

Throughout the 20th century, and continuing into the 21st century, governments have tried to develop the world's poor countries. Development efforts have sought to increase national income, lift poor people out of poverty and improve their quality of living. However, people have had different ideas about how to best develop poor countries. Let's consider six of those approaches...

1960s

## Modernisation

Science and technology can be used to advance industry and stimulate economic growth. Development is achieved when a country has high industrial outputs and exports goods to the world economy.

### Positives

- Provides governments with a clear course for development
- Idea of 'take-off' suggests rapid development
- Economic growth provides jobs and can increase living standards

### Negatives

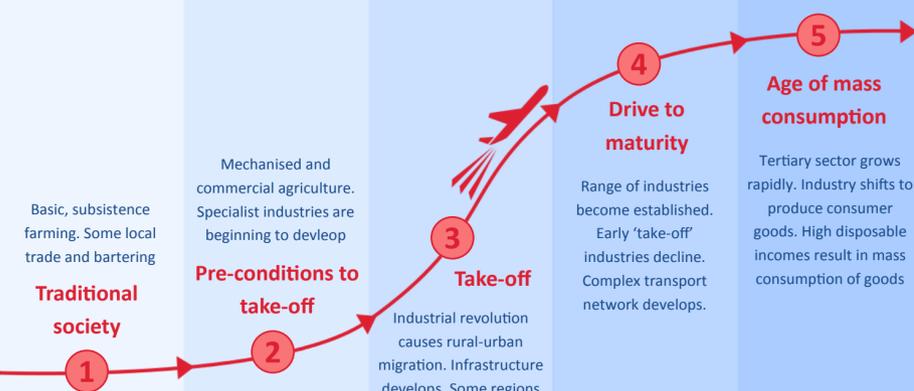
- Outdated and Eurocentric, as modelled on the development of the wealthiest nations
- Industrial revolutions and economic growth can cause environmental degradation

### WALT ROSTOW

A US economist and special assistant to President Johnson. His ideas of free-trade and modernisation were influential in the 1960s



### Economic 'take-off'



1970s

## Dependency

In a globalised world, all countries are interconnected. Some countries are winners of global trade, whilst others are losers. Countries become wealthy by exploiting and underdeveloping the poorest nations through unfair trade.

### Positives

- Richer countries play a role in creating poverty
- Industry in the periphery given subsidies to develop
- Barriers to foreign imports, encouraging the citizens to buy nationally-produced goods

### Negatives

- Government intervention could make global trade inefficient
- Spending to support industry could be spent providing basic needs or on infrastructure
- Trade barriers could increase the cost of living for citizens

### ANDRE GUNDER FRANK

A German-born political economist. He studied Latin America, opposed modernisation and was prominent in the 1960/70s

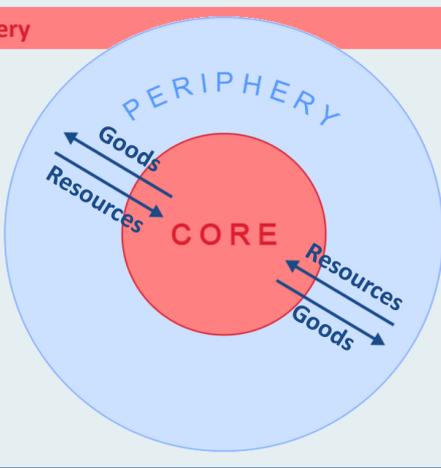


### Global Core-Periphery

The world is divided into two regions: the core and the periphery

The core contains developed countries. The periphery contains underdeveloped countries

The core and periphery serve different functions within the world economy



Resources flow into the core for industrial production. High-value consumer goods flow back to the periphery

This structure of the world economy makes the core richer

Note that the core is much smaller and contains less people than the periphery

1980s

## Neoliberalism

Free global trade can stimulate economic growth and large businesses can profit more without government intervention. Universal development can therefore be achieved through the promotion of 'trade not aid'.

### Positives

- With no trade tariffs or duties, a wide choice of goods can be bought worldwide at low cost
- Transnational Corporations freely invest overseas due to skilled workforces and no trade barriers
- Promotes entrepreneurship and competitive businesses

### Negatives

- Declining governments power and influence due to increased TNC power
- Poor countries have to repay all historical debt, with interest
- Now being surpassed by 'post-neoliberalist' ideas of greater government spending

### WASHINGTON CONSENSUS

'Washington consensus' organisations (World Trade Organisation, International Monetary Fund, and World Bank) promoted 'trade not aid'

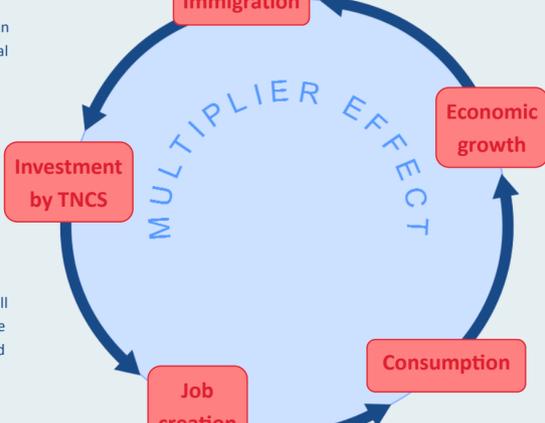


### Multiplier effect

The multiplier effect can lead to an upward spiral of economic growth

Economic growth encourages more people to move to a region

Transnational Corporations (TNCs) will be encouraged to move to areas with a large and skilled workforce



TNC investment can create large-scale employment

Higher levels of employment results in more local spending and consumption, which drive economic growth

Governments must attract TNCs by reducing barriers to trade and investment, and by reskilling the workforce

## Sustainable development

Taking environmental factors into account, sustainable development 'meets the needs of the present without compromising the ability of future generations to meet their own needs,' according to the Brundtland report.

### Positives

- Ensures that future generations have the right to a high standard of living
- Could prevent a 'resource crisis'
- Highlights the need for global equality
- Is aware of environmental, economic and social needs

### Negatives

- Could inhibit developing nations ability to industrialise and experience rapid growth
- Difficult to implement universal and long-term policies
- 'Sustainability' has become a buzzword and can seem a vague term

### GRO HARLEM BRUNDTLAND

Former Prime Minister of Norway, she chaired the United Nations' World Commission on Environment and Development

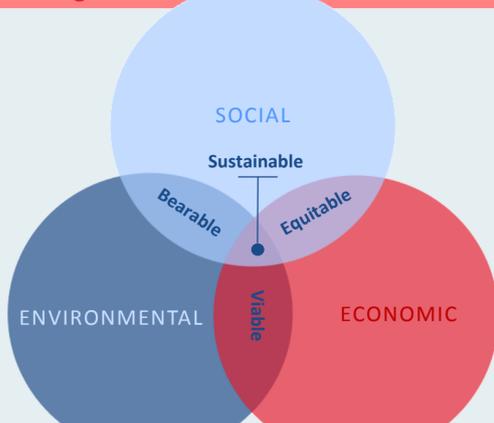


### Sustainability Venn diagram

There are three pillars of sustainable development: social, environmental and economic

All three pillars must be present for a country to develop sustainably

Sustainable development must therefore have equality across society, must not degrade the environment and must result in economic growth



There are natural limits to economic growth and the earth cannot support an ever-expanding economy

Economic growth must be balanced with an awareness of resource consumption and the need for equity

Some people argue that the environment pillar is the most fundamental

1990s

## Human development

Development cannot be achieved through economic improvement alone. Multiple dimensions (e.g. social, cultural, political) need to be taken into account. Development means individuals have freedom to make life choices.

### Positives

- Wider definition of 'development' takes human welfare into account
- Assesses development on an individual (not a national) scale
- Believes everyone is equally entitled to a good life

### Negatives

- People can live fulfilled lives without completely free choices
- People can have free choices but still live in poverty
- Free choice can focus on individual needs, not those of society or collective groups

### AMARTYA SEN

An Indian philosopher and economist. Focusing on human welfare, he has a Noble prize for his work on famine and poverty

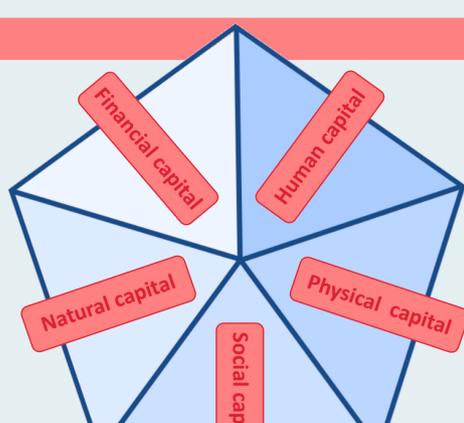


### Livelihood assets

All human beings have livelihood assets, which they can use to make choices

Livelihood assets are not limited to things of financial value, but also include things of human, physical, social and natural value

Financial capital includes: wages, savings, pensions and remittances



Human capital includes: education, knowledge, skills and health

Physical capital includes: transport, communications, technology and energy

Social capital includes: representatives, friends, neighbours and leaders

Natural capital includes: land, water, minerals and wildlife

2000s

## Post-development

The rich cannot lift the poor out of poverty. Local communities need to address their own problems, using their own ideas. People have to develop themselves, rather than relying on ill-suited ideas from overseas.

### Positives

- Countries do not have to develop according to Western ideas
- Local communities could be empowered by creating their own development ideas
- Developing countries do not have to follow the cultural and moral guidance of development donors

### Negatives

- Provides limited practical alternatives to replace overseas assistance
- The poorest of the poor will struggle to meet their basic needs in the short-term
- Data shows that absolute poverty as been halved

### ARTURO ESCOBAR

A Colombian anthropologist. Researching politics and social movements in South America, he is a critic of development

