

# THE UN AND DEVELOPMENT THINKING: FROM OPTIMISM TO AGNOSTICISM AND BACK AGAIN

Gabriele Köhler<sup>1</sup>

## 1 INTRODUCTION

The purpose of this article is to sketch the evolution of development thinking as it unfolded over time in the UN system and in the general development discourse. In essence, it is an attempt to trace, query, and interpret development interventionism which shaped and was shaped by a parade of paradigms. These paradigms, or common theses, at times emerged within the UN system and subsequently influenced international policy debates; at other times they were generated by controversies and debates in political movements, or more generally in the civil society, and then absorbed by the UN system; in principle, however, it was the discourse in the major developed countries that defines the predominant development-related paradigms. The ability of the UN system to formulate and push particular paradigms, or more generally programmes, is in turn a function of shifting constellations in the bargaining process between the North and the South.

## 2 THE HISTORICAL PICTURE...<sup>2</sup>

In post-war history,<sup>3</sup> one can make out five reasonably distinct, albeit overlapping, phases of interventionism, each phase premised on a particular

paradigm, and 'situated' in a different segment of the UN system:

### 2.1 The build-up (ca. 1943-1960)

Conceptualized towards the end of World War Two with the aim of overcoming economic, social and political turmoil,<sup>4</sup> modern-day interventionism was launched with the creation of the UN system. The reconstruction efforts of the Marshall Plan and then Truman's inaugural presidential address and the subsequent Act for International Development of the US Congress were concrete first steps, followed by early UN technical assistance-type interventions in 'underdeveloped' countries.

Development theories were only just emerging, but from the outset, the selection of instruments was very much limited to the discipline of economics.<sup>5</sup> Keynesian thinking was one major point of reference; *ad hoc* interference in 'unruly' economic processes another. The focus was on capital formation. An understanding of development as a social – a societal – process encompassing cultural and sociological dimensions is missing in much of the early development literature.

<sup>1</sup> The author is a staff member of UNCTAD. The article reflects the views of the author and not the UN Secretariat. Comments on earlier versions of this article, by Charles Gore, Kamran Kousari, N.V. Lam, Syed Mehdi Shafaeddin and Hans W. Singer, are gratefully acknowledged. Remaining errors and misconceptions are entirely due to my obstinacy. To the memory of Charles Köhler, Dorking.

<sup>2</sup> The 1985 Development Cooperation Report presents a comprehensive chronology of events from which much of the factual information contained in the article is gleaned. OECD (1985: 64 ff.) For a detailed account of the overall postwar development experiences see Singer and Roy (1993) and Dadzie (1993). Every periodization is, inevitably, arbitrary and subjective. Thus, Singer and Roy (1995) characterize the phase between 1950 and 1970 as the 'golden years', and are more sceptical in their assessment of the 1970s.

<sup>3</sup> Early roots of interventionism include the deliberate industrialization and modernization efforts of 19th century governments, e.g. in Germany or Japan, and of the early Soviet Union from 1920 onwards. Another precursor, with a more direct development country slant, was the colonial administration machinery

of countries such as Great Britain, France and the Netherlands. The varied models pursued by the developed capitalist economies to control the vagaries of the business cycle is a further strand in the history of development work. Prime examples include the New Deal in the US, or, more analytically, research into the taming of business cycles at the League of Nations Secretariat (Köhler 1995). Very recently, governments and societies in the North are beginning to admit that poverty and unemployment are structural, as opposed to cyclical, problems, and hence once again acknowledging the need for interventions in developed economies. It is important to remember that such interventions in developed economies were engendered in the basic rationale of the Bretton Woods model. See e.g. Singer (1993: 7 f.) and Singer and Roy (1993).

<sup>4</sup> Interestingly, discussions on post-war rehabilitation and on interventions in 'underdeveloped' economies began during the early 1940s in England – interesting because this location combined experience in colonial administration, in war-time economic mobilization as well as in a Fabian or labourist tradition of intervening and correcting economic (mal)functions.

<sup>5</sup> For a detailed discussion, see Arndt (1989)

Early development work was characterized by a 'technocratic' belief in the manageability – or even controllability – of business cycles. Planning therefore played a central role. The focus on economics and on technology engendered a high degree of optimism: The unfolding of development was seen as possible and achievable. It also engendered the shortsightedness that, perhaps, was a major contributing factor to the failure of so many development interventions. The paradigm, in short, was one of economic technocracy (Köhler 1995).<sup>6</sup>

## 2.2 The golden age (of the Keynesian Paradigm) (1959/60 – ca. 1980)

Development cooperation in an organized, deliberate and systematic sense saw its take-off around the year 1960. The emergence of newly independent states in search of a development directive and method made the need for a concerted assistance effort more obvious. Also, political-economic alliances of developing countries made their need more vocal. Faith in a more overt (post) Keynesianism was coupled with faith in technocracy – in the feasibility of achieving desired objectives via the instrument of government interference. The Keynesian preoccupation with underutilized factors of production and the need to generate effective demand was extended into a post-Keynesian growth theory, with a focus on inducing capital supply and investment. The notion of deficit spending used in developed economies to ignite the spark of growth and to expand demand was transported into the idea of external financial flows, underpinned by a consensus that the developed economies owed such support to the developing economies.<sup>7</sup> At the same time, it was acknowledged that governments needed to provide economic as well as social infrastructure in addition to starting an industrial base via publicly owned enterprises.

The 20 years between 1960 and 1980 saw a flurry of developmental activity both in the form of technical assistance and of considerable commercial and public lending from the developed to the developing countries.<sup>8</sup>

Institutionally, the beginning of this phase is characterized by a remarkable coinciding in the creation of interventionist agencies and instruments. In the UN sphere, they include the official establishment of the Special UN Fund for Economic Development (SUNFED), later to become UNDP, and of the World Bank's International Development Association.<sup>9</sup> The (first) development decade of the UN, too, was adopted in 1960.

In the developed countries, the OECD established the Development Assistance Committee (DAC) while individual countries created development agencies/ministries.<sup>10</sup>

In the developing world, planning commissions, investment boards and development plans took shape. Subsequently, the pressure groups of the South such as the G77 and OPEC emerged, and led to the founding of UNCTAD (see Singer 1994). This was a phase of nascent political (or at least bargaining) power of the South, and of attempts to intervene in the developed economies.

Hence, one could argue that the period from the mid-1960s, and in particular during the 1970s, was the phase of prominence for the United Nations Economic and Social Council (ECOSOC) and for UNCTAD, measured in the series of conventions favourable to the developing world tabled before and adopted by the UN General Assembly. They addressed – and sought to redress – a broad range of imbalances: regarding the exploitation of raw

<sup>6</sup> In a similar vein, Kabeer (1994: ix) discusses the impact of 'reductionist' theories on development practices and methods.

<sup>7</sup> The 1 per cent target for example, whereby industrial countries would devote 1 per cent of GDP to development assistance flows was an expression of a perceived moral obligation. It was originally formulated by the World Council of Churches in 1958. It was incorporated into the agenda of the first UNCTAD conference in 1964, and adopted at UNCTAD in 1968.

<sup>8</sup> It is universally accepted jargon to speak of 'developing' and 'developed' countries. Yet, this choice of words has several tricky, condescending, Eurocentric connotations. For example, it may imply that one group of countries is developed in the sense of having reached a final – perfect? – state, while others need to progress towards that 'higher' state. Another possible

paternalistic connotation is that the (Northern-induced) development process is bringing out something that is hidden, as one develops a negative. See Boothe (1993).

<sup>9</sup> The IDA, source of soft loans for developing countries, was based on a proposal from the Special UN Fund for Economic Development (UNDP, 1994: 82).

<sup>10</sup> e.g. Canada 1960; France, Germany, Japan, Switzerland, the US 1961; Belgium, Denmark, Norway 1962; UK 1964. See OECD (1985: 68 f.).

materials, trade regulations, TNCs and restrictive business practice, and technology transfer. This period also saw the formulation of a special programme to attend to the poorest among the developing countries, the least developed countries. A cornerstone of this approach was the New International Economic Order (NIEO) (1974) which called for a redistribution of demand, and resources, from the North to the South.<sup>11</sup>

Major achievements of this time, generated out of the UN system, include the General System of Preferences developed by UNCTAD and first tabled at the 1968 UNCTAD session. It was approved as GATT-conform in 1971.<sup>12</sup> The IMF for example, introduced, in 1962, the compensatory financing facility to cover shortfalls in the export earnings of developing countries, a proposal which had been put forward by the UN Commission on International Commodity Trade. Another UN success of this era are the special drawing rights, created in the IMF in 1967 as a new form of financial liquidity, essentially to the benefit of developing countries; this step was a response to an early UNCTAD Report (UNDP 1994: 82).

The fruitful combination of dynamism and naiveté generated an enviable degree of optimism. For example, the text of the Development Decade, adopted by the General Assembly in 1961, had assumed that 'development' could actually be achieved, via a concerted and intensive effort at providing resources and know-how, within a ten year period of time.<sup>13</sup> The second development decade, adopted for the period 1970-1980, while acknowledging the defeat of the first, forged ahead with the formulation of a detailed set of quantified growth and economic development targets.

### **2.3 Backlash (towards neo-monetarism) (ca. 1982-1997)<sup>14</sup>**

Around the year 1982, interventionism mutated into structural adjustment programmes and the

'correction' of the developing countries' domestic policies. The accumulation of unserviceable debt was (one-sidedly) attributed to irrational investment decisions and, over time, increasingly became associated with a lack of enlightened governance in developing countries. Much of the multilateral assistance effort switched from injecting growth to streamlining economic and social institutions, and pruning their cost. This ('lost') decade brought the dismantling of the welfare state notion, seeking to replace even the most basic government functions by the market mechanism. Again, a concept of development, a paradigm en vogue in the North was transported into the development discourse, and into the work of the UN.

Over this period of time, one observes a successive weakening of developing countries: from the economic weakening, at the beginning of the decade, owing to the debt crisis, to the political weakening, by the end of the decade, resulting from the end of the Cold War. The developing countries as a group lost their bargaining power *vis-à-vis* the North which was already hollowed out due to their debt-related dependence. The commonality of developing country interest perceived in the 'golden age' began to disintegrate as differences in development status and developmental interests became evident.

In the UN context, this phase clearly saw a shift in the locus of development interventions and influence from the United Nations and its ECOSOC or the UNCTAD Secretariat to the World Bank and the IMF who, via their considerable financial flows,<sup>15</sup> shaped the international as well as domestic macro-economic policy discourse during the decade.

Ironically, the neoliberal philosophy is inherently opposed to a strong role of government, to welfarism, and to interventionism *per se* because the notion of markets – applied not only to genuine goods and services markets but also to labour, capital, and resource markets – relies on the self-optimizing,

<sup>11</sup> However, the NIEO was soon to be buried alive. Ironically, the restructuring of the world economic order proposed in the NIEO text - adopted, one is amazed today - at the General Assembly, was silently perverted into structural adjustment politics with quite a different political content.

<sup>12</sup> The first GSP system was adopted by the European Community in 1971, followed by the deeper preference system of the Lomé convention in 1975. Other developed countries followed suit during the 1970s.

<sup>13</sup> Its objective was for developing countries to achieve a minimum annual growth rate of aggregate national income of 5 per cent by 1970 through a combination of increased exports at remunerative prices, an equitable share in the earnings from natural resources, and through development resource flows (United Nations 1961: 17f).

<sup>14</sup> Toye (1989) contains an extensive analysis of the neoclassical 'counter-revolution.'

<sup>15</sup> The financial flows from these two bodies to developing countries swung into reverse from 1987 to 1990 when debt servicing and amortization flows exceeded disbursements for new lending.

centripetal forces of autoregulation. Nevertheless, the most prominent and committed proponents of liberalization and deregulation, namely the World Bank and the IMF, are (obviously unwittingly) the most rigorous of interventionists.<sup>16</sup>

## 2.4 The era of agnosticism<sup>17</sup> (since the late 1980s)

The lead paradigm again shifted in the late 1980s. The tone and style of discourse mellowed: The development literature began moving away from the broad and simplifying theoretical divides between neo-Keynesianism and neo-monetarism, to become 'agnostic'.<sup>18</sup>

The agnostic approach can be traced back to a variety of causes:

First, some segments of theoretical, applied and development economics analysis have, to a certain extent, lost their bearings and become disoriented.<sup>19</sup> This applies to the overall disenchantment with the results of development interventions which had not succeeded in fundamentally altering 'underdevelopment', poverty and destitution in the developing world. The disorientation also resulted from obvious shortcomings in policy prescriptions and theoretical analysis. For example, in examining the success of some developing economies, and the lack of success in others, it became clear that one-dimensional explanations were insufficient to capture the development process, and that neoliberal policies were not the only way to launch countries onto a growth trajectory.<sup>20</sup>

Second, the conventional divide between developed and developing countries has become hollow. As the North is increasingly sensitized to the poverty and maldevelopment in its midst, it is difficult to situate the developing countries only in the South; instead, there are areas of space and groups of people in the most developed of countries that face 'Third World' conditions. Increasingly, reports on the state of the world reflect on unemployment, poverty, and marginalization in the developed as well as the developing nations.<sup>21</sup> An added dimension is that Central and Eastern Europe, formerly perceived as industrialized (hence developed), is now classified (and classifying itself) as 'developing'.

Third, the pleas for adjustment with a human face (UNICEF 1988)<sup>22</sup> and for 'human development' (UNDP 1990 and following years) reopened the discussion on the sense and direction of 'development'. Discourse around these notions questioned not only the impact of the neoclassical approach in development interventionism, but more importantly the purely 'economic' understanding and shaping of the development process.

Fourth, and related to the above, the definition of development as a 'broadening of choices' (as introduced to a wide audience by the UNDP Human Development Reports)<sup>23</sup> may serve to signal a departure from a single prescribed, 'universal' approach to the objectives of development.<sup>24</sup>

<sup>16</sup> Very recently, however, it seems that their ideology is catching up with them: The World Bank for example is facing a recession in loan commitments/disbursements since the commercial banking sector is becoming financially competitive with the Bank and politically more attractive, since commercial loans do not contain macroeconomic conditionality.

<sup>17</sup> This label is chosen deliberately in allusion to the dogmatic 'religions' of Keynesianism and monetarism. In this vein, see Singer and Roy (1993: 9 f.) and Mihevc (1995).

<sup>18</sup> Other descriptions of the period since the mid-1980s speak of the 'impasse in development theory' (Schuurman (1993: 1), attributed to 1) the post modern critique of theory formation *per se*, 2) disenchantment with the economic growth objective which is not reconcilable with notions of sustainable development, and 3) the loss of the 'socialist paradigm' (*ibid.*) – similarly, a general sense of helplessness and resignation was observed by Hein/Mutter (1991). See also Sachs (1992).

<sup>19</sup> For example, associations of heterodox economists are increasing, and systematically, questioning orthodox mainstream (monetarist) economics.

<sup>20</sup> One much-reviewed example is the 'miracle' study produced under the *aegis* of the World Bank: the title, inadvertently at least, implies that the growth/development process observed in the NICs was 'miraculous' in as far as it occurred without applying conventional neoclassical recipes: an expression of perplexity (and another instance of the 'religious' character of some of the debate).

<sup>21</sup> This is a step forward, in that it acknowledges, implicitly at least, that poor governance is not only a problem of the 'South'.

<sup>22</sup> UNICEF's publication (Cornia *et. al.* 1988) was extremely important in terms of institutional politics: It may well represent the first instance of frank interagency critique within the UN system.

<sup>23</sup> The notion of development as broadening the range of choices was originally introduced by Arthur Lewis in his work on development during the 1950s (Banuri 1990: 47).

<sup>24</sup> It has, however, been argued, convincingly but not necessarily operationally useful, that the development – or growth – processes cannot genuinely broaden the range of choices since 'traditional' choices may be eliminated by the very process of development, so that choices are subtracted as well as added (Marglin 1990: 4).

Fifth, the environment and gender causes have 'undermined' mainstream economically-inspired thinking. Policies, programmes and projects, under the pressure (initially almost exclusively) of Northern groups, have had to become 'baggier' so as to incorporate a concern for sustainable development<sup>25</sup> and the gender gap.

Sixth, the post-modern or deconstructivist school has begun sensitizing development interventionists to the problematique of their endeavour. They are questioning Western knowledge systems and exploring traditional knowledge. They are unraveling the very notion of 'development' as creating hierarchy and domination between the 'developer' and the 'developpee'.<sup>26</sup>

Seventh, the demise of the Soviet system opened attention to democracy and human rights as central to development, topics that had been taboo in development discourse for decades.

One expression of this agnosticism is a certain degree of convergence between the 'post-Keynesians' and the 'neo-monetarists'. While the former are devoting more research and technical assistance to genuinely private sector actors, the latter have begun to soften their stance as to the role of the market, conceding that 'market-friendly policies' (as opposed to pure market mechanisms) were appropriate in developing country contexts, and thus acknowledging the role of government.<sup>27</sup> Both schools of interventionist thought are attuning themselves to more pragmatism in their approaches.

A second expression of agnosticism is that the development policy literature is increasingly promoting the case-by-case approach, in recognition of the specificities of economic development experience in different countries (or at least sets of countries) or at different points in time.<sup>27</sup> This acknowledgement is important in that it puts to question the standardized approach of much of the development policy and operational work of the 1980s, exemplified *inter alia* in the canonized catalogue of structural adjustment measures introduced around the globe irrespective of the concrete situation or the socio-historical context of the economy involved. Indeed, this pragmatic approach is heralded as a 'celebration of diversity'.<sup>29</sup> Related buzz-words are 'ownership' of policies and 'tailor-made'<sup>30</sup> solutions. Agnosticism is moreover according an increasingly central role to NGOs which are seen as colourful, untamed, and creative.<sup>31</sup>

With respect to this increasing pragmatism not only of the discourse, but of the thrust of interventions, a shift of focus can be made out, within the UN system, to the specialized agencies. Thus, the (social sector) interventions of UNICEF, WHO programmes for the severely disadvantaged countries, and the thrust of UNDP funding for gender-, environment-, and poverty-sensitive programmes are gaining prominence – or at least popularity and publicity. In reaction, the World Bank is increasingly incorporating 'social dimensions' into its operational work.

<sup>25</sup> In a way, the outcome of the Rio Summit is blurred by agnosticism. By defining continued global economic growth as compatible with sustainability, a compromise between the North and the South, the post-Rio environmentalist agenda has to live with an element of self-contradiction.

<sup>26</sup> Development theorists have in recent years begun importing a method of critique developed in the structuralist school of sociologist-anthropologists. By examining – de-constructing – words and their opposites, this technique bares underlying meanings and hidden agenda. For overviews see Crocker (1991), Sachs (1992), Schuurman (1993) and Knippenberg and Schuurman (1994). For an application, see work undertaken at the World Institute of Development Economics Research (WIDER), e.g. Banuri (1990) or Marglin (1990) whose programmatic call for decolonizing the mind is one expression of this school of thought and its underlying ethic. Also see footnotes 7, 29 and 42 in this article.

<sup>27</sup> Examples for this mellowing may be found in recent World Development Reports of the World Bank.

<sup>28</sup> Thus, many UN agencies involved in economically-gearred activities now concur that there is no one solution or model, and acknowledge that different approaches need to be applied.

<sup>29</sup> Less flattering, this approach has also been dubbed a 'glorified empiricism' (Booth 1993: 57 ff.).

<sup>30</sup> It may amuse to apply a deconstructivist set of questions to the popular new catch-word 'tailor-made'. Although it sounds refreshingly sensitive to the needs of the developing countries, a reflection on the subconscious connotations may well reveal a new disguise for the perpetual hidden agenda: Who is the tailor? Which fashion does he/she adhere to? Is the homespun ethnic look the answer whereby development models are improvised, produced on a small-scale? Tailor is, essentially, a masculine noun: Where is the gender-sensitivity? It is a tailor designing the outfit – not the wearer of the apparel: Is this expertise in a different guise, another version of a top-down approach? What are the 'tailor's' qualifications? After all this plucking, possibly all that remains of the seemingly progressive notion is that, perhaps, the client may choose her/his tailor.

<sup>31</sup> They are also perceived as 'private', as belonging to the private sector. As an expression of this perception, several neoliberal developed country governments are enamoured by NGO. Thus, the United States, for example, plans to funnel as much as 40 per cent of their development assistance through NGOs by 1996.

## 2.5 The exclusion-inclusion paradigm (since ca. 1990)

Perhaps we are currently witnessing an overcoming – or better still a transcending – of ‘agnosticism’: Recently, within the UN Secretariat, the notion of development is being re-cast as a combination of political, economic, social and environmental dimensions; inversely, its objective is seen as correcting a complex set of economic, social, and environmental ‘marginalizations’.<sup>32</sup> In parallel, UNDP has been active in promoting the human development paradigm, and more recently, the concept of human security, as the ultimate objective or purpose of development interventions (UNDP 1990, especially 1994). While human development is defined as ‘a process of widening people’s range of choices’, human security is understood as the assurance that ‘people can exercise these choices safely and freely...’ (UNDP 1994: 22).<sup>33</sup>

Of course, the social dimension has been a concern since the inception of the United Nations, as demonstrated by the UN Charter itself which sees human welfare and employment as central to its mandate. UN Reports on the World Social Situation have been published periodically since 1952.<sup>34</sup> Social concerns were also emphasized in such discourse as that on basic needs, launched by the ILO in the mid 1970s, and such movements as participatory or grass roots development.<sup>35</sup> However, until the mid-1980s, the ‘human’ debate was subordinate to the economic discourse as far as mainstream thinking is concerned.<sup>36</sup>

Therefore, the text for the Fourth Development decade was an early, and welcome, signal that the agenda would be ‘softening’, that is moving away

from the economic compressions of all preceding decades to a socially-sensitized approach. ‘A significant improvement in the human condition in the developing countries and a reduction in the gap between rich and poor countries’ are the declared goals of the Decade.<sup>37</sup> In subsequent UN statements of intent and documents, the notion of development has become increasingly broad, adding the political to the economic, social and environmental dimensions. Since 1990, the discourse has been examining the nature of ‘marginalizations’ (United Nations 1991b: 121). The most recent UN definition of development encompasses security (peace), economic growth, the environment, (social) justice and democracy (United Nations 1995).<sup>38</sup> The same dimensions are echoed in the policy statements of many developing and developed governments in the early 1990s. One observes an intensifying concern, of the development interventionists, for social issues.<sup>39</sup>

An interesting recent extension of this debate is the introduction of the concept of social exclusion. The concept originated in France, rapidly became programmatic within the European Union, and is now to be transported into the development discourse. The multidimensional matrix of the exclusion paradigm appears as a useful point of departure for policy definition since it could serve to bring together, at long last, policies which have traditionally been kept disjunct and dealt with in a fragmented manner. Despite reservations as to the legitimacy of yet again exporting concepts and analytical tools from the North to the South, the social exclusion approach may be ‘a way of reconceptualizing and understanding social disadvantage as the globalization of economic relations occurs’ (Gore 1995: 9).

<sup>32</sup> See for instance the Secretary-General’s statements before the ECOSOC. (United Nations 1993).

<sup>33</sup> They are also perceived as ‘private’, as belonging to the private sector. As an expression of this perception, several neoliberal developed country governments are enamoured by NGOs, and the United States are planning to funnel as much as 40 per cent of their development assistance through NGOs by 1996.

<sup>34</sup> They were merged with the UN World Economic Survey in 1994.

<sup>35</sup> For a comprehensive review see for example Streeten (1993).

<sup>36</sup> See for example Sachs (1992) and especially Esteva (1992)

<sup>37</sup> United Nations (1991b: 126). An interesting complementary General Assembly resolution is that on economic stabilization programmes in developing countries which stresses ‘the necessity of the integration of the human dimension in the formulation and implementation of structural adjustment programmes...’: (United Nations 1991a: 121)

<sup>38</sup> This is brought together in the Copenhagen Social Summit which, despite its ‘soft’ name, is in its core about ‘hard’ economic issues: employment, poverty and global economic disparities.

<sup>39</sup> Using UN conferences as a yardstick, there has been an accelerating process of sensitization to social concerns. This process began hesitantly in the late 1970s: the world conferences on women (1975) and health (1978), and intensified since the late 1980s with conferences on education (1989), on children (1990), human rights (1991), the environment (1992), population (1994) and culminating in the World Social Summit (1995).

### 3 ... AND ITS INNER LOGIC

A fundamental change in the global economy<sup>40</sup> has become manifest since, at least, the end of the 1980s: The process now defined as 'globalization' has taken a foothold. It was ushered in by fundamentally new technologies, especially in the spheres of production processes, communications methods and transportation modes. Decisive increases in speed and reductions in cost have altered production, distribution and consumption patterns. Global finance turns over more rapidly than trade which has grown more rapidly, in the post-war decade, than production. Globalization has made the interdependence of the North and the South more obvious.<sup>41</sup>

Globalization is generally seen as twinned with marginalization – of countries and of groups of populations within countries. Nevertheless, the internationalization of capital investment and of finance is observed with a surprising degree of complacency in the mainstream development debate, despite the acknowledged 'side effects' on late industrializers and weak social groups. The development discourse is demurely avoiding a crucial consideration: globalization of what?

The history of development interventions portrayed above begs an important set of questions. Are the changes observed in the modes and models of intervention and the paradigm shifts coincidental, or are they expressions of an underlying rationale unfolding itself over time? Does the process of development interventionism reinforce, mitigate or overcome North-South inequity? This harsh questioning could guide a re-reading of interventionist history.

There are many variants to the radical interpretation of marginalization as a result of globalization. They include:

- The modernization school which views globalization as the outcome of 'superior' technology and management skills in the developed countries;
- the post-Fordist approach which interprets globalization as a result of the deepening in the international division of labour;

- hierarchy theories which point out that both the market, as an un-hierarchical mode of organizing the economy, and the state, as the corrective for market failures, are experiencing increasing disempowerment via the concentration and transnationalization of private sector enterprises;

- and the classical dependency theories that analyse, and criticize, the subsuming of developing countries of the periphery under the rationality of capitalism of the centre.

Despite different wording and labels, these 'radical' positions agree, in quintessence, that profit orientation, or the rationale of capital, is the organizing force in the international(ized) economy.

Accordingly, the different paradigms shaping interventionism could be correlated with different phases in the evolution of capital. The expansionist, Keynesian approaches of the 'golden age' would then be seen as suited to an era of global expansion where the creation of (cheap) supplies of raw materials was coupled with a drive to generate additional effective demand in new markets. The restructuring of developing economies during the 'backlash' would be understood as corresponding to the needs of a capitalism metamorphosing from an expansionist to an intensified stage of production. The agnostic phase, further, could be interpreted as a disconcertedness *vis-à-vis* the new quality of the global economy, an initial disorientation in the face of a radically different situation. Finally, in the same logic, the social dimension or exclusion paradigms would be seen as responses to the phase of globalization: If globalization is inextricably coupled with global disenfranchisement – that of nation states, that of cohesive social groups, that of individuals – then the exclusion paradigm would constitute another, perhaps more fancy, programmatic vehicle to reinforce the 'capitalist' process, addressing and attempting to rectify the most stark consequences of globalization without in any way challenging the globalization process itself.

A radical view on development as an unfolding of the capital rationale is analytically useful. It helps to clarify, and to identify a rallying point. But it is also pessimistic (or cynical) in that it excludes the

<sup>40</sup> Which may have been the source of the collapse of the East-West divide, and thus of the ensuing weakening of the South's position.

<sup>41</sup> It has been acknowledged, for example, that the 1990-1993 recession was overcome due to the dynamism of the South.

possibility of fundamental change.<sup>42</sup> Essentially, an interpretation whereby global divides are understood as a result of globalization, and hence as generated by the concerted economic, political and social action of the developed world, would question the integrity of the development programmes initiated in the different parts of the UN system.

In contrast, in a different view, development interventionism, with its paraphernalia of paradigms and 'executing agencies',<sup>43</sup> could be more benevolently interpreted as capable of mitigating or even overcoming 'underdevelopment'. This would require that the discourse sever itself from its instrumental mission and make itself amenable to generating a radical, genuinely new type of interventionism.<sup>44</sup>

Such a re-interpretation would use the exclusion/inclusion paradigm subversively, in the sense of defying, or re-dedicating, globalization: Instead of accepting globalization as a process, and addressing its negative side effects via mechanisms such as poverty alleviation programmes or safety nets, it would critique globalization as generating exclusion, and hence call for a review, and fundamental revision, of the process of globalization.<sup>45</sup> In other words, a paradigm – again one that is exported from the North to the South – would be given a totally new content and direction.

The drastic change in the global economy would thus serve as an entry point for an equally fundamental change in the parade of paradigms. This would require, *inter alia*, that the 'agnostic' – in the sense of groping and open – attitude be incorporated into the exclusion discourse.<sup>46</sup> In this reading, interventions would need to be designed and delivered by 'agents' distinct from and independent of those that cause the global economic divides in the first place. It would entail rethinking, reformulating and re-shaping the paradigms, and the

interventions. The role of NGOs and the civil society is crucial in this context.<sup>47</sup>

#### 4 BEYOND THE PARADIGM PARADE

Critique is as vital as it is easy. It is far more difficult to be constructive. Indeed, in post-modern discourse, it would actually be wrong, in the normative as well as in the analytical sense, to formulate solutions. Nevertheless, one contribution to the debate shall be ventured here. Various designs, such as those debated at the World Summit on Social Development, towards overcoming exclusion, and thus attaining 'inclusion', are invariably premised on global growth as the least painful strategy – perhaps out of nostalgia for the 'golden age' era?

By contrast, a more enlightened, multidimensional understanding of development processes would acknowledge that unqualified growth of all economies – developed and developing – would not be compatible with sustainability objectives. Therefore, instead of reverting to the economic and Keynesian paradigms, it may be useful to explore the feasibility – and acceptability – of generating a different paradigm incorporating at its core a redistribution objective. It could include several dimensions of global redistribution:

- redistribution of economic growth away from the saturated, developed economies to those developing economies that have scope and a need for economic expansion so as to satisfy a basic level of material requirements;
- a redistribution of employment, which would entail a redefinition and recasting of work and leisure and possibly a trading of income for leisure; this would open the way for a sharing of employment among the employed and the unemployed in the North, and a transfer of work from the North to the South; and

<sup>42</sup> Indeed, some post-modern academics are condoning a total cessation of development interventions. '...development was a misconceived enterprise from the beginning. Indeed, it is not the failure of development which has to be feared, but its success.' Sachs (1992: 3). In a similar vein, see Banuri (1990).

<sup>43</sup> The deconstructivist dissection of words should perhaps also be applied to UN terminology. For example, the term 'executing agency' has an oddly martial ring to it.

<sup>44</sup> This is, admittedly, a voluntaristic approach.

<sup>45</sup> For a perceptive discussion see Gore (1995: 5)

<sup>46</sup> For instance, in the 'agnostic' mode the role of development agencies, their capability to formulate appropriate policies, and moreover their eligibility to formulate such policies in behalf of the so-called 'beneficiaries' would be thoroughly examined.

<sup>47</sup> Provided that non-governmental agents are genuinely independent.



- a redistribution of some of the wealth generated, both within and among countries – a long neglected because unpleasant requirement.<sup>48</sup>

The final decision as to the shape of 'inclusion' will depend on the tug-of-war of different interest groups. Implicitly, a radical approach would be premised on public reliance on the UN system as a neutralizing agent,<sup>49</sup> and refer to the civil society. It would reorient discourse to normative instruments such as the UN Charter or the various social clauses of the ILO.<sup>50</sup> At this point in time, the developing countries remain in their weakened position. However the role conceded to non-governmental fora and civil movements, coupled with fears over social disintegration in the developed countries, may serve to create a new alliance capable of introducing a genuinely new quality of interventionism. In terms of the negotiating power implications, this alliance could instrumentalize the growing awareness of the North that damages to the South in the form of chronic marginalization will backfire, an argument that would take the place of the former 'East-West menace'.

<sup>48</sup> These three components are interrelated. The historical debate on the nature of work – ranging from toil necessary to generate one's income to work as a mode of self-fulfilment – could provide important pointers in a re-definition of the right to work and the notion of leisure. This is coupled to the question, crucial to the sustainable development debate, whether an unlimited accumulation of goods is feasible, or desirable, in the long run. The accumulation of investment capital, and of wealth, furthermore, hinges on the actual distribution of labour, existing capital, and technology. See for example Singer (1995). Regarding the question of reduced working hours in developed economies, see e.g. Fiallo (1989), UNDP (1994: 39) and UNRISD (1995).

<sup>49</sup> In this sense, the proposal of the Commission on Global Governance and other bodies as to the creation of an economic security council is of interest, in the sense that it is designed as a body which would be in a position to 'overrule' the logic of global divides.

In the optimistic version of a radical position, a participatory discourse, modest, agnostic, irreverent and iconoclastic, will bear a radical set of options for a very different type of interventionism.<sup>51</sup> This may well require a fundamental revamping of the UN system, be it in the direction of a (socio)economic security council,<sup>52</sup> or a less unsettling but nonetheless committed remodelling of existing structures.<sup>53</sup>

The face of interventions is changing, especially in comparison to the phases of build-up, golden age and backlash which had no qualms about defining the content of, and undertaking, interventions in foreign economies/societies. The agnostic phase introduced an element of hesitancy as to the legitimacy and direction of development interventions. Introduction of a new paradigm may entail recognizing that self-intervention in the North needs to become an object of discourse, and that interventions in the South need to, in the near future, take on a more sensitive and sensible form, with an acknowledged normative component.

<sup>50</sup> See de Castro (1995) for a contribution to this debate.

<sup>51</sup> See for instance the discussions in the DAWN (Development Alternatives with Women for a New Era) group, Sen and Grown (1987), or more recently de Castro (1995)

<sup>52</sup> The defensive reactions to the Report of the Commission on Global Governance preclude a creative brainstorming as to what shape a revitalized, and politically more influential, UN could take. For UNDP, for example, the creation of an Economic Security Council would correspond to its human security paradigm. See UNDP (1994: 83).

<sup>53</sup> See Fortin (1992: 84 f).

## REFERENCES

Arndt H.W., 1989, *Economic Development. The History of an Idea*. Chicago/London: University of Chicago Press

Banuri T., 1990, 'Development and the politics of knowledge' in F. Apffel Marglin and S. Marglin (eds), *Dominating Knowledge. Development, Culture, and Resistance*, Oxford: Clarendon Press: 29-72

Booth D., 1993, 'Development research: from impasse to a new agenda' in F. Schuurman, (ed.), *Beyond the Impasse. New Directions in Development Theory*, London: Zed Books: 49-76

Commission on Global Governance, 1995, *Our Global Neighbourhood*, Oxford/New York: Oxford University Press

Cornia G., Jolly R. and Stewart F., 1988, *Adjustment with a Human Face. Vol I and II*, Oxford: Clarendon Press

Crocker D., 'Toward development ethics', *World Development*, Vol 19 No. 5: 457-483

de Castro J., 1995, 'Trade and labour standards: using the wrong instruments for the right cause', *UNCTAD Discussion Paper No 99*, Geneva

Dadzie K., 1993, 'The UN and the problem of economic development', in A. Roberts and B. Kingsbury (eds), *United Nations, Divided World. The UN's Roles in International Relations*. Oxford: Clarendon Press

Esteva G., 1992, 'Development'. in W. Sachs *op. cit.*: 6-25

Fiallo F., 1989, *Labeur et rareté. Pour une révolution copernicienne en économie*. Geneva: Editions du Tricornet

- Fortin C., 1992, 'The United Nations and development in the 1990s', IDS Silver Jubilee Paper 3, Brighton: IDS
- Gore C., 1995, 'Introduction: markets, citizenship and social exclusion' in G. Rodgers, C. Gore and J. Figueiredo, *Social Exclusion: Rhetoric, Reality, Responses*. IILS/UNDP, Geneva: 1-40
- Hein W., Mutter Th., 1991, 'The debate on development policy' in E. Altvater, K. Hübner, J. Lorentzen and R. Rojas (eds), *The Poverty of Nations. A Guide to the Debt Crisis from Argentina to Zaire*, London: Zed Books
- Hobart M., (ed.), 1993, *An Anthropological Critique of Development. The Growth of Ignorance?* London/New York: Routledge
- Kabeer N., 1994, *Reversed Realities. Gender Hierarchies in Development Thought*, London: Verso
- Köhler G., 1993, 'Wirtschaftswissenschaften und Wirtschaftswissenschaftler in der Entwicklungspolitik', *Ökonomie und Gesellschaft*, Jahrbuch 10, Frankfurt/New York: Campus: 269-292
- , 1995, 'The early developers: The League of Nations and its influence on development thinking', in J. Glombowski (ed.), *Zur kontinentalen Geschichte des ökonomischen Denkens*, Marburg: Metropolis
- Knippenberg L. and Schuurman, F., 1994, 'Blinded by rainbows: anti-modernist and modernist deconstructions of development' in: F. Schuurman (ed.), *Current Issues in Development Studies. Global Aspects of Agency and Structure*, Saarbrücken: Verlag für Entwicklungspolitik Breitenbach: 90-106
- Marglin S., 1990, 'Towards the decolonization of the mind', F. Apffel Marglin and S. Marglin (eds), *Dominating Knowledge. Development, Culture, and Resistance*, Oxford: Clarendon: 1-28
- Mihevc J., 1995, *The Market Tells Them So, The World Bank and Economic Fundamentalism in Africa*, London: Zed Books
- OECD, 1985, *Twenty-Five Years of Development Cooperation. A Review. 1985 Report*, Paris
- , 1990, *Development Cooperation. 1990 Report*, Paris
- Sachs W., 1992, *The Development Dictionary. A Guide to Knowledge as Power*, London: Zed Books
- Schuurman F., 1993, 'Introduction: development theory in the 1990s'. in: F. Schuurman (ed.), *Beyond the Impasse. New Directions in Development Theory*, London: Zed Books: 1-48
- Sen G. and Grown C., 1987, *Development, Crises, and Alternative Visions. Third World Women's Perspectives*, New York: Monthly Review Press
- Silver H. and Wilkinson F., 1995, 'Policies to combat social exclusion: A French-British comparison' in: G. Rodgers, C. Gore and J. Figueiredo, *op. cit.*: 283-310
- Singer H. W., 1993, *Prospects for development*, in: M. Murshed and K. Raffer (eds), *Trade, Transfers and Development. Problems and Prospects for the Twenty-first Century*, Aldershot: Elgar
- , 1994, 'La création de la CNUCED et l'évolution de la pensée contemporaine sur le développement', in Y. Akyüz (ed.) *L'ouverture hétérodoxe: politiques et réformes économiques pour les années 90*, *Revue Tiers-Monde* Vol. XXXV/139: 489-498
- , 1995, 'Austin Robinson and Keynes: two forecasts', *Cambridge Journal of Economics*, Vol 19
- Singer H. and Roy S., 1993, *Economic Progress and Prospects in the Third World. Lessons of Development Experience Since 1945*, Aldershot: Elgar
- South Centre, 1995, *Reforming the United Nations. A View from the South*, Geneva
- Stiefel M. and Wolfe M., 1994, *A Voice for the Excluded. Popular Participation in Development. Utopia or Necessity?* London: UNRISD and Zed Books
- Streeten P., 1993, 'From growth, via basic needs, to human development: the individual in the process of development'. In: M. Murshed and K. Raffer (eds), *Trade, Transfers and Development. Problems and Prospects for the Twenty-first Century*, Aldershot: Elgar
- Toye J., 1989, *Dilemmas of Development. Reflections on the Counter-Revolution in Development Theory and Policy*, Oxford: Blackwell
- UNDP, *Human Development Report*. Oxford/ New York: Oxford University Press, ( published annually since 1990)
- UNRISD, 1995, *States of Disarray. The Social Effects of Globalization. An UNRISD Report for the World Summit for Social Development*. London
- United Nations General Assembly, 1961, 'United Nations Development Decade. A programme for international economic cooperation', *Resolutions Adopted on the Reports to the Second Committee during the Sixteenth Session New York* : 17-18
- , 1991a, 'Economic stabilization programmes in developing countries', *Resolutions and Decisions Adopted by the General Assembly During its Forty-fifth Session*, Vol I Supplement No. 49 A (A/45/49) New York 1991: 120 f.
- , 1991b, 'International development strategy for the Fourth United Nations development decade', *Resolutions and Decisions Adopted by the General Assembly During its Forty-fifth Session*. Vol I. Supplement No. 49 A (A/45/49) New York: 125-134
- United Nations, 1993, *Press Release SG/SM/1457.ECOSOC 1409*
- United Nations, 1995, *An Agenda for Development*, New York