

FROM THE LOCAL TO THE GLOBAL



# From the Local to the Global

Key Issues in Development Studies

Third edition

Edited by Gerard McCann  
and Stephen McCloskey



**Pluto Press**  
[www.plutobooks.com](http://www.plutobooks.com)



First published 2003  
Second edition published 2009  
Third edition published 2015 by Pluto Press  
345 Archway Road, London N6 5AA

[www.plutobooks.com](http://www.plutobooks.com)

Copyright © Gerard McCann and Stephen McCloskey 2003, 2009, 2015

The right of the individual contributors to be identified as the authors of this work has been asserted by them in accordance with the Copyright, Designs and Patents Act 1988.

British Library Cataloguing in Publication Data  
A catalogue record for this book is available from the British Library

ISBN 978 0 7453 3474 5 Hardback  
ISBN 978 0 7453 3473 8 Paperback  
ISBN 978 1 7837 1281 6 PDF eBook  
ISBN 978 1 7837 1283 0 Kindle eBook  
ISBN 978 1 7837 1282 3 EPUB eBook

This book is printed on paper suitable for recycling and made from fully managed and sustained forest sources. Logging, pulping and manufacturing processes are expected to conform to the environmental standards of the country of origin.

10 9 8 7 6 5 4 3 2 1

Typeset by Curran Publishing Services, Norwich, England  
Text design by Melanie Patrick  
Simultaneously printed by CPI Antony Rowe, Chippenham, UK  
and  
Edwards Bros in the United States of America



# Contents

<i>Acknowledgements</i>	vii
<i>List of Abbreviations</i>	ix
Introduction: Creating New Paradigms for Development <i>Stephen McCloskey</i>	1
<b>PART 1 DEVELOPMENT DISCOURSE AND DEFINITIONS</b>	<b>21</b>
1 Measuring Human Development <i>Andy Storey</i>	23
2 A Human Rights Based Approach to Development <i>Máire Braniff and Paul Hainsworth</i>	39
<b>PART II THE ECONOMICS OF DEVELOPMENT</b>	<b>57</b>
3 Overseas Development Aid: Is It Working? <i>Patrick Marren</i>	59
4 Trade, Development and Inequality <i>Denis O’Hearn</i>	78
5 Debt Injustice in the Global North and South <i>Nessa Ní Chasaide</i>	96
<b>PART III DEVELOPMENT POLICY</b>	<b>111</b>
6 Climate Change: Reorienting the Development Agenda <i>David Selby</i>	113
7 Europe, Development and the Colonial Legacy <i>Gerard McCann</i>	132
8 Post-2015 Development Assessment: Proposed Goals and Indicators <i>Walden Bello</i>	152

## Contents

9	Women Contributing to Gender-Just, Equitable and Sustainable Development <i>Patricia Muñoz-Cabrera</i>	170
10	The Complexity of Migration <i>Michal Cenker</i>	191
<b>PART IV REGIONAL DEVELOPMENT</b>		<b>213</b>
11	Rethinking Latin America: Back to the Future? <i>Ronaldo Munck</i>	215
12	The Arab Spring: Trading Development for Stability <i>Heba M. Khalil</i>	233
13	China: The New Face of Development <i>Russell Duncan</i>	251
14	Meaningful Development Goals and Sub-Saharan Africa <i>Chrispin R. Matenga</i>	267
<b>PART V HUMAN DEVELOPMENT</b>		<b>287</b>
15	Children, Childhood and Work: Perceptions and Practices <i>Madeleine Leonard</i>	289
16	Development Education as an Agent of Social Change <i>Stephen McCloskey</i>	302
	Conclusion: Neoliberal Decline and International Development Post-2015 <i>Gerard McCann</i>	321
	<i>Notes on Contributors</i>	333
	<i>Index</i>	339



# 1

## *Measuring Human Development*

*Andy Storey*

We need to construct a vision that is different from the Western capitalist development model. We must move from the sustainable development paradigm to the *Bien Vivir* comprehensive development approach that seeks not only a balance among human beings, but also a balance and harmony with our Mother Earth. No development model can be sustainable if production destroys Mother Earth as a source of life and our own existence. No economy can be long lasting if it generates inequalities and exclusions. No progress is just and desirable if the well-being of some is at the expense of the exploitation and impoverishment of others.

(Bolivian President Evo Morales, 2014)

Measuring development presupposes being able to define what development actually is. Evo Morales offers his own definition in the above passage, and it immediately leads us to think about the link between definition and measurement. How, for example, would we measure whether someone was in balance and harmony with the earth, or whether that person was not exploiting others? This issue of definition is first addressed in this chapter before moving on to an examination of the most commonly used measures of economic development – notably gross domestic product (GDP) and gross national product/income (GNP/I). These remain the standard international measures of development, but they provide us with only a very limited, and in some ways positively misleading, understanding concerning the quality of people's lives and the welfare of the planet.

As a method of measuring development the best known alternative to the purely economic indices is the Human Development Index (HDI), which relies upon multiple (not solely economic) criteria, and which was partly inspired by the work of the Indian economist and philosopher Amartya Sen. The HDI, along with a number of other indices that have been constructed in recent years, including those that try to incorporate questions of environmental sustainability, is discussed here. For

some, however, the struggle to come up with ever more sophisticated and comprehensive measures of development is fundamentally wrong-headed. The work of 'post-development' writers insists that all attempts at such measurement contribute to Western domination of the so-called 'Third World': this critique will be reviewed. However, the attractions of quantifiable measurement remain strong, and it partially underpinned the emergence of the Millennium Development Goals (MDGs) as a recent means of measuring development progress. Consequently, there have been problems with the MDGs, as there will be with their putative successors, the Sustainable Development Goals (SDGs).

### *Defining Development*

Measures of development are inextricably linked to definitions of development, pointing to the need for a better understanding of what development is before seeking to measure it. For many years this understanding seemed fairly straightforward. For most economists and policy analysts, development was seen as equivalent to economic growth, of which growth in GNP/I – discussed in detail below – served as the main indicator. This is usually expressed in 'per capita' (per person) terms: that is, the gross, or total, national product/income is divided by a country's population to give an average figure which represents a country's level of economic development. Comparing GNP per capita from year to year provides a measure of economic growth relative to population size, and this is commonly taken as a measure of development progress, or the lack of it.

For many years also, development was officially seen not only as growth in the economy, but also as a transformation or shift of the economic structure away from primary goods production (of agriculture and raw materials) towards manufacturing and service activities. This was most famously articulated by the prominent US social scientist (and senior US government advisor) Walt Rostow in 1960 in *The Stages of Economic Growth*, in which he developed the notion of 'stages of growth' through which all societies proceed. Rostow's stages were:

- 1 Traditional society.
- 2 Preconditions for take-off.
- 3 Take-off.
- 4 Drive to maturity.
- 5 Age of high mass consumption.

Rostow saw the world in quite crude, linear terms – poor societies become ‘modernised’ (both economically and socially) and essentially end up resembling the United States.

This approach came under increasing criticism, particularly in the 1960s and 1970s. The notion of ‘growth without development’ became common with reference to countries such as Brazil, where impressive GNP per capita growth – and indeed a degree of Rostow-style structural transformation – seemed to coexist with growing inequality and poverty for many. As one Brazilian politician is said to have remarked, ‘Brazil is doing well but its people are not.’ For the British economist Dudley Seers, alternative definitions of development were required:

The questions to ask about a country’s development are therefore: What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these have declined from high levels then beyond doubt this has been a period of development for the country concerned. If one or two of these central problems have been growing worse, especially if all three have, it would be strange to call the result ‘development’ even if per capita income doubled.

(Seers, in Todaro, 2000: 15)

The development criteria suggested by Seers can be discerned, at least in part, in the later method of measurement introduced by the UN Development Programme (UNDP) in the form of the HDI. As will be discussed further below, an even more important influence on the HDI was the work of Amartya Sen. The HDI encapsulates a concept of development as a process of enlarging people’s choices – allowing them the opportunity to live longer, to acquire knowledge, and to generally live fulfilling lives according to their own criteria and priorities. Thus, the narrow focus on economic growth and transformation is widened to embrace a variety of other (economic, but also non-economic) factors.

The 1980s saw a further crucial variable thrown into this definitional pot, that of environmental sustainability. In its most famous articulation, from the 1987 report *Our Common Future* (also known as the Brundtland Report) produced by the UN World Commission on Environment and Development: ‘Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs’ (quoted in Martinussen, 1997: 150). The central challenge here is that unlimited economic development is unsustainable within the constraints of a finite ecosystem, a subject that is discussed further below.

Beyond the standard measurement systems which are utilised by international agencies, there are many more contested definitional issues. Some writers, for example, see societies that have developed materially but have lost touch with traditional – itself a contested concept – spiritual or cultural values, as having ‘maldeveloped’ (see the *European Journal of Development Research*, 1996). Others see the absence of political freedom and democracy as invalidating any claim to development regardless of levels of economic growth (sustainable or not) and the improvement of social indicators ([www.freedomhouse.org](http://www.freedomhouse.org)). The persistence of war and armed oppression is viewed by many as antithetical to any meaningful conception of development. And a growing number of writers and activists identify development as being about the progressive realisation of human rights – what is known as the rights-based approach to development (Uvin, 2004).

Despite these definitional disagreements, there is a strong desire on the part of many interested parties to know whether development, however defined, is occurring or not – in other words, there is a desire to measure development despite its evident complexity. It is to some of these attempts at measurement that we now turn.

### *Standard Economic Development Measures*

A basic measure of economic activity is GDP, the total output of goods and services in an economy measured at market prices. This measurement should only include the final output produced and not intermediate production. For example, if a factory produces screws that subsequently contribute to the value of a car also produced in the same country, then only the final value of the car should be included in GDP – to count the value of the screws separately would be to double-count. GDP essentially measures the total value of production taking place in an economy. However, it does not measure the extent to which resources are available in that economy, in that not all the value of what is produced is necessarily available to the residents of that country. GDP was the subject of a coruscating critique in *Gross Domestic Problem: The Politics Behind the World's Most Powerful Number* by Lorenzo Fioramonti (2013), one of whose arguments is that the word ‘domestic’ is misleading. Income accruing to foreign investors is treated as if it were a measure of the success of the country in which the production takes place.

In order to deal in part with that criticism, and capture the actual

level of resource availability, it is necessary to adapt GDP. One way to do this is to engage in a process of addition and subtraction. We could subtract from GDP certain outflows of resources. Some of these resources are related to capital – chiefly, profits remitted out of an economy by companies (often, though not necessarily, foreign ones) operating in that economy. Other resource outflows are related to labour – such as the share of wage income remitted home by migrant workers resident in that economy. Because capital and labour are conventionally described as the ‘factors of production’, such outflows are referred to as ‘factor outflows’. Conversely, we could add to GDP certain inflows of resources. These include capital-related flows, such as the profits remitted into an economy from a company operating externally – for example, in the case of the United States, the profits sent back to that country from a US multinational company’s operations in, say, Nigeria or Colombia. There will also be labour-related inflows, such as the portions of wages sent home to India or Turkey by workers from those countries labouring in the Gulf States or in Europe. Taken together, these are factor inflows.

For any given economy, there will be both factor outflows and factor inflows. Balancing out these different flows will yield what is called ‘net factor income’ – which can be either positive or negative. GDP plus or minus net factor income generates GNP, the most commonly used measure of economic development, especially when expressed relative to population size (that is, per capita). Some commentators prefer to use the term GNI, as it is more of a measure of income than it is of product. There may be a substantial discrepancy between GDP and GNP/I, such as in a country like Ireland where multinational companies siphon substantial profits out so that GDP is substantially higher than GNP/I (Fitzgerald, 2013).

The main argument in favour of using GNP/I per capita as a measure of development is that unless there is an increase in the availability of goods and services, development is unlikely to be occurring – that is, a rising GNP/I per capita is, at least, a precondition for development. Moreover, the method of calculating GNP/I is relatively well understood and reasonably widely recognised – most people know what is being measured and how. Also, all countries produce GNP/I estimates, so international comparison is facilitated.

But the arguments against using GNP/I as a measure of development are significant. First, and fundamentally, GNP/I is an economic measurement, and by definition does not take account of non-economic criteria. If, as discussed above, our definition of development

incorporates social, cultural or political considerations, then any solely economic measurement is obviously unsatisfactory.

Second, GNP/I, when expressed in per capita terms, takes no account of how resources are distributed. GNP/I per capita is a statistical average which bears no necessary relationship to the actual resources available to any person in a country. A society with a highly unequal distribution of resources could have a high GNP/I per capita, while the majority of its population lived in extreme poverty or even destitution, as is the case in many countries – and increasingly so as income and wealth inequalities have widened substantially in recent years (Piketty, 2014).

Third, GNP/I (as with GDP) is based on market prices. Non-market transactions are not covered. A variety of economic activities, especially in poorer economies, may not be included in GNP/I calculations. These typically include the cultivation of food for domestic consumption; the processing and cooking of that food; the maintenance and repair of domestic equipment and clothing; the provision of household fuel and water; caring for children, the elderly and the sick; and participation in (unpaid) community activities. A common thread unites these disparate activities: they are usually performed by women. Thus, GDP and GNP/I are gender-biased indicators of development (Beneria, 1995). But it is not only women's work that that may be undervalued or excluded from GDP and GNP/I. Activities taking place in the so-called 'informal' economy – perhaps involving barter or otherwise not passing through official market channels – are also usually underestimated or completely ignored by the standard measures of economic development. And how do we deal with a phenomenon such as Twitter, whose 230 million users pay nothing for the service but who have turned the company into one worth \$24 billion (Naughton, 2013)?

Fourth, market prices – the foundation stones of GDP and GNP/I – may not reflect the real social value or cost of producing an economic resource. In recent years many economies grew rapidly on the basis of financial speculation (Lapavitsas, 2013), but can this be said to have really contributed to human development? Jones (2011: 159), drawing on the work of the New Economics Foundation (NEF), documents how for every \$1 paid to a city banker, \$7 of social value is actually destroyed; whereas a dollar paid to a hospital cleaner reflects only a fraction of the social value they generate (through improved health outcomes). Likewise, the production of missile systems to replace those fired in a war is counted as a positive in the conventional measures, but might this not constitute a negative in terms of real human well-being?

*Measuring Environmental Destruction*

Related to this fourth point, it is in the area of the environment that some of the problems with conventional economic measurement of development are most starkly revealed (Daly, 1997: 121–5; Kovel, 2007). Here especially there is no guarantee that the economic activity comprising GDP or GNP/I is really a positive contribution to society at all. If a production activity involves serious environmental depletion and damage, then it might be more accurately considered a negative when measuring society's development, whereas the GDP or GNP/I measure will automatically regard the marketed output as a boost to development. This point is underlined in the extreme example of a country that cuts down all its trees, sells them for wood and then gambles the proceeds: GNP/I per capita would register a significant increase, whereas real societal development would clearly have been seriously damaged.

At a global, environmental level, the consequences of fetishising economic growth are stark. Were every country in the world to reach a per capita GDP level of \$13,000 (which is what the World Bank classifies as the threshold to be considered a high-income country) then global GDP would need to rise from the present \$72 trillion to \$91 trillion; but our planet can probably sustain a GDP of only \$48–50 billion (Hamid and Duraipappah, 2014). To live sustainably we need instead to focus on 'de-growth', which calls for a radical paradigm shift in which development might be measured not by how much the economy is growing but rather by how much it is shrinking (Fioramonti, 2013).

Edward Goldsmith has observed that 'GDP growth is the rate at which the powerful are expropriating the resources of the weak to create garbage', with the added element that they may also be producing, through climate change, the erosion or elimination of the ecosystem itself (quoted in Starr, 2000: 1). Brand and Wissen (2012) also emphasise the clash between the strong and the weak in their evocation of what they term the 'imperial mode of living', through which the everyday production, consumption and lifestyle (such as commuting) practices of people in rich countries impose enormous costs on people in poor countries – rising sea levels, increased incidences of natural disaster through climate change, the dumping of waste, the violence and pollution that is often part and parcel of fossil fuel extraction, and so on. Thus, what is measured as development (economic growth) in some countries comes at the cost of not only planetary destruction but also the exploitation of others.

### *Sen and the Human Development Index*

Amartya Sen first became famous for his work on famine, in which he argued that whether people have food or not does not depend on its actual availability (food is usually available even in famine situations) but on whether they can exercise an 'entitlement' to food – through, for example, being able to pay for it from the proceeds of wage labour (Sen, 1981). Typically, people starve because their entitlements collapse (such as when rural labourers lose their jobs) rather than because there is an absolute shortage of food.

Sen has developed his work over the years to comment on development more generally. He does not see development as being about what people have in terms of commodities, because such possessions may be of limited value at certain times and in certain situations – a book, for example, is of little use to a starving or illiterate person. Different people value different things, and what is most important is that each person is able to acquire those things that are important for their own self-realisation. These may be not only material things but also, for example, a sense of belonging or the ability to participate in the life of the community. Sen bundles these things together into the idea of 'freedom' – the expansion of freedom (in terms of being able to acquire what we need for the achievement of our own concept of development) is the endpoint of development; but it is also the means to development. Enhancing freedom (or choice) allows people to determine and fulfil their own visions of development (Sen, 1999). As Chandler puts it, 'in Sen's "agent-centred" world there are no fixed external universals and therefore no framework or yardstick for an external measurement of development' (2013: 15). However that has not stopped people trying to adapt Sen's work precisely to produce just such a measurement of development!

Since 1990 the UNDP has produced an annual *Human Development Report*. The centrepiece of this report is the HDI, which ranks countries on the basis of developmental criteria extending well beyond economic indices (<http://hdr.undp.org/en/statistics/hdi>). Specifically, the HDI is an amalgam of three variables for each country:

- GNI per capita (which is assigned a diminishing weight in the overall index as it rises – money matters but beyond a certain point it is assumed to matter less)
- life expectancy
- educational attainment – itself an amalgam of the average number of years adults spent at school and the average number of years expected to be spent at school by children.



The three variables were chosen on the basis of their being proxies for, and/or means to achieve, other aspects of human development, thus echoing Sen's means/ends conceptualisation of freedom and development. A relatively high life expectancy is a good thing in itself, but is also a measure of how much room/time a person has to achieve self-realisation (their own conception of development). Educational attainment is likewise something to be valued for its own sake, but is also a means through which people are empowered to pursue other goals – such as economic progress or cultural self-assertion. Income is itself useful, and again, is also a tool through which people may pursue other objectives.

Some countries that appear very 'developed' in GNP/I per capita terms fare considerably less well on the HDI ranking. This is often the result of their unequal resource distributions and correspondingly poor standards of life expectancy and educational attainment for the vast majority of the population. Many of the states of the Middle East fall into this category. On the other hand, some countries with relatively low levels of GNP/I per capita emerge quite creditably on the HDI scale due to their comparatively high levels of social expenditure (including on health and education) – Cuba and Costa Rica are examples. While the HDI is, like GNP/I per capita, a societal average, life expectancy or years spent at school cannot mirror income-style inequalities. A rich person will usually live longer than a poor person, and a child of rich parents will usually spend more years at school than a child of the poor, but in neither case can this be by a factor of several million – as is the case with income differentials. Thus, the HDI is much less vulnerable than GNP/I per capita to the problem of distortion by gross inequality. More egalitarian countries tend to do better on the HDI scale than they do on the GNP/I per capita league table.

However, there are still some obvious shortcomings or limitations in using the HDI as a measure of development. One is that various potential dimensions of development – such as political freedom, human rights, peace, gender equality (and equality more broadly) and environmental sustainability – are not covered by the core index, though each *Human Development Report* does address other dimensions, including producing a Gender Inequality Index and an inequality-adjusted HDI. There is an array of less well-known attempts to measure development according to these and other, wider criteria. For example, the New Economics Foundation (2012) tries to measure human 'well-being'. The United Nations University and the UN Environment Programme produced an *Inclusive Wealth Report* in 2012 which sought to take into account natural and human capital in its measurement of development

(Hamid and Duraiappah, 2014). Indeed, the Kingdom of Bhutan has pioneered an indicator called Gross National Happiness, which seeks to measure dimensions of development such as peace and psychological contentment ([www.grossnationalhappiness.com/](http://www.grossnationalhappiness.com/)).

These are interesting initiatives but they do not enjoy the widespread usage of the HDI, for which another contentious issue concerns the question of data reliability. For many countries the data available on life expectancy, let alone other indicators, are very problematic. Even where reasonably good data are at hand, information on the quality of education especially is not necessarily provided. We might know how many years, on average, people spent at school, but not the pupil–teacher ratio or the standard of available resources (including textbooks), and therefore we do not know how much people actually learned.

Perhaps the most serious criticism of the HDI is the charge that it is Eurocentric or overly focused on Western conceptions of what development should constitute. Thus, average years' schooling refers to Western-type classroom schooling – implicitly devaluing other forms of education that might take place in, say, the African countryside. And while Sen's overarching conception of freedom may appeal at many levels, it remains essentially an individualistic idea (Chandler, 2013). The focus is on the enhancement of the individual's choices and freedoms, whereas other conceptions of development (socialist or faith-based, for example) might argue in favour of greater constraints being placed on the individual for the good of society as a whole (van Staveren and Gasper, 2002).

This last point raises the question of how a measure of development may become a form of oppression – by insisting that development has to consist of certain steps such as the acquisition of Western-style education or individual empowerment. Even the seemingly progressive HDI may contain a hint of the prescriptive modernisation ethos associated with someone such as Rostow (see above). Indeed, one group of writers has come to see all existing measurements of development as not only flawed but positively oppressive.

### *Post-development Theory – Against Measurement and Classification*

For some writers, dissatisfaction with the idea of development has led to dissatisfaction with any attempt to measure development, and indeed to a rejection of the very concept of development itself. This line of thinking can be broadly classified as the 'post-development' approach,