

Development and International Relations

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International Relations (IR) as a discipline did not take sufficient account of ‘development’ for a long time and had little substantive to say about states at the political as well as economic peripheries of the international system and even less about poverty as well as inequality within them. IR has at times even denounced alternative approaches dealing with new issues, such as poverty, race or the environment. Such issues were taken up in other departments, such as development studies, area studies, or comparative politics.

However recently the focus on the concept of development has grown. One of the reasons for this change is the rise of the BRICS economies (Brazil, Russia, India, China and South Africa) that is shifting geopolitical realities and the practice of development. In particular, after the financial crisis of 2008/2009 the original core countries of the West were perceived to be in decline.

The beginnings of the concept of development thinking are difficult to define. Until World War II, ‘development’ as a term did not appear in discussions. Since development is a very open ended concept one needs to look at how various theories interpret the issue of development.

- The Modernization theory builds on the literature from the 1940s. The theory identifies the reasons for development within the “traditional” structures of a society, and its main argument is that a modern form of social organization and a complete transformation of a society can be achieved if developing countries were to follow in the same footsteps developed countries had taken. It is only then that ‘Development’ takes place the primary instrument to initiate such a transformation is capital accumulation, originating either from domestic or international savings.
- The dependency theorists on the other hand states that Western Imperialism did not bring about economic progress and industrialization but rather the “development of underdevelopment.” It is the rise of the metropolitan industrialized center which led to exploitation and unequal exchange with the periphery.

Unequal exchange refers to the huge profits of capitalist consumers and workers, which are obtained at the expense of producers and consumers in developing countries due to the latter's structural weakness within the international system. This leads to a transfer of resources, wealth, ideas, and people from the developing to the developed world reifying the dependency of the periphery. Hence contrary to the Modernists, Dependency theorists perceive foreign investments in the periphery and the integration of developing countries into the international trading system as a means of exploitation and not one of initiating growth.

Dependency theorists hence stressed the external factors: the history of colonization and the dominance of the North as being structurally responsible for the underdevelopment of the South and development for the third world nations occur when they follow a closed economic model and do not integrate themselves into the international trading system

- Following such prominent thinkers like Friedrich von Hayek or Milton Friedman, a neoclassical revolution in economics also had profound effects on development thinking. According to them political elites do not regulate markets for the “common” good but for personal gains, e.g. to become re-elected. Hence according to them initiate growth and development is not state intervention but to reduce the role of the government. Hence similar to Modernization theory, the Neoclassicals located the reasons for underdevelopment within the developing world.
- Amartya Sen, (Nobel laureate in economics in 1998) played a crucial role in devising the Human Development Index of the UNDP. He stated that development cannot simply be defined in economic terms but it includes not only income or growth patterns, but also life expectancy and literacy rates, and new measures of inequality.

One of the major questions of development thinking has always been how can poverty and inequality be reduced and what role can economic growth play in this endeavour. Poverty, however, has to be perceived in a multidimensional way defined as a lack of resources. These include income and consumption, but also nutrition, drinking water, access to schooling, health services and possibilities of political participation. Absolute poverty is considered to exist when a person lives on less than US\$ 1.25 a day at 2005 PPP (Purchasing Power Parity) for household consumption. What is no longer disputed is that economic growth is a necessary prerequisite for poverty reduction to happen and that the majority of states have

experienced unprecedented growth rates over the last couple of decades. However, there are strong regional inequalities within the developing world due to strong growth rates in some countries.

This is supported by population-weighted studies that show that, within the last 30 years, global income inequality has fallen due to the growth of India and China. However critics of this perspective claim that the potential benefits of high growth rates do not materialize for the poor and lead to more inequality at least at the cross-country level. Hence one can say that various theorists interpret 'development' differently hence development can be described as a highly contested field.