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## Whose Development Is It Anyway?

Statistical data on economic and social development suggests that humanity has made considerable progress in these areas over the last 50 years. Before tracing the course of such progress, however, we first need to clarify just what "development" means. These clarifications are necessary because just as the world has developed, so has the meaning of development itself.

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Following our broad examination of the contemporary [international economic and financial systems](#) and how they became what they are today, this week we consider how these systems contribute to the promotion of global development or not. If statistical data on development is to be believed, social and economic wellbeing has improved considerably over the past 50 years. But have policies aimed at promoting development resulted in an improved quality of life across different regions? Moreover, are Western-centric concepts of development just too narrow, both in terms of their scope and their application? If so, what are some of the alternative, more serviceable definitions of development we might use? To help address these stage-setting issues, we turn to the recent work performed by two of our partners from the [Center for Economic and Policy Research \(CEPR\)](#) and the [Overseas Development Institute \(ODI\)](#).

### **What kind of development should we pursue? Three types - economic, human and sustainable**

Lurking underneath any and all concepts of development are two fundamental questions – 1) *what* should be developed?, and 2) *who* should benefit from this development? Traditionally, the response to the first question has been "economic output." In its most rudimentary form, its advocates argue, economic development enables individuals and societies to produce and consume more goods, which in turn increases their wellbeing. And since gross domestic product (GDP) is the most common measurement used for economic output, development can be measured by growth in GDP.

But while economic development remains the primary focus of many a policymaker and individual, voices from within the development community have long argued that a definition centered on economic output alone is just too narrow. Indeed, a truly comprehensive definition of "development" needs to incorporate broader concerns, including those centered on basic human rights. Those who administer the United Nations Development Programme (UNDP) agree. That is why since the late 1990s they have championed the concept of human development, which includes health and education as indicators of economic wellbeing. Accordingly, the [Human Development Index's \(HDI\)](#) particular focus on life expectancy, actual and expected years of schooling and gross national income

(GNI) per capita has made it the most popular measure of this more comprehensive understanding of development. And despite its shortcomings, the HDI's success in [de-emphasizing a growth-centric view of development](#) has been well received by those working in this field.

The United Nations' eight [Millennium Development Goals \(MDGs\)](#) further expand the concept of human development. While the MDGs set clear economic objectives (eradicate extreme poverty and hunger, for example), providing universal healthcare and education are also major priorities, as are social goals that embrace gender equality and environmental sustainability. These far-reaching objectives of the MDGs then feed into a third, more expansive conception of development. Originally introduced by the [Brundtland Commission](#), 'sustainable development' means that the material needs of the present generation should not be fulfilled while willfully jeopardizing the wellbeing of future generations at the same time. This concern originally applied to the environment and natural resources, but it subsequently came to encompass social, financial and economic dimensions as well. As a result, sustainability is now measured by such indices as the [Ecological Footprint](#), a project which considers how much land and water a human population requires to produce the needed resources it consumes.

### **Development for whom? Not just for countries, but for social groups and individuals too**

The ambitious end-states articulated by the MDGs and Brundtland Commission not only demonstrate that the idea of what constitutes development got more complex over time, but so did the idea of who should benefit from development. At first the 'subject' of development was the state, but that idea did not last. As time passed, the instruments that traditionally measured the economic development of states were increasingly applied to the individual. Per capita-based analyses of GDP and GNI thus became key indicators of societal development. But how reliable were they? Even if the *per capita* GDP of a country increases, does that guarantee that the majority of the population will benefit from such growth?

In order to better understand how and where societies benefit from economic development, a number of concepts have attempted to measure the distribution of such benefits. These include the [Gini coefficient](#) and the polarization measures identified in Milo Vanddermoortele's [Growth Without Development](#). Such studies seek to gauge how specific demographic groups seem to be the beneficiaries of development policies even before the impact of such policies on their wellbeing is truly addressed. In doing so, these studies remind us that development is as much about age, gender, ethnicity and social status as it is about states and societies in general.

### **Measuring achievements**

Despite the very real benefits of defining 'who' and 'what' should be the 'referent objects' of our development efforts in broader terms, many studies continue to demonstrate that policies aimed at enhancing wellbeing have achieved mixed results. [The Scorecard on Development, 1960-2010](#), for example, demonstrates that although the global economy has grown considerably over the past 50 years, between 1980 and 2000 growth rates in developing countries fell dramatically. Indeed, only a handful of them have reached the income levels of developed states over the past 50 years. Implicit in such uneven numbers are two truths - 1) the growing recognition that the barriers and obstacles to equal development have their origin in the international community's inability to create an open, rule-based, predictable, non-discriminatory trading and financial system (see our podcasts on the [Doha Round deadlock](#) and on the [deficiencies of the international financial system](#)) and 2) that the metrics used to measure developmental success are too elastic for their own good.

Indeed, in the last case the [ODI authors caution](#) against reading too selectively into MDG-based successes or failures, for example. When the MDGs were originally conceived, their specific objectives

were extrapolated from positive historical trends, so one could highlight their progress-guaranteeing "tilt." Another observer, however, might want to emphasize that only three of the eight MDGs are actually on course to be fulfilled (income poverty, gender and water). Yet another could complain that the eighth MDG – a global partnership for development – remains too difficult to measure honestly. And finally, one could complain that all eight MDGs reveal little about the potential inequalities in intrastate development (between rural and urban areas, for example.)

Despite their illustrative problem with metrics, the MDGs have by no means become an exercise in futility. Despite their criticisms, the ODI authors acknowledge that as a result of MDGs policy makers know a great deal more about how poor communities define poverty across the international system than they did a decade ago. They increasingly know, for example, that security from violence or decreasing "the humiliation involved in being poor" are important goals – perhaps as important as economic wellbeing. (See the World Bank's "[Voices of the Poor](#)" for an elaboration on this point.)

## **New Challenges for development**

Finally, it's important to remember that even if we now define development more holistically, properly identify who or what it should benefit, and sensitize ourselves to its problems with metrics, we still have the problem of fresh challenges to be confronted. Consider, for example, climate change, environmental degradation and especially urbanization. In the latter case, a body of evidence exists to suggest that migration from the countryside to the cities has had a positive impact on social and economic wellbeing. Yet, increased urbanization can also mean that the majority of the world's poor no longer live in impoverished rural areas but in big middle-income zones where political and social equality has not kept pace with economic development. Clearly, with problems such as these, the very idea of development remains subject to change. As one social or economic problem is confronted, another is likely to occur. Given this truth, the trick is obviously to apply a definition of development that is not inappropriately value-laden, and that is compatible with our evolving economic and financial systems, as we will further discuss this week.

Editor's note:

For more content on "Development: Describing and Prescribing Progress," please see our [dossier](#) on the topic

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