
Civic and Community Engagement - Week 9

Development Theories

- **Definition:** Development involves unfolding potential, growth, and achieving a more advanced state.
 - Progress often refers to economic growth measured by Gross Domestic Product (GDP).
 - **Historical Perspective:**
 - Post-1945 focus on economic growth (measured by GDP).
 - Criticized for equating development with wealth alone.
 - **Amartya Sen's Capability Approach:** Development as expanding freedoms and enabling individuals to achieve what they value.
 - **Key Divisions in Development Theories:**
 - **Structuralist Theories:** Emphasize state roles and regulated markets.
 - **Liberal and Neo-liberal Theories:** Highlight market mechanisms.
 - Emerging **Pluralist Theories** combine state and market roles.
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Four Major Development Theories

Modernization Theory:

normative



- **Definition:** A theory of systematic change that attributes underdevelopment to internal factors like culture, outdated traditions, and lack of modern institutions.
- **Key Belief:** Underdeveloped countries can progress by adopting Western values and institutional frameworks.
- **Focus:** Promotes cultural and institutional change in non-industrialized countries to achieve development.
- **Criticism:**
 - Western-centric approach that imposes foreign values and models.
 - Overlooks specific socio-economic challenges unique to developing nations.
 1. Modernization: Oversimplifies diversity, assumes universal model.

Dependency Theory: 1. Modernization: Highlights modern technology and economic growth.

- **Definition:** underdevelopment is perpetuated by the dependence of underdeveloped countries on developed nations, often rooted in historical imperialism and exploitation.
- **Focus:** Highlights economic and social inequalities caused by the historical and ongoing exploitation of developing nations by developed ones.
- **Criticism:**
 - Overgeneralizes the dynamics of development and underdevelopment.
 - Offers limited practical solutions for overcoming dependency.

3. World Systems: Explains social structures and inequality.

Definition: Divides the world into a hierarchy of core (developed), periphery (developing), and semi-periphery nations, focusing on global economic exploitation.

1. World Systems Theory:

- **Focus:** Global hierarchy and resource flow from developing (periphery) to developed (core) nations. (exploitation)
- Countries can climb up the hierarchy based on their economic relationship
- **Criticism:** Views capitalism as a singular world system, limiting diversity.

4. Globalization:
Neglects local
needs of
developing
economies.

2. Globalization Theory:

- **Focus:** Economic integration and international communication.
- **Positive Aspects:** Acknowledges global environment and cultural integration.
- **Criticism:** Overlooks rapid development in some nations.

A theory that explains development through increased global integration, focusing on the interconnectedness

Key Dimensions:

1. Definition & Background:

- **Modernization:** US & European-centric; normative model.
- **Dependency:** Rooted in Marxist theories; focus on under-developed nations.
- **World Systems:** Global system with focus on core-periphery dynamics.
- **Globalization:** Integration and communication within a global economy.

2. Focus:

- **Modernization:** Political, cultural changes, institutional imposition.
- **Dependency:** Social system structure; core vs. periphery.
- **World Systems:** Relations among nations.
- **Globalization:** Communication, technology, cultural factors.

3. Main Direction:

- **Modernization:** A phased societal process.
- **Dependency:** Difference between countries.
- **World Systems:** Social change and structure.
- **Globalization:** Adapting to technology and economic interconnectivity.

4. Problems Addressed:

- **Modernization:** Underdevelopment due to backward systems.
- **Dependency:** Regions and structural inequalities.
- **World Systems:** Role of state in development.
- **Globalization:** Needs for communication tech and global integration.

5. Scope:

- **Modernization:** Nation-states.
- **Dependency:** Nation-states.
- **World Systems:** International relations.
- **Globalization:** Global connections.

Strengths:

1. **Modernization:** Highlights modern technology and economic growth.
 2. **Dependency:** Addresses disparities between developed and developing countries.
 3. **World Systems:** Explains social structures and inequality.
 4. **Globalization:** Considers global economic integration.
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Weaknesses:

1. **Modernization:** Oversimplifies diversity, assumes universal model.
 2. **Dependency:** Criticizes capitalism but provides no alternatives.
 3. **World Systems:** Overemphasis on capitalist system without alternatives.
 4. **Globalization:** Neglects local needs of developing economies.
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Historical Trends in Development Economics

- **1950s-60s:** State-led industrialization with heavy emphasis on capital and macroeconomic planning.
- **Import Substitution Industrialization (ISI):**
 - Encouraged domestic markets and state protection for industries.
 - Prominent in Latin America and India.
- **1970s-80s:** Rise of neo-liberalism.
 - Focus on market liberalization and structural adjustments by IMF/World Bank.
- **1990s:** Shift to **Human Development Index (HDI)** reflecting life expectancy, education, and income.

Summary of Key Points

1. Neo-Liberalism and Structural Adjustments (1970s–1980s)

- **OPEC Oil Price Hikes (1973):** Boosted revenues for oil producers and enabled easy credit for developing nations.
- **Volcker Shock (1979):** U.S. raised interest rates, triggering debt crises (e.g., Mexico, 1982–84).
- **Structural Adjustment Programs:** IMF and World Bank imposed privatization, liberalization, and spending cuts to stabilize economies.

2. Criticism of Modernization Theory

- **Dependency Theory (Andre Gunder Frank, 1967):**
 - Claimed underdevelopment was caused by exploitative global capitalism.
 - Advocated disengagement from the international system and socialist alternatives.

3. Shift Toward Human-Centered Development (1990s)

- **Human Development Index (1990):** UNDP introduced broader development metrics like life expectancy and education.
 - **Poverty Reduction Focus:** The World Bank transitioned from structural adjustments to poverty reduction strategies with a human-centered approach.
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- **Definition:** A government system providing social services like healthcare, unemployment benefits, and education to ensure a basic standard of living and protection from economic risks.
- **Characteristics:**
 1. **Universal Coverage:** Provides healthcare, education, and social security benefits to all citizens.
 2. **Redistributive Policies:** Uses taxes and transfers to reduce inequality.
 3. **Public Services:** Government funds and provides services such as healthcare and education.
 4. **Social Insurance:** Protects citizens from risks like unemployment and old age.
 5. **Active Labor Market Policies:** Includes job training and placement programs for unemployed individuals

Types:

1. **Liberal Welfare States:**
broadminded
based on needs (those who need it most)
private buiss rather than govt like for healthcare
Limited provisions (e.g., USA, Canada).
 2. **Conservative Welfare States:**
families are expected to provide support
welfare benefits are linked to employment
Social insurance tied to employment (e.g., Germany, France).
 3. **Social-Democratic Welfare States:** Universal benefits, equality-focused and social justice (e.g., Sweden, Denmark).
- **Contexts:**
 - Found in mixed economies.
 - Shaped by political ideologies.

Sustainable Development Goals (SDGs)

- Students are encouraged to explore the SDGs via the UN website [here](#).
- No porverty, education, gender equality etc.

Political and Economic Systems:

- **Political Systems:** Welfare states can exist within democratic or constitutional monarchies. The welfare system depends on the political ideology of the governing parties.
- **Economic Systems:** Found in mixed economies, where private enterprise and public sector work together. The degree of state involvement varies

Conclusion

- Development Theories explain how societies change and progress, with debates about whether development should focus on economic growth or human capabilities.

- Welfare States are systems where governments provide key services to promote wellbeing, focusing on reducing inequality and supporting citizens in need.