

Introduction and the meaning of ‘development’

Development Economics, Lecture 1

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Outline

Organisation

- Details and time requirements
- Examination
- Content overview

Content:

The meaning of development

Logistics

Course details and time requirements

- 5 CP → worth **150 hours of study time**
 - Officially $14 \cdot 1.5 = 19$ hours of lecture time, but many ‘free Fridays’
 - In practice: 7 on-site lectures, 3 digital lectures (teaching videos)
- This leaves **131 hours of self-study**
 - 1.5 hours per day if you study 7 days/week
 - 2 hours per day if you study 5 days/week
 - I recommend spreading study time over the whole semester
-  Mandatory readings are meant for preparation → **read in advance**
 - Without prior reading, the interactive elements make little sense, and it will be hard to follow the lecture

Logistics Examination

- **Take-home essay** in the middle of the course
 - Pass/fail grading
 - If you fail, you have the chance to repeat the examination once (but will be more extensive)
 - Passing the essay examination is a **prerequisite for the final exam**
- **Final exam** (120 minutes) at the end of the semester
 - First date: **16.12., 10:00 - 12:00** | Second date: **26.02., 10:00 - 12:00**
 - Exam contains multiple choice, analytical, and open questions (~1/3 each)
- General hint: check out the website of the equal opportunities offices to get info about your formal rights as students

Logistics

Motivation

- Material distributed via course webpage
- Overall learning objectives 

 - Learn about different ways to look at and study ‘development’
 - Use data and theories to better understand social and ecological challenges
 - Discuss contemporary policy controversies

- My goal: challenging but amicable learning environment 
- Short feedback form after each session 

Logistics Content

Foundations

1: The meaning of
'development'

2: Measuring
development (reading)

3: Human Development
& Capabilities

Paradigms

4: (Neo-)Classical
growth models (digital)

5: Institutional
Economics

6: Marxism and
Dependency Theories

Applications

7: Technology,
Innovation & Trade
(digital)

8: Sustainability,
Ecological Limits &
Degrowth

9: Contemporary trends
and controversies

Logistics

Tweedback

- For interactive elements, we use the tool **tweedback**
 - Browser-based tool for in-class quizzes and comments
 - In Moodle and on first slides: URL and QR code
 - Use phone or laptop to reach the session
 - Add questions for the end of the session to the chatwall
 - Participate in quizzes and discussions at the chatwall when relevant
- Note: tweedback can be used **fully anonymous**



Running

Quiz 1
Which of the following is not true about the GDP?

It can be computed in three different ways 0 %
It has been developed as a welfare measures after WW II 0 %
It uses the market value of goods and services to aggregate them 0 %

[Give your vote ...](#)

tweedback
Moderator Session-ID 2e3v

Enter a question or comment here ...

claudius Anonymous 300 / 300 ⓘ

1 post from 1 author Newest first

claudius a few seconds ago

Do you have any questions you want to get addressed at the end of the session?

0 Likes ...

Survey Chatwall Quiz Panic Session

Open questions

The meaning of development

What is development?

Gather with your neighbours in groups of 2-3 people; talk about the following questions and post answers as keywords on the Tweedback Chatwall:



1. What does 'development' mean for you?
2. What are the main open questions you have regarding the overall topic of 'development'?



- Let's explore these issues in the most influential approaches to development:
 - a) Modernisation theories
 - b) Marxism
 - c) Dependency theory
 - d) Post-Development and Post-Colonialism

Modernisation theories

Four approaches to development

Modernisation theories

- Basic idea: a (more or less) linear development in the sense of ‘progress’
 - The **modern society** as a desirable state
 - Has been realised only in parts of the world
 - Goal: realise this state for all humans
- Historical origin: “catching up to Britain” after the **industrial revolution**
- Clear goals (**‘evolutionary universals’**)

Democracy

No incest

Inclusion

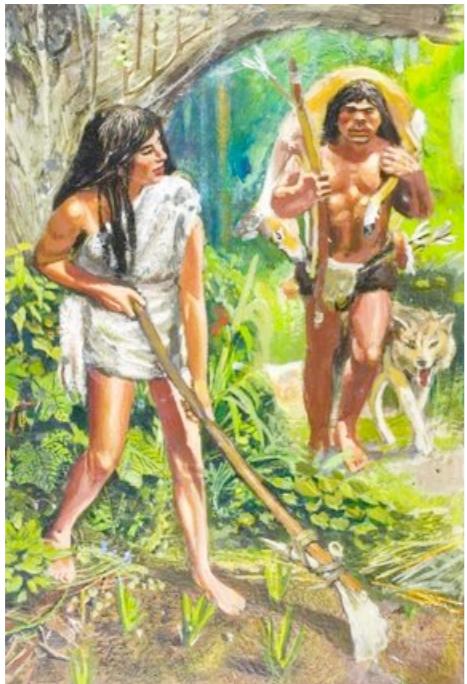
...

- ‘Race for progress’ among cultures → ‘laggards’ can ‘catch up’ to ‘more developed’ countries (which were usually those in the West)

Four approaches to development

Modernisation theories - selected problems

- Often strongly **politicised** during Cold War, despite objectivist aspirations



- Tendency for **ex-post idealization**
 - Example: neolithic revolution as the beginning of civilization
 - Ambivalent: the beginning of hierarchy and oppression
- The ideal of the desirable society **changes over time**
 - Example: Fordist model → neoliberal model in the US



Four approaches to development

Modernisation theories - selected problems

- Strong focus on the nation state → ‘**methodological nationalism**’
 - Sources of ‘development’ to be found within a country
 - Assumes universal mechanisms and catch-up recipes



- Ecological impossibility of generalising Westerns living styles → **practical infeasibility** of modernisation theories

Four approaches to development

Modernisation theories - still relevant despite their problems

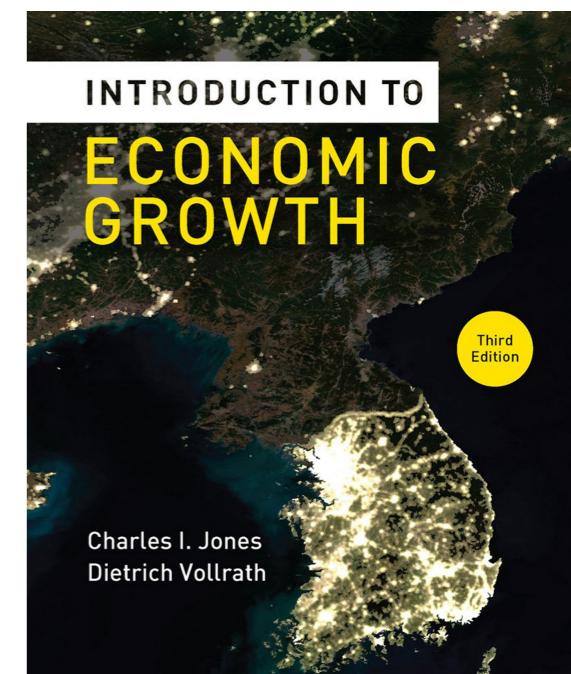
“Not only are poor countries **lacking in capital and education** but the productivity with which they use the inputs they possess is low as well.

[...]

Corruption, bribery, theft, and expropriation can dramatically reduce the incentives for investment in an economy, with devastating effects on income. **Taxation, regulation, litigation, and lobbying** are less extreme examples of diversion that affect investments

[...]

[A]dvanced countries are advanced precisely because they have found ways to limit the extent of diversion in their economies.”



Four approaches to development

Modernisation theories - selected problems

“ Until the philosophy which hold one race superior
And another inferior
Is finally and permanently
Discredited and abandoned
Everywhere is war – me say war.”



Bob Marley, *War* (1976)

- Modernisation theories were often **instrumentalized** in stabilising socio-economic ostracism and marginalisation from a scientific viewpoint
 - Not particularly critical w.r.t. power asymmetries and hierarchies

Marxism

Four approaches to development

Marxist approaches

- Marxian Theory: the core of (capitalist) development is accumulation:
Replace capital by more capital!
- Marx focuses on capitalism:
 - **Pre-capitalist societies:** wealth was used for consumption
 - **Capitalism:** wealth must be used for more **accumulation**
- Capitalist societies emerge from pre-capitalist societies → similar idea of **(linear and successive) development** as in modernisation theories
- History one of **conflict between classes**
 - In capitalism: workers and capitalists
 - Ultimate state of development dispenses with classes → Communism

Four approaches to development

Marxist approaches

- Requirement for capitalism: wide **commodification**, especially of labor
 - Only then workers...
 - can** sell their labor such that it can be used efficiently
 - must** buy subsistence goods on the market
- Required violent expropriation in **pre-capitalism**:
 - Separation of producers from means of production
 - Example: **enclosures in the UK**: workers bereft of their lands → vagabonds without means to ensure their subsistence
- Exploitation usually does not require force within capitalism
 - But: violent exploitation pattern in colonies

Four approaches to development

Marxist approaches

- This was central in the work of Rosa Luxemburg:

“ Capitalism, even in its full maturity, depends in every respect on the simultaneous existence of non-capitalist strata and societies.”



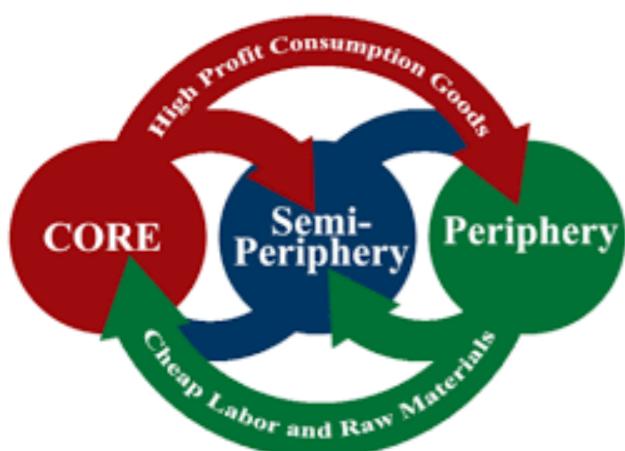
- A non-capitalist sphere (“*Außen*”) that gets exploited
 - Capitalism only works by exploiting non-capitalist spheres
 - The struggle among capitalists for non-capitalist regions has led to **imperialism**
- Today: broad interpretation of ‘spheres’, including gender, race, or the environment



Four approaches to development

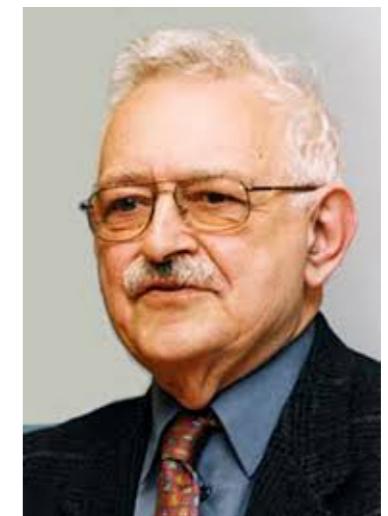
Marxist approaches

- The role of non-capitalist spheres for capitalism continues until today
- In Marxism **relationships of exploitation** are central
 - Brings them more to our attention than modernisation theories
- Skeptical with regard to catch-up processes:



“ The development of economic Centers, and the history of the underdevelopment of the Third World, are moderated via the international system, they are **complementary developments**.”

Senghaas (1974, p. 18)



- Most Marxist theories rest on a **methodological structuralism**

Taking stock

- Sit together with 2-3 neighbours and chat for about 5 minutes
- Make notes about the following:
 - What are the most important key take aways on Modernisation Theories and Marxism?
 - What did we not understand?
 - Post the results on the Chatwall!



Dependency theory

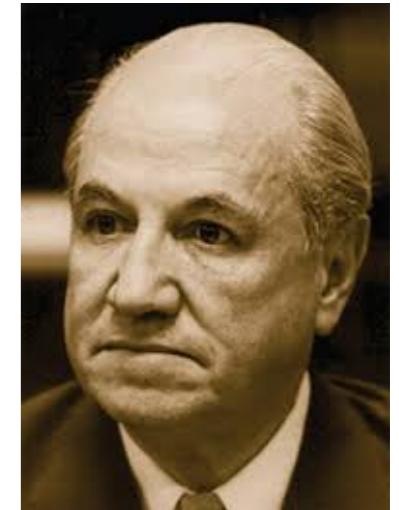
Four approaches to development

Dependency theory

- Origin: **Latin America** in the 50s and 60s
- Response to the failure of Latin American countries to 'catch-up'



CEPAL, founded in 1948



Raul Prebisch

- Historical context: **crises** in the 1920s, dependence on colonial states
- The focus was on countries of the **Global South**
 - Vantage point different to modernisation theories → **interdependencies**
 - **Main critique:** infeasibility to repeat 'Western successes' in Latin America

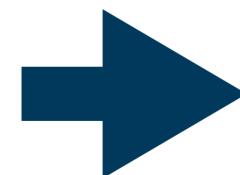
Four approaches to development

Dependency theory - meaning and implications of dependency

“ [dependency is] a situation in which the economy of certain countries is conditioned by the development and expansion of another.”

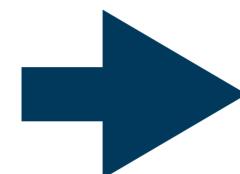
Dos Santos (1970, p. 231)

Development in LA only understandable against the historical genesis of dependency, especially through colonialism



Critique of positivist research approach

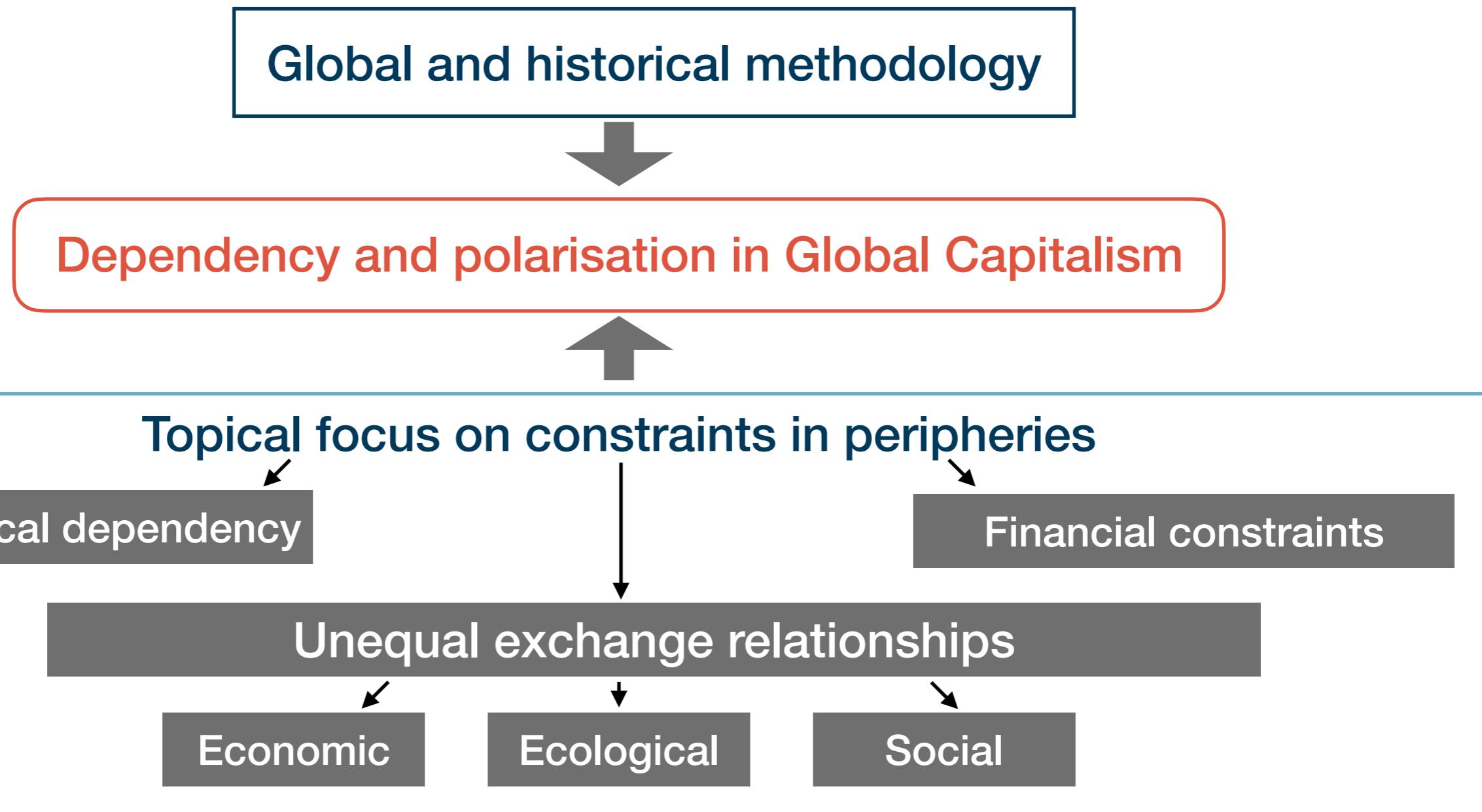
The unequal relationships between core and periphery countries determine the development prospects of the latter



Critique of methodological nationalism

Four approaches to development

Dependency theory

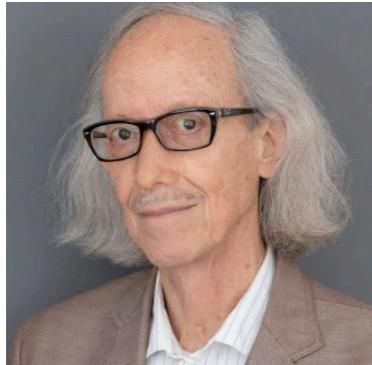


Main problem: low levels of growth in the peripheries → ‘underdevelopment’

Post-Development

Four approaches to development

Post-Development



“ [We] are interested not in development alternatives but in alternatives to development, and that is, **the rejection of the entire paradigm.**”

Arturo Escobar (1995, p. 215)

- Emerges during the second half of the 1980s
 - A time where development aid is fundamentally questioned
 - ‘**Lost Decades of Development**’ in the 1970s and 1980s
 - Structural adjustment programs by IMF and the World Bank
- Questions the **idea of ‘development’ itself**
 - ‘Development’ as a **social construct**
 - Used to establish a hierarchy between ‘developed’ and ‘underdeveloped’ countries
 - Construction of the Western state as the ideal → domination of alternatives



Four approaches to development

Post-Development: a heterogeneous discourse

“ “

Skeptical PD does not generally reject all elements of modernity but promotes cultural hybridization, is critical towards cultural traditions, abstains from articulating desirable models of society and employs a dynamic, constructivist concept of culture.

Neo-populist PD does reject modern industrial society altogether and promotes the return to (often idealized) subsistence communities, employing an essentialist concept of culture.



Whereas sceptical PD thus leads to a radical democratic position, neo-populist PD potentially has reactionary consequences.

Aram Ziai (2015)

Four approaches to development

Post-Development

- An academic as well as activist field
- High relevance of local communities ('**grassroots**')
 - Both as actors, as well as contributors of knowledge (embodied in practices)
 - It is here where '**alternatives to development**' are produced
- Sometimes critisized as a **romanticisation** of often hierarchical and patriarchal systems
- Attention on implications of 'development' as a **discourse and practice**
- Related: **post-colonial studies** as analysis of enduring practices of domination

Taking stock

- So far: four influential theories (or ‘approaches’) on ‘development’
- Many scientific and policy views today still influenced by them
- Wrapping up:

	Modernisation theories	Marxism	Dependency theories	Post- Development
Idea of progress				
Methodological focus				
Possibility for Catch-Up / Global Equality				
Core topics				

Taking stock

	Modernisation theories	Marxism	Dependency theories	Post-Development
Idea of progress	Linear	Stages	Non-linear	Non-linear, no universals
Methodological focus	Nation states	Mainly classes, also practices	Structures, relations	Communities
Possibility for Catch-Up / Global Equality	Possible and desirable	Impossible	Impossible	Rejection of catch-up, endorsement of equality
Core topoi	National institutions	Exploitation relationships	Structural dependencies, unequal exchange	Normative reference points, sufficiency, public vs. private services

Summary and outlook

- The meaning of ‘development’ is contested
- Definitions and operationalizations often influenced by ‘big theories’
 - Modernization
 - Marxism
 - Dependency theory
 - Post-Development
- Each of them has a different vantage point and focus of analysis
- Their enduring relevance will become apparent during upcoming and applied sessions

Coursework for next time

- Add your thoughts on the following questions to the Notepad on Moodle:
 1. What do you remember as the key message of the four theories/approaches?
 2. What kind of socio-ecological challenges come to your attention or are obscured if you take one of the perspectives?
 3. What are aspects that you particularly like/disagree with?
- The suggested readings for this week might be helpful
- We will take this up in two weeks after the digital session on measurement
- Please pay attention to the mandatory reading for next week 