

# A Normative Framework For Development

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# Structure

- Development
- Types of development: Normative and positive
- Case studies which illustrate why normative frameworks matter for policy:
  - Access to water in China
  - Extractive Industry in Peru
  - Forest protection in Uganda
  - Expansion of Heathrow airport in the United Kingdom
- Normative frameworks matter
- Putting concern for people first

# Development

- This concept has different meanings:
  - Material prosperity (owning money, lands, houses...)
  - Liberation from oppression
  - A new word for neo-colonialism.
  - A personal, social and spiritual progress.
- **Development** is a multi-dimensional and-sectoral process, involving social, economic and political change at improving people's lives. This shows that development seeks economic growth and also the improvement of people's life and their ability to live a life they value.

# Mahbub ul Haq and Human Development

- He is a great Pakistani economist, who founded what are now called the **Human Development** Reports of the United Nation Development Program, wrote in the first of those reports in 1990:

*The real wealth of the nation is its people and the purpose of development is to create an enabling environment for people to enjoy long healthy and creative lives. This simple but powerful truth is too often forgotten in the pursuit of material and financial wealth.*

# Approaches to development: Normative

- Development or public policies are **normative** or based on value judgement in that they are trying to clarify how policy ought to be set. Should a public policy aim at increasing economic growth only? or should it give equal consideration to providing people free health care access, promoting gender equity and protecting ecosystem.
- These questions involve value judgements about what should be done.
- Thus, **normative approach is a value based approach to building communities, based on the assumption that all people have a need to belong, want to have a sense of purpose, and want to experience success.**

# Positive way and Predictive way

- A ***positive*** approach to development is an approach which analyzes empirically existing situations in an objective neutral way. It is concerned with « what is » or « how the economic problems can be solved.
- Others introduced the ***predictive*** approach to development, meaning how a situation could change in certain ways.
- The **normative, positive and predictive approaches** are interconnected.
- Ex: before we analyse positively and predictively poverty in a particular country, we need first to study it normatively, meaning making a value judgement about how poverty should be conceptualized (is it a lack of income, lack of voice...) to have different implications for the government should do to reduce poverty. We focus here on normative as it is central at the shaping of development policy.

# Examples

- That people matter does not mean that income does not. Income is obviously an important instrument in enabling people to realize their full potential.
- A 12-year old boy who wishes to pursue secondary education and become a doctor might have his dreams blighted by the fact that he has to work instead, in order to help pay health bills incurred by other family members. But the 12-year old boy would not have to work if there were public health services for the poor.
- And in some cases income does not help. A girl born in a well-to do family might have her dreams of becoming a lawyer blighted because her family and community think it improper for her to work outside the home.

# Positive and Normative Approaches

## **Positive**

- What it is? (ex: eating pasta)
- Stating Facts
- Descriptive (doctor describes illness)
- Cause and effect relationship
- Positive Aspects of science(smoking cigarette)
- Strictly Neutral Between Ends

## **Normative**

- What ought to be?(ex: eating salad)
- Passing Judgements
- Prescriptive(doctor presecibes medecines)
- Value Judgements
- Ethical Aspects of science (no smoking)
- Pronouncements/Judgements



# Challenges for Policy Making

- Normative approach to development has a range of challenges:
  - - Uncertainty (ex: How can one take an action on climate change? Should a country invest in wind-turbines, solar panels or nuclear energy? We don't know which energy policy the best option, given uncertainty about the future.
  - - Difficulties in prediction
  - - Evaluation of trade-offs (choosing between or balancing two things that are opposite or can not be had at the same time). Ex: one can buy a car or take an expensive vacation but not both. The car can be the trade-off of vacation or vice versa.
  - - the deep interconnection between different types of policies.

# Examples of Policy Initiatives

- A. Students have to address the various problems in the following case studies:
  1. Access to water in China
  2. Extractive industries in Peru
  3. Forest Protection in Uganda
  4. The Heathrow expansion in London

# Access to Water in China

- The case is about the Tai Lake in Nuxi, one of the the biggest cities in China.
- The lake is the largest freshwater lake in China
- A source of life for people, rich in fish, a source of irrigation for agriculture.
- The lake Crisis: Polution
  - Causes: The building of more than 20, 000 chemical factories around the Tai lake river basin.
  - The population density of the Tai lake.
  - Industrial waste and chemical fertilizers end up in the lake.
- Consequences: -the lake water becomes undrinkable
  - the bloom of blue green algae.
- The lake polution the major challenge China encounters and finds difficult to solve.
  - China has to reconsider « human development »: People the ultimate end of development

# The Heathrow Expansion in London

- The building of a third runway at Heathrow in London.
- Positive effects: the increase of British economy, expansion of air travel (airport), the creation of job opportunities.
- Negative effects: increase of air pollution, destruction of villages and the resettlement of residents to make way for the expansion, the increase in air traffic contribute to CO<sub>2</sub> emissions, thereby accelerating environment pollution and climate change.
- Consequences: Protests against the government plan.

# Normative frameworks matter

- The stories discussed in these case studies show that what is considered to be 'development', and what is seen as policy to improve people's lives, is inextricably linked with values about what matters. Whether development aims to improve economic growth or to advance human rights, human agency or human flourishing, the implications are both practical and far-reaching.

# People First

- Economic growth is a necessary component of development.
- People should come first in social and economic processes.
- Human flourishing constitutes an important assumption of economic growth.

# Assumptions about Economic Growth

- Assumption 1: a high GDP per capita is necessary for human flourishing
- Assumption 2: Families with a good income will not be deprived in other dimensions
- Assumption 3: Economic growth will automatically reduce other kinds of poverty and malnutrition
- Assumption 4: Data for income and expenditure are better than other poverty data

# Conclusion

- Human flourishing and the impacts of policies on people's lives are the fundamental concerns of this course and the core of what is known as the « human development and capability » approach.



# Questions

- Choose the right answer.
- The development of a country can generally be determined by

a-Its per capita income

b-Its average literacy level

c- Health status

d-All the above

.2 Define Positive Economics?

.3 Define Normative Economics?

.4 What do you understand by the term « human development »?

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# Exercise

- The following table shows the proportion of undernourished adults in India. It is based on a survey of various states for the year 2001. Look at the table and answer the following. (5points)

| State          | Male% | Female% |
|----------------|-------|---------|
| Kerala         | 22    | 19      |
| Karmataka      | 36    | 38      |
| Madhya Pradesh | 43    | 42      |
| All states     | 37    | 46      |

- Compare the nutritional level of people in Kerala and Madhya Pradesh
- Can you guess why around 40% of people in the country are undernourished even though it is argued that there is enough food in the country? Describe in your own words.

# Exersices

2- « the earth has enough resources to meet the needs of all but not enough to satisfy the greed of even one person ».

How is this statement relevant to the discussion of human development?

Discuss

# Exercise: Some Human Development Indicators

- |                                    | Saoudi Arabia | Uruguay | Russia | Costa Rica | Vietnam | Morocco |
|------------------------------------|---------------|---------|--------|------------|---------|---------|
| • GDP per capita                   | 15,711        | 9962    | 10,845 | 9481       | 3071    | 4555    |
| • Adult literacy rate (%)          | 82,9          | 96,8    | 99,4   | 94,9       | 90, 3   | 52,3    |
| • Femal literacy rate (%)          | 76,3          | 97,3    | 99,2   | 95,1       | 86,9    | 39,6    |
| • Life expectancy (years)          | 72,2          | 75,9    | 65     | 78,5       | 73,7    | 70,4    |
| • Under 5 mortality (0/00)         | 26            | 15      | 18     | 12         | 19      | 40      |
| • Political rights/Civil liberties | 7/6           | 1/1     | 6/5    | 1/1        | 7/5     | 5/4     |
| • Human development Index          | 0.812         | 0.852   | 0.802  | 0.846      | 0.733   | 0.646   |
- This table illustrates the link between GDP and some other dimensions of human flourishing: Such as health, education and political freedom.....
- Does the growth of GDP of the countries mentioned in the Table above mean people's fairness in all the dimensions of life?

Discuss