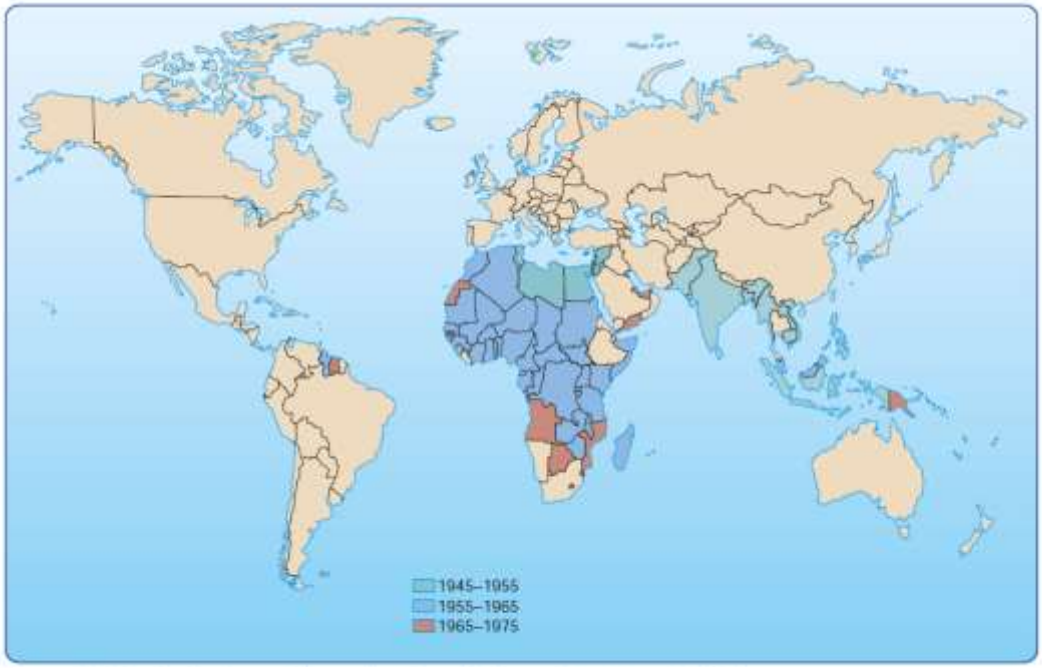

Figure 1: Decolonization and the proliferation of independent states, 1945–75.

It is worth remembering that indigenous peoples in Africa, the Americas, Asia and Australasia had highly developed and sophisticated cultures and technologies prior to colonization (Dickenson *et al.* 1996). As the European capitalist system expanded and became ever more global in its reach however, the structures of economic, social and political life that existed in colonies before colonialism were often radically remade. The historical process by which 'gaps' began to emerge between 'North' and 'South' has been interpreted in a variety of ways, but a key question has been: to what extent did European expansion and colonialism 'underdevelop' (Frank 1966) large areas of the world? The impact of imperial expansion was not uniform; the geographical patterns of expansion varied, as did the motivations for it. Hall (1992) argues that an important divide was put in place between 'the West' and 'the rest' as a direct result of this imperial expansion, reminding us that 'the West' is much more of an idea than a geographical reality. By accelerating contact between cultures and economies 'the West' was presented as 'the best' and most advanced or 'civilized' of all

humanity. Many accounts of the history of European expansion are thus dominated by the presumed supremacy of 'Europe' and 'the West' with only limited references to the complex histories and cultures of the areas that were colonized.

The 'Rising Powers' and The Emergence of New 'Southern' Donors

> [T]he rapid and steady intrusion and recognition of a set of major emerging economies is challenging the established order, wrenching global relations into flux.
> (Shaw *et al.* 2009: 27)

The United States emerged pre-eminent after the Second World War and built a post-war international order around a range of governance institutions, including the United Nations, the International Monetary Fund (IMF), the World Bank, the General Agreement on Tariffs and Trade (GATT) and regional security alliances. The end of the Cold War consolidated this American-led global institutional order, but in recent years a group of fast growing non-Western countries or 'rising powers' as they are sometimes referred to (namely China, India and Brazil) have been rising up the ranks of the world system as the boundaries used to differentiate rich and poor, 'first' and 'third' world countries are becoming more fluid. In some ways, however, it would be more appropriate to refer to some of these countries as 'reemerging economies' as, until the nineteenth century, China and India were the world's largest economies and dominated global output until the onset of Britain's industrial revolution.

First coined in 2001 by an economist at the multinational global investment firm Goldman Sachs, the 'BRICs' acronym (referring to Brazil, Russia, India and China) identified a group of four countries in particular that were, due to their scale, population size and growing share of global GDP, regarded as the leading non-Western economies and as future motors of global economic change. The 'BRICs' acronym has since come into widespread use as a symbol of the apparently epochal shift in global economic power away from the developed economies towards the 'developing world' and the wider realignment of world economic and ultimately political power that would be engendered by the collective influence of these four countries. South Africa began efforts to join the grouping in 2010 and the process for its formal admission began in August of that year with South African President Jacob Zuma attending the 2011 BRICS summit as a full member. With the inclusion of South Africa, the five BRICS countries now represent almost three billion people with a combined nominal GDP of US$16.039 trillion and an estimated US$4 trillion in combined foreign reserves (IMF 2013). Over the past decade, FDI inflows to the BRICS countries have more than tripled to an estimated US$322 billion in 2013 (UNCTAD 2014). As a result their share in world FDI flows kept rising even during the recent global economic crisis, reaching 22 per cent in 2013, up from 6 per cent in 2000. The BRICS countries have also become important investors – their outward FDI has risen from US$7 billion in 2000 to US$126 billion in 2012 and now accounts for around 9 per cent of global flows, up from only 1 per cent in 2002 (UNCTAD 2013). As a result, some countries of the global South are beginning to exert more influence on the 'advanced' and 'developed' economies of western nations with significant implications in terms of inflation, wages and unemployment, profits and interest rates. Globally, increasing economic integration has made labour cheaper and more abundant with workers in developing countries consequently losing some of their bargaining power. Further, the monopoly that western donors once had on development finance (and the power to frame the terms and content of development debates) is being steadily eroded. (Power 2015). The recent global economic crisis has also opened up space for the emerging economies of the global South to play an increasingly active role in the reform of

global economic and political governance, to the extent that a 'regime change' in global governance is now at least a distinct possibility (Gray and Murphy 2013). This has been characterized by some as the beginning of a transition from a unipolar US hegemony to one of 'emancipatory multipolarity' (Pieterse 2011), in which the countries that represent the majority of the world's peoples now have a position at the head table, or even as a broader underlying 'global centre shift' or 'hegemonic transition' (Gills 2011). Reforming the governance of the IMF and the World Bank has been a central component in the strategy of 'global power diffusion' pursued by the BRICS. They have argued that the West is overrepresented in the IMF at the expense of developing countries and have called for a greater share of votes and a change in what they see as the organization's obsolete governance. As they are becoming growing net contributors to the IMF, the BRICS are thus pressing for a greater voice within the institution, even threatening to hold back the additional financing requested by the IMF to fight the European debt crisis unless they gained greater IMF voting power. There have also been discussions about the creation of a parallel mechanism to the World Bank including proposals for a 'BRICS development bank' that would lend to infrastructure projects and the facilitation of sustainable development in the countries of the grouping themselves as well as other developing countries. More generally, the BRICS have also focused on the need for national policy autonomy and have been critical of the global economic governance frameworks that introduce rules and norms corresponding to dominant country interests. The BRICS have also been instrumental in establishing regional development banks that have eroded the primacy of the IMF and World Bank as lenders in Asia and Latin America and have agreed to use their own currencies when trading among themselves, effectively reducing their dependence on the US dollar as the main currency of trade. There is no doubt then that in recent years both the architecture of international governance and the established modes of development cooperation have been increasingly transformed by the (re)emergence of the rising powers as development donors with important implications for global geographies of investment, production and trade (Power and Mohan 2010). Twenty years ago, it would have been difficult to imagine Brazil as the main regional leader in Latin America, India as a major player in the WTO, or China as the second largest economy in the world (Vom Hau *et al* 2012), but what is becoming clear is that the rapid and steady intrusion and recognition of a set of major emerging economies is challenging the established global order, 'wrenching global relations into flux' (Shaw *et al.* 2009: 27). As a result Western modernity is 'no longer uncritically viewed as the future of developing countries' (Humphrey 2007: 16). These (re)emerging powers have economies that will rival the USA and Europe in the years ahead and they are already becoming an international economic force. Additionally these (re)emerging powers hold most of the world's financial reserves and are placing significant new demands on energy and raw materials (many of which are being sourced from countries of the global South) with important implications for the environment and the prospects for addressing climate change and sustainable development goals. The rise of countries like China, India and Brazil thus has potentially far-reaching implications for global geographies of development and the international landscape of development cooperation but also for the post-war institutions of governance in world politics. Further, many of these 'rising powers' are (re)emerging as aid donors themselves, providing development assistance to a range of other non-Western partners and often heralding this as 'South–South cooperation'. These 'Southern' donors are also questioning the

very idea of development cooperation as a Western concept but also the development paradigm as a whole (Six 2009). Brazil, China, India and South Africa not only espouse the cause of 'developing countries' but are also vociferous in their assertions that they themselves belong to this group in ways that are reminiscent of older Third Worldist coalitions that some of these countries led at different points in the past such as Bandung (Narlikar 2013). Part of their appeal as 'development donors' (Mawdsley 2012) is that they don't have the same imperial histories of colonizing large parts of the global South that many existing Western donors do. Paradoxically, these 'new' donors represent models of economic success, yet they have been, or are still, recipients of international aid. Although India, for example, is a donor (aid expenditures reached US$1.3 billion in 2014–15, more than double New Delhi's anticipated net foreign aid receipts of US$655 million that financial year) it was the world's eighth-largest recipient of official development assistance as recently as 2008 (to the value of US$2.1 billion) and was fourth overall from 1995 to 2009. Further, considerable levels of poverty and inequality remain within each of the BRICS despite the many claims that have been made about their 'miraculous growth'.

Conclusions: Geography, Unevenness and Inequality

> The idea of development stands like a ruin in the intellectual landscape. Delusion and disappointment, failures and crimes have been the steady companions of development and they tell a common story: it did not work. Moreover, the historical conditions which catapulted the idea into prominence have vanished: development has become outdated.
>
> (Sachs 1992: 1).

Development is nearly always seen as something that is possible, if only people or countries follow through a series of stages or prescribed instructions. Many theories, strategies and ideologies have thus sought to prescribe how development could or should proceed and 'development thinking' has long been caught in a 'Western' perception of reality and been based around 'Western' philosophies, knowledges, experiences and histories. There is a sense, however, that despite the wide variety of interventions that have been made in its name the 'project' of Development has been accompanied by a common story: that it 'did not work' and that its 'steady companions' have been 'delusion and disappointment, failures and crimes' (Sachs 1992: 1).

Some critics have even argued that historically Development is in many ways a dubious solution in search of a problem (Escobar 2011) and has thus 'created abnormalities' such as poverty, underdevelopment, backwardness and landlessness before proceeding to address them in ways that deny value or initiative to local cultures and that prevent individuals from making their own histories and geographies under conditions of their own choosing. More importantly, there is also a sense in which the historical conditions that gave rise to the idea of D/development have fundamentally changed and a sense that the idea lies 'in ruins' or has become 'outdated'. Some of the prior meta-geographical demarcations that have shaped development theory and practice, the categories such as 'Developed' and 'Third World' which emerged after 1945, and which have 'long provided key points of reference, commitment, analysis and mobilisation' (Sidaway 2012), have shattered and are breaking down in part because of the emergence of the BRICS and the rising economies of the South.

Many recent critiques of development thus appear disillusioned with the future of the development industry and its capacity to understand and alleviate

world poverty. Further, many politicians in Western countries are only gradually beginning to wake up to the realities of these contemporary global inequalities. A number of them see these concerns as those of distant geographies, a world of problems pushed and 'worlded' beyond the universe of immediate moral concern even though the lines that have historically divided 'North' and 'South', 'First World' and 'Third World' are now present within every nation-state. The effects of poverty and inequality (a bit like those of climate change) are thus regarded as diffuse and long-term (Wade 2001). Additionally, rather than thinking of a single, interconnected and interdependent global economic system, this impoverishment and inequity is constructed as somehow unique or exclusive to the peoples of particular spaces of global Development such as the 'Third World'. If our concern is to build a more radical development geography then it needs to be understood that poverty also occurs in 'developed' countries and that the aid and 'development' policies of such countries, far from being a part of the solution, may actually be considered a part of the problem. Marginality and deprivation (or for that matter, excessive consumption amongst the affluent) in Europe, North America or Russia and other post-communist 'transition economies' should also be seen foremost as issues of 'development'.

The rapid economic growth experienced by (re)emerging powers in the South like Brazil, India and China, and their increasingly significant roles in development cooperation and aid disbursement, requires us to adopt a framework for analysis that is liberated from the tyranny of dualism and that allows for changes in the world economy and variation within and between states. Their collective size and impact on trade, finance, energy, and the environment will make them important players in the years to come. This also means moving beyond the tragic stereotypes of a single condition of 'Third World poverty' and a single 'geography of the Third World'. This could make a world of difference.

References

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