

Author(s): Ted Hanss, 2010

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Week 2 SI757 Reading Notes
Session of 25 February 2010
Ted Hanss

This week's readings provide a history of development thinking over the past 50 years with excerpts from classic texts.

First, Rostow frames modernization theory through his description of five stages of growth, the traditional society, the preconditions for take-off, the take-off, the drive to maturity, and the age of mass-consumption. Rostow expresses an optimistic and deterministic tone while asserting that these five categories pertain to "all societies" (p. 47). The following readings dismiss this simplistic approach.

Huntington takes issues with modernization theory and it is hard not to picture him smirking as he writes a line such as "The bridge across the Great Dichotomy between modern and traditional societies is the Grand Process of Modernization" (p. 57). In the second of the excerpts from Huntington, he discusses what he considers the misdirected focus of development efforts on economic progress (which appears to be at the core of modernization) rather than on ordered, political systems. The roots of modernization theory he ascribes to the driving optimism of Americans about their own history and the belief that economic development would naturally lead to political stability. Huntington argues that political stability must be addressed in parallel with economic development as modernization "increases conflict among traditional groups, between traditional groups and modern ones, and among modern groups" (p. 65).

Frank also criticizes modernization theory, noting that the narrow view of development through the lens of European and North American history leads to ignorance regarding the reality of underdeveloped countries. Frank outlines dependency theory to explain how underdeveloped countries are not simply in a traditional society phase of modernization theory but constrained in their growth by being satellites to more developed capitalistic centers. In other words, there are no coat tails to hang on that will bring underdeveloped countries along---the strong connections with the advanced centers of capitalism ("metropolises") are more even more limiting and damaging than weak connections.

Gereffi addresses the pursuit of conclusive and encompassing theories of development by suggesting that there "are a number of alternative paths of national development" (p. 114). He criticizes much of the earlier theory work as being too general and not transferable outside of particular regions or time periods. In response, he proposes a new theoretical approach based on a "modified world systems perspective" (p. 126). That is, there is a global, interconnected system but dependency theory, for example, does not explain all of the relationships between developed and developing countries.

Of the theory-based papers, I resonate most with Gereffi. His is a post-modern view that there are no absolutes and that making binary distinctions creates arbitrary distinctions. That is, the problems of development cannot be addressed through one-size-fits-all linear programs of aid, policy reform, etc. There are local, regional, and global angles that must be considered. In addition, it will take a multi-disciplinary approach that encompasses economics, political science, sociology, etc. to understand the complexity of challenges.

Mosley, Harrigan, and Toye look at development policy through the actions of the World Bank. Specifically, they examine structural adjustment loans that combined lending with policy reform obligations. They point out several problems with structural adjustment loans. But, at the core, if the policy reforms are a good idea, the government will do them anyway. If the reforms

are not in the government's interests, they will do whatever they can to avoid doing them. Thus, linking reform to lending involves bureaucratic procedures and policies that operate independently of the actual reform processes.

One interesting aspect of their writing that struck me was the discussion of the "fungibility problem" (pp. 29-30) where aid money gets redirected to other national priorities. They claim that in sub-Saharan Africa fungibility "did not apply strongly." Paul Collier in Wars, Guns, and Votes provides evidence that aid does leak, notably into military budgets. That is, Collier's analysis found that "on average 11 percent of aid finds its way into the military budget" (p. 111). This translates into the assessment that "around 40 percent of the military budgets of the governments of the bottom billion is being financed by aid" (p. 112). The implication may be that in the drive to accelerate economic development, the aid agencies are exacerbating political instability by indirectly funding the military buildups that fuel civil and international wars in developing regions. As Huntington might point out, economic development cannot be considered independently from addressing social order.

Finally, Wade's chapter is a diatribe against WTO policies and processes and the negative effect they have on developing countries. Wade accuses the developed countries, notably the U.S. and the EU of hypocrisy through excluding the developing countries from access to the same means of development the U.S. and European countries enjoyed. Further, he accuses them of duplicity in masking restrictions in the language of market liberalization. Wade draws from dependency theory to establish his argument for how integration into world markets had held back developing countries.

Readings

- W.W. Rostow, "The Stages of Economic Growth: A Non-Communist Manifesto," in J. Timmons Roberts and Amy Bellone Hite, eds. *The Globalization and Development Reader: Perspectives on Development and Global Change* (Blackwell: London, 2007), pp 47-55.
- Samuel Huntington, "The Change to Change: Modernization, Development, and Politics (1971) and Political Order in Changing Societies (1986)," J. Timmons Roberts and Amy Bellone Hite, eds. *The Globalization and Development Reader: Perspectives on Development and Global Change* (Blackwell: London, 2007), pp 56-67.
- Andre Gunder-Frank, "The Development of Underdevelopment," in J. Timmons Roberts and Amy Bellone Hite, eds. *The Globalization and Development Reader: Perspectives on Development and Global Change* (Blackwell: London, 2007), pp 76-84.
- Gary Gereffi, "Rethinking Development Theory: Insights from East Asia and Latin America," J. Timmons Roberts and Amy Bellone Hite, eds. *The Globalization and Development Reader: Perspectives on Development and Global Change* (Blackwell: London, 2007), pp 114-134.
- Paul Mosley, Jane Harrigan, and John Toye, "The World Bank's Move to Policy-Based Lending," in *Aid and Power: The World Bank and Policy-Based Lending Vol. 1* (Routledge 1991), pp 27-61.
- Robert Wade, "What Strategies are Viable for Developing Countries Today? The World Trade Organization and the Shrinking of 'Development Space,'" in J. Timmons Roberts and Amy Bellone Hite, eds. *The Globalization and Development Reader: Perspectives on Development and Global Change* (Blackwell: London, 2007), pp 277-294.