

Conclusion

To sum up, sociological institutionalism could play the same role in IPE as constructivism does in IR. Both raise similar issues concerning the importance of intersubjective meaning in the construction of identities, politics, and the economy. However, unlike constructivism in IR, sociological institutionalism has not yet received the recognition it deserves. In IR constructivism has been noisy and visible; a self-proclaimed 'constructivist school' has triggered a new seminal discipline debate (between 'constructivists and rationalists') and this in turn has led to theoretical renewal and to the development of a whole range of new empirical research agendas. By contrast, as just shown, sociological institutionalism is only seeping into IPE slowly and selectively. In many areas, here exemplified by the study of firms, sociological institutionalism has developed outside of the IPE debate. In other areas where sociological institutionalism has influenced IPE very strongly, as in the debate around the state, sociological institutionalists have not flagged their specific contributions and the value of their presence. They have been absorbed, but remain invisible and undervalued. The argument here is that providing a higher profile to sociological institutionalism would allow IPE scholars to move forwards both theoretically and empirically.

An obvious question following from this is what explains the difference between IR and IPE: why is constructivism so assertive in IR and its kin in IPE so nebulous? The easy answer would be that IPE is more focused on economic phenomena and actors, and that the theoretical tool kit of economic approaches is best suited for the study of these. However, as underlined above, this is simply not true. A more interesting way to answer the question would be to apply sociological institutionalism reflexively to the field of IPE and to clarify why the strategies of IPE scholars have so far been constructed in a way which has largely excluded this kind of approach. Indeed, a further virtue of making the sociological institutionalism an explicit part of IPE would be that it paves the way for a treatment of reflexive issues, such as this one, and for attempts to make serious (and critical) sense of the future directions taken by our discipline.

Notes

- 1 Special thanks to Tanja Boerzel, Bela Greskovits, Stefano Guzzini, Mihaly Laki, Jennifer Milliken and Ronen Palan for commenting extensively on an early version of this paper.
- 2 However, there can be very fruitful interchanges between sociological and rational choice institutionalism as illustrated by the collaboration between Pierre Bourdieu and James Coleman (Coleman and Bourdieu 1991) around the concepts of social and symbolic capital.
- 3 For an application of Bourdieu to the study of power in international relations, exemplified by a study of the second Gulf War, see Guzzini (1994: chap. 11 in particular).
- 4 Palan (1999) rightly points out that not all regulationists fit the following account. Some scholars have simply adopted a realist conception of the international and hence have failed to properly integrate the global into their accounts let alone theorise how this integration could be accomplished.
- 5 See Bourdieu and Waquant (1998) for an elaboration on importance of US foundations in spreading the ideas. They fund both 'scientific' and NGO work on issues which are conceived according to the prevailing understanding of social and economic sciences.

13 Trends in development theory

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This chapter maps out major trends in contemporary development thinking, centring on development theories as organized reflections on development, rather than on development *tout court*. I argue that the lineages of development are quite mixed. It includes the application of science and technology to collective organization, but also managing the changes that arise from the application of technology. Virtually from the outset development includes an element of reflexivity. It ranges from infrastructure works (railways, roads, dams, canals, ports) to industrial policy, the welfare state, new economic policy, colonial economics and Keynesian demand management.

A number of concerns and priorities are broadly shared across development stakeholders (such as globalization, poverty alleviation, gender awareness and environmental management). But development is intrinsically a field of multi-level negotiation and struggle among different stakeholders. Different stakeholders in the development field have different views on the meaning of development and how to achieve it. Consequently, generalizations about development are meaningless and one always needs to ask, whose development? In fact, not only are there a number of contending development theories, but each of these theories consist of shades of meaning and multiple layers determined by factors such as: context, explanation, epistemology, methodology, representation and future agendas.

The chapter opens with general observations on the different meanings of 'development' over time, which places the discussion of contemporary trends in a historical context. The next section juxtaposes these different understandings of development to changing patterns of global hegemony. Zeroing in on the contemporary setting, the different stakeholders and institutions in the development field are mapped out. Against this backdrop we turn to development trends over time, first long-term trends in theory and methodology, next policy changes and finally to likely futures of development.

Antecedents of development theory

Over time 'development' has carried very different meanings. The term 'development' in its present sense dates from the post-war era of modern development

thinking.¹ In hindsight, earlier practices have been viewed as antecedents of development policy, though the term development was not necessarily used at the time. Thus, Kurt Martin (1991) regards the classic political economists, from Ricardo to Marx, as development thinkers for they addressed similar problems of economic development. The turn of the century latecomers to industrialization in Central and Eastern Europe faced basic development questions, such as the appropriate relationship between agriculture and industry. In central planning, the Soviets found a novel instrument to achieve industrialization. During the Cold War years of rivalry between capitalism and communism, these were the two competing development strategies: Western development economics, on the one hand, and, on the other, some form of central planning (in Soviet, Chinese or Cuban varieties). In this general context, the core meaning of development was catching up with the advanced industrialized countries.

Cowen and Shenton uncover yet another meaning of development. In nineteenth-century England 'development', they argue, referred to a remedy for the maladies and shortcomings of progress. These involve questions such as population (according to Malthus), job loss (for the Luddites), the social question (according to Marx and others) and urban squalor. In this argument, progress and development (which are often viewed as a seamless web) are contrasted and development differs from and complements progress. Thus, for Hegel, progress is linear and development curvilinear (1996: 130). Accordingly, twentieth-century development thinking in Europe and the colonies had already traversed many terrains and positions and was a reaction to nineteenth-century progress and policy failures where industrialization left people uprooted and out of work, and social relations dislocated.

The immediate predecessor of modern development economics was colonial economics. Economics in the European colonies and dependencies had gone through several stages. In brief, an early stage of commerce by chartered companies followed by plantations and mining. In a later phase, colonialism took the form of 'trusteeship', managing colonial economies not merely with a view to their exploitation for metropolitan benefit but allegedly also to develop the economies in the interest of the native population. Development, if the term was used at all, in effect referred mainly to resource management, first, to make the colonies cost-effective, and later to build up economic resources with a view to national independence. Industrialization was not part of colonial economics because the comparative advantage of the colonies was held to be the export of raw materials for the industries in the metropolitan countries. Indeed, there are many episodes, amply documented, when European or colonial interests destroyed native manufactures (textile manufacturing in India is the classic case) or sabotaged efforts at industrialization in the periphery (Egypt, Turkey, Persia are cases in point; Stavrianos 1981). This is a significant difference between the colonial economies and the latecomers in Central and Eastern Europe.

In modern development thinking and development economics, the core meaning of development was economic growth, as in growth theory and Big Push theory. In the course of time mechanization and industrialization became

part of this, as in Rostow's *Stages of Growth*. When development thinking broadened to encompass modernization, economic growth was combined with political modernization, i.e. nation building, and social modernization, such as fostering entrepreneurship and 'achievement orientation'. In dependency theory, the core meaning of development likewise was economic growth, under the heading of accumulation. But in contrast to modernization theory, dependency theory postulated distorted forms of accumulation as dependent accumulation, which led to the theory of 'development of underdevelopment', and an intermediate form dubbed 'associated dependent development'. The positive goal shared by both modernization and dependency theory was national accumulation (or autocentric development). However, with the onset of alternative development thinking, new understandings of the term 'development' came to the fore focused on social and community development, or development as 'human flourishing' in John Friedmann's definition (1992). With human development in the mid-1980s came the understanding of development as capacitation, following Amartya Sen's work on entitlements and capacities. In this view the point of development, above all, is that it is enabling. Accordingly, the core definition of development in the Human Development Reports is 'the enlargement of people's choices'.

Two radically different perspectives on development came to the fore around the same time. Neoliberalism in its return to neoclassical economics eliminates the foundation of development economics, which is that developing economies represent a 'special case'. According to the neoliberal view, there is no special case. What matters is to 'get the prices right' and to let market forces do their work. Development in the sense of government intervention, in this perspective, is anathema for it means market distortion. The central objective of development, which neoliberals equate with economic growth, is to be achieved through structural reform, deregulation, liberalization, privatization – all of which are to roll back government and reduce market distorting interventions, and by the same token, in effect, annul 'development'. In other words, neoliberalism retains one of the conventional core meanings of 'development', i.e. economic growth, while the 'how to' of development switches from state to market. Accordingly, neoliberalism is essentially an anti-development perspective, not in terms of goals but in terms of means. Ironically, just like neoliberalism, post-development thinking also puts forth an anti-development position. But it does so more radically, for it applies not merely to the means (the state is accused of authoritarian engineering) but also to the goals (economic growth is repudiated) and the results (which are deemed a failure or disaster for the majority of the population) of traditional development theories (Rahnema and Bawtree 1997; discussed in Nederveen Pieterse 1998c).

How should we account for this shift of meanings of development over time? One view is to treat this kind of genealogy of development discourse as a deconstruction of development, i.e. as part of a development critique. Another is to treat it as part of the historical contextuality of development maintaining that it is quite sensible that development changes meaning in relation to changing

circumstances and sensibilities. 'Development' then serves as a mirror of changing economic and social capacities, priorities and choices. A third option is to recombine these different views as dimensions of development, i.e. to weave them all together as part of a development mosaic and thus to reconstruct development as a synthesis of components (e.g. Martinussen 1997, Chapter 3). Thus, if we consider each development theory as offering a Gestalt of development, a total picture from a particular angle, then the array of successive and rival development theories offers a kaleidoscopic view into the collective mirror. A fourth and related one is to treat the different meanings of development in the context of changing relations of power and hegemony. By any account, the different meanings of development relate to the social field.

Development is struggle

Focusing exclusively on the evolution of development and development theory over time is incomplete, for in addition there are different dimensions to 'development' at any one time. To each development theory there are various dimensions or layers of function and meaning. Accordingly, each development theory can be read on different levels including:

- 1 The historical context and political circumstances. Each perspective unfolds in a particular historical setting. Understanding development theory in context means understanding it as a reaction to problems, perspectives and arguments at the time.
- 2 Explanations or assumptions about causal relationships.
- 3 Epistemology or rules of what constitutes knowledge.
- 4 Methodology, or indicators and research methods.
- 5 Representation, of articulating and privileging particular political and class interests and cultural preferences.
- 6 Agenda-setting role of theory, as a set of policy implications and a future project.

To this we should add a third complicating factor, the relationship between knowledge and power. That every truth is a claim to power and every power is a centre of truth is the point of discourse analysis and part of a postmodern understanding of knowledge. This involves more or less subtle considerations. For instance, one can argue for a relationship between technological capacities and epistemology and politics. 'Heavy technology' such as the steam engine then correlates with an epistemology of determinism and a politics of hierarchy; whereas soft or light technology, such as touch-button tech, implies much subtler epistemologies and more horizontal relations (Mulgan 1994).

From this third perspective, while broadly speaking each development theory can be read as a hegemony or a challenge to hegemony, explanation is

not always the most important function of theory. On the contrary, in line with the neocolonial intellectual division of labour in which 'theory' is generated in the West and data are supplied by the South, grand theories have typically been fashioned in the West and therefore articulate Western political interests and follow Western intellectual styles and priorities. Reading development theory then is also reading a history of hegemony and political and intellectual Eurocentrism (Amin 1989; Mehmet 1995; Nederveen Pieterse 1991).²

We can map, then, the main contours of development thinking in different periods and place them in the context of the pattern of hegemony in international relations and the structures of explanation prevalent at the time (Table 13.1). Thus, we relate the global relations of power or international hegemony to intellectual patterns of hegemony (in line with Gramscian international relations theory). The assumption in this schema is that the explanatory frameworks that inform development thinking are shaped by the paradigms that are available in the intellectual market at the time.

The development field

Development thinking and policy, then, is a terrain of hegemony and counter-hegemony. In this contestation of interests there are many stakeholders and multiple centres of power and influence. Taking a closer look at the contemporary development field, we can schematically map the main actors and forces generating 'development theories' as shown in Table 13.2.

Table 13.1 Development theories in relation to global hegemony

<i>Development thinking</i>	<i>Historical context</i>	<i>Hegemony</i>	<i>Explanation</i>
Progress, evolutionism	nineteenth century	British Empire	Social Darwinism, colonial anthropology
Classical development	1890–1930s	Late comers, colonialism	Classical political economy
Modernization	Post-war	United States hegemony	Growth theory, structural functionalism
Dependency	Decolonization	Third World nationalism, NAM, G77	Neo-Marxism
Neoliberalism	1980s >	Finance and corporate capital	Neoclassical economics, monetarism
Human development	1980s >	Rise of Asian and Pacific rim, big emerging markets	Capacity, entitlements, developmental state

Table 13.2 Actors in development field (1990s): different stakeholders, different development

Institutions	State	IFIs	UN system	Civil society
Structure	Governments, ministries North and South	IMF, World Bank	UN agencies	INGOs and NGOs
Infrastructure	Bureaucracies, interest groups, parties, factions, electorates	G7, central banks, international banks, MNCs, WTO, development banks	UN General Assembly, governments, ILO etc.	Social movements, trade unions, churches, donors
Locations	Capitals	Washington DC	New York, Geneva, Paris, Nairobi, etc.	Dispersed
Development thinking	Economics (Keynesian to neoclassical) and human development	Neoclassical economics, neoliberalism, monetarism	Human development	Alternative development
Disciplines	Economics, political science, sociology	Economics	Economics, political economy, IR, political science	Sociology, anthropology, ecology, gender, cultural studies

To the surface structure of dispersed centres of influence we may add the infrastructure of behind-the-scenes forces, i.e. those forces whom the overt centres of influence themselves depend on or are following. Thus, what matters are not simply the World Bank or the IMF, but their Boards of Trustees and other significant forces who influence the parameters of policy. For instance, current analysis refers to the 'Treasury-Wall Street-IMF complex' as a successor to the military-industrial complex (Wade and Veneroso 1998). Further, at some remove (because these relations are not always clear-cut and straightforward), we may add the development thinking that would be congenial to these circles and the disciplines that typically inform their angle of vision. The dispersal of stakeholders in development to some extent roughly correlates with the disciplinary sprawl of development studies, so this fragmentation may have not only an intellectual basis in the academic division of labour but also an institutional basis.

Table 13.2 is a schematic representation. Obvious provisos are that NGOs need to be broken down in various types, some of which are more aligned with GOs than others. In addition in the infrastructures of power different ideologies may prevail. For instance, among multinational corporations (MNCs), more radical forms of *laissez-faire*, and among social movements or disaffected intellectuals, post-development views may prevail.

From this mapping of the development field several points follow:

- 1 It is not really possible to generalize about development: the question is, whose development? Different stakeholders have different views of the meaning of development and how to achieve it. This is not a minor point but a fundamental circumstance. Development intrinsically is a field of multi-level negotiation and struggle among different stakeholders.
- 2 Schematic as it is, this outline may enable us to fine-tune thinking about the relationship between power and knowledge in development.
- 3 New concerns and priorities that are broadly shared across development stakeholders (such as globalization, poverty alleviation, gender awareness, environmental management) make for new combinations and partnerships that cross-cut 'boxes'.
- 4 Emergencies occur which make for cross-cutting alliances and approaches – such as complex human emergencies, humanitarian action, conflict prevention and post-conflict reconstruction. In this light this kind of map is already overtaken on the ground, which serves as a reminder that the map should not be mistaken for the territory.

Trends in development theory

Due to the complexity of the development field, the selection and representation of contemporary trends are a tricky issue. If it is true that development is a mirror of the times, then a development trend report is caught in a double-bind of its own reflection. There is no methodology to achieve this in a neat and clean fashion. The format I adopted here is a concise profile of trends with limited references to sources. Because they are long-term changes (over fifty years or more) they have a certain degree of plausibility but we need to bear in mind that they are also rather general and of a high level of abstraction. Even so, a long-term perspective in a field dominated by short-termism may be welcome.

Arguably, long-term trends in development theory echo the general shifts in the social science from nineteenth-century to late twentieth-century epistemologies. In the first place, this involves a shift from structuralist perspectives that emphasize the role of macro-structures towards more agency-oriented views, a change that can also be described as a change from deterministic to interpretative views (cf. Bauman 1992 on the changing role of the intellectual from legislator to interpreter) and from materialist and reductionist views to multidimensional and holistic views. Classical and modern development thinking was fundamentally structuralist, centring on the large-scale patterning of social realities by structural changes in the economy, the state and the social system. Such epistemologies were also applicable to critical development thinking at the time, which was informed by Marxism, which in its orthodox forms is basically structuralist. It further applies to the structuralist

school associated with Raúl Prebisch, which preceded the emergence of dependency theory in Latin America, and to neo-Marxism, dependency theory, modes of production analysis, structuralist Althusserian Marxism and the regulation school.

The dominance of structuralist and functionalist epistemologies began to weaken in the social sciences under the growing influence of phenomenology (dating back to nineteenth-century antecedents) and a variety of orientations, such as existentialism (and its emphasis on individual responsibility), hermeneutics (involving a more complex epistemology), symbolic interactionism and ethnomethodology (in anthropology), new institutional economics and rational choice, social choice and capability (in economics), and feminism (e.g. standpoint theory). In Marxism, structuralist epistemologies have come under attack under the influence of Gramscian Marxism.

The same trend can be described differently as a shift from structuralism to constructivism, i.e. from an account of social realities as determined and patterned by macro-structures, to an account of social realities as being socially constructed. The lineages of constructivism include phenomenology – as in Schutz (1972) and Berger and Luckmann (1967) and Max Weber, with Giddens' structuration theory (1984) exemplifying the turn. Poststructuralism and postmodernism, taken in a methodological sense, are further expressions of this reorientation (Rosenau 1992).

In development studies, these broad changes involve various implications. One of the consequences of the emphasis on agency is that development thinking becomes spatialized and more local, or regional in orientation. Another implication is the growing concern for differentiation and diversity. Early and modern development thinking were fundamentally generalizing and homogenizing, reflecting the essentialist philosophy of structuralism. By contrast, the so called 'post-impasse' in development thinking highlights diversity and differentiation (Schuurman 1993; Booth 1994). Thus, concern shifts from, e.g., 'the South' to 'five different Souths' (Group of Lisbon 1995). Along with this comes a movement away from grand overall theories and big schema policies. General theories and recipes are discredited, and development policies are no longer viewed as relevant across countries and regions. The singular therefore makes way for the plural generally – development is no longer considered a legitimate field, the question becomes: what kind of development?; growth is no longer taken at face value, the question becomes: what kind of growth? Accordingly, a plurality of qualifications and caveats proliferate, exemplified by terms such as 'sustainable development', 'people-friendly growth', 'pro-poor growth', etc. While such qualifications had always figured in the critical literature; now they have entered mainstream discourse. Among the concrete expressions of the agency-orientation in development thinking are recent work on strategic groups, the actor-oriented approach (Long 1994) and the general emphasis on a participatory approach (e.g. Oommen 1998).

Concern with diversity and agency is introducing a new kind of tension:

what, then, is the relationship between the local and the global, between the internal and the external, the endogenous and exogenous, between micro and macro policies? The shift from structuralism to constructivism and from structure to agency is not complete but a matter of emphasis and perspective; one does not replace the other but complements it. There is no doubt that structural changes and macro-policies matter (such as Structural Adjustment lending and the Multilateral Agreement on Investments), but these issues no longer constitute the field of development theory, they are perceived as only part of the field. As a result there is a renewed sense of empowerment, as many actors actively negotiate politically and analytically, and feel they can do something about them. Indeed, the impact of these actors on public debate and policy-making can be measured (e.g. Clarke 1998). A step towards the democratization of development politics, constructivism, in this sense, can be interpreted as the methodological expression of a political transformation.

This perspective offers one angle on current trends in development thinking. Several ongoing trends in development are linked to these general changes, or follow them, without being reducible to them. Among these I would highlight the following:

Interdisciplinarity

Traditionally sectoral theories have dominated development studies, with the resulting gap between economic development and social and political development theories. (Although, admittedly, grand theories such as modernization and dependency theory managed to bridge the gap to some extent.) Concerns with questions such as the embeddedness of economic and market activities in political institutions, social capital, cultural practices and social relations coupled with the introduction of methodologies such as social accounting, imply new combinations of disciplinary sensibilities.

Discourse analysis

The origins of this methodology are in linguistics and literature studies, owing its influence to the general impact of poststructuralism. In this regard development studies follow a general trend in social science. Discourse analysis treats development as a story, a narrative and a text and has generated a wave of critiques of development texts or 'deconstructions of development' (e.g. Sachs 1992; Escobar 1995; Cowen and Shenton 1996; Nederveen Pieterse 1991). According to some recent literature, the power of development is the power of story telling (development is a narrative, myth or fairy tale) (Crush 1996; Rist 1997). By now discourse analysis has become an almost standard genre (a critical discussion is to be found in Grillo and Stirrat 1997).

In itself, discourse analysis is not remarkable; it is simply the 'linguistic turn' applied to development studies. Its contribution to development lies principally in instilling an awareness that development is never only a theory or policy. It forces development theory to step beyond the concept of ideology, or interest

articulation, and pay attention to development texts and utterances, not merely as ideology but as epistemology.³ Thus, it involves sociology of knowledge not only in terms of class interests (as in ideology critique) but also in terms of an inquiry into what makes up an underlying 'common sense'. Discourse analysis has been used in another way to argue that development theory is fictional, untrue, bogus, deceptive. That it is a form of Western modernism and scientific distortion that sets illusory goals of material achievement and in its pursuit wreaks havoc upon Third World people. Here, discourse analysis turns into anti- or post-development thinking (e.g. Escobar 1992; Sachs 1992) and in the process methodology turns into ideology – an instrument of analysis becomes an ideological platform, a political position; so that politics of knowledge turns into knowledge of politics.⁴ Likewise, such interpretation of discourse analysis involves the admixture of outside elements: an *esprit* of anti-modernism with romantic overtones (as in Ivan Illich) and/or post-Gandhian utopianism (as in Ashis Nandy 1989). Development as a discourse is presented then as alien to the Third World (Western), authoritarian (state, IMF), engineering (modern), controlling and steamrolling and perverting local culture, grassroots interests and perceptions: this development critique is the newest critical populism.

Discourse analysis is employed also in the sense of 'unmasking' development as 'myth' or 'fairy tale' (e.g. Rist 1990); i.e. development is 'only a story', a narrative, in fact a 'grand narrative'. But this is a rather contradictory argument, for the very point of discourse analysis is that discourse matters, talk and representation matter, and representation is a form of power which in turn constructs social realities. Some analysts seem to want to have it both ways: development is a story and yet somehow it is 'only a story'. By doing so they confuse two different methodological dispositions: that of ideological critique (which measures ideology, as masked interests or false consciousness, to some yardstick of 'truth') and discourse analysis.

Notwithstanding, discourse analysis adds a level of reflexivity, theoretical refinement and sophistication to development studies, and thus opens the politics of development to a more profound engagement. Its weakness and limitation – in development studies just as in literature criticism and cultural studies – are that it may skirt the actual issues of power and divert attention from development 'on the ground', so to speak. In that case, we risk slipping from determinism into discursivism, i.e. reading too much into texts, or textualism, and overrating the importance of discourse analysis as if by rearranging texts one could alter power relations. This amounts to an alternative structuralism: from social macro-structures to linguistic and epistemic structures; or, the order of language as a stand-in and code for the order of social relations.

The emergence of new fields of interest also shapes development studies. Gender, ecology, democratization, good governance, empowerment, culture, communication and globalization now figure prominently in development agendas. Ecology involves not just resource economics but novel syntheses such as ecological economics and ecological politics. Gender plays a fundamental role in development practice and discourse. 'Empowerment' and 'participation' are ubiqui-

tous, also in development management. As well as active public administration, accountability, democracy and citizenship figure prominently. Globalization is a major vortex of change also in the development arena. These fields of interest generate new theoretical and policy angles but so far not necessarily new overall theoretical frameworks. Consequently, several themes that are not new in themselves appear but the emphasis they receive is novel. Or, some themes acquire a new significance over time. Thus, corruption has been a familiar theme in development work but at each turn of the wheel, it takes on a different meaning. In the context of modernization, it was presented as a residue of premodern, particularist leanings. In the dependency framework, corruption was a symptom of dependent development and of the comprador politics of the lumpen bourgeoisie. Kleptocracy, 'crony capitalism' and 'money politics' are variations on this theme. In the context of neoliberalism corruption is understood as rent seeking, an ominous sign of state failure and market distortion and 'a hazard to free trade and investment' (Leiken 1996:55).

Culture and development

Conventionally development has been a monocultural project as modernization and Westernization were virtually synonyms. As part of 'nation building' development was taken as a homogenizing project. In the context of decolonization struggles this began to change: along with the indigenization of politics and administration, indigenous culture and knowledge became an additional topos. Thus, for a while culture was incorporated into development studies but in a subsidiary fashion ('add culture and stir'). The critique of Eurocentrism generated a concern with polycentrism, cultural multipolarity (Amin 1989) and pluralism. The UNESCO-sponsored World Decade on Culture and Development also resulted in growing regard for cultural dimensions of development (Report of the World Commission on Culture and Development 1996). In the wake of the cultural turn in development (Nederveen Pieterse 1995) culture represents another dimension of development that can no longer be ignored or viewed as just an obstacle (as in orthodox modernization thinking). 'Culture' now figures in several ways. First, in terms of cultural diversity – obviously, in an age of ethnicity and religious resurgence this is not an entirely innocent theme. A second and related concern is cultural capital, both as a human capacity and a form of human capital, and as a political currency (both in ethnic and religious mobilization and as an asset in economic relations). A step further is to view cultural diversity itself as an engine of economic growth (Griffin 1996).

The unit of development

From the classics to dependency theory the conventional unit of development was the nation. The key development statistics and measures used by the international institutions are still country statistics. However, while the nation remains the central domain of development it is no longer the only game in town.

Gradually development is becoming a multi-level, multi-scalar series of efforts, simultaneously taking place at levels smaller than the nation, at the national level, and at levels bigger than the nation.

Smaller than the national level are community development, local economic development (LED) and microregional development. Community development, a subsidiary theme in colonial times and for modernization theories, received a new emphasis with alternative development. Local development in its various forms connects with questions of rural/urban disparities, urban development, regional inequality, new regionalism, ethnic mobilization ('ethnodevelopment'), and new localism with a view to endogenous development and in reaction to globalization. Bigger than the nation are questions of macro-regional cooperation and global macroeconomic policies. Macro-regional cooperation concerns the conventional issues of economies of scale, increase of market size, regional standardization and interfirm cooperation as well as the horizons of the regional Development Banks. Besides country statistics another set of development statistics are regional, concerning 'Latin America', 'Africa', 'Asia', 'the Caribbean', etc. The region, in other words, is becoming almost as familiar a unit of development as the nation. A third scale of development action is the world: local, national and macro-regional decision-making interfaces with global macro-policies on the part of international institutions and the UN system.

Hence, development policy is increasingly viewed in terms of decision-making dispersed over a wide terrain of actors, institutions and frameworks. Development theorizing, which is habitually centred on the state, needs to accommodate this widening radius. Development theory needs to be renewed by reconceptualizing development as multi-scalar public action. Contemporary development policy is incoherent because the different levels of development action – local, micro-regional, national, macro-regional, international, global – are not adequately articulated. Thus a comprehensive, holistic approach to development is not only multi-dimensional but also multi-scalar, such that development efforts at different levels would be cumulative and would interconnect.

Intersectoral cooperation

After development thinking has been, more or less successively, state-led (classical political economy, modernization, dependency), market-led (neoliberalism) and society-led (alternative development), it is increasingly understood that development action needs to pay attention to all of these but in new combinations. New perspectives and problems (such as complex emergencies, humanitarian action) increasingly involve cooperation between government, civic and international organizations, and market forces. Human development, social choice, public action, urban development and LED all involve such intersectoral partnerships. For government at local and national levels, this increasingly involves a coordinating role as facilitator and enabler of intersectoral cooperation. The theme of development partnership at present serves an ideological role as part of a neoliberal New Policy Framework which papers over contradictions and the rollback of

government (e.g. Hearn 1998). However, the underlying significance is much more profound: just as sectoral approaches and disciplinary boundaries have been losing their relevance, sectoral agendas are now too narrow. The ideological use that is being made of this conjuncture should not obscure the significance of the trend itself.

International development cooperation has been changing in several ways. The emphasis has shifted from projects to programmes and from bilateral to multilateral cooperation. The trend is towards, on the one hand, formal channels (particularly multilateral cooperation through international and regional institutions) and, on the other, informal channels (NGOs) (Bernard *et al.* 1998).

Futures of development

Whither development is a familiar question (e.g. McMichael 1996). Considering plausible future trends in development by way of trend extrapolation, even if it is a limited exercise, provides an opportunity to uncover background questions. What is likely first is that there will not be a single future trend. The current array of perspectives, which represents a dispersal in subjectivities and interest positions, is likely to continue in some fashion if only because these interest positions and subjectivities will continue. In other words, to each of the current development positions is a set of futures and options in facing challenges. Accordingly, futures are viewed through multiple lenses and from each angle, there are different options – many are prefabricated in current debates and others are hypothetical or can be inferred by logic. The starting point is the existing set of development theories, each of which, as a framework or a sensibility, continues to attract adherents and to renew itself. What follows then is a précis of (1) perspectives on development according to the major existing development theories, (2) ongoing revisions and (3) future options (Table 13.3).

Modernization theory

There are several current themes in relation to modernization theory:

- 1 Neomodernization theory already involves a more complex understanding of modernity and a reevaluation of 'tradition', no longer as an obstacle but as a resource (So 1990).
- 2 A current theme that is likely to become a future trend is to view modernities in the plural. Specifically this means that developing countries no longer consider themselves merely as consumers of modernity (as in Lee 1994) but also as producers of modernity, generating new and different modernities (Pred and Watts 1992; Nederveen Pieterse 1998a). There is no lack of voices in the majority world, which are not merely critical but assert alternative modernities (e.g. Ibrahim 1997, Mohamad and Ishihara 1995).
- 3 Another trend may be a serious engagement with postmodernism – not merely as a condition (flexible specialization, post-Fordism, and urban and social complexity) but as a sensibility, a style and a philosophical disposition.

Table 13.3 Current trends in development theory

<i>Trend</i>	<i>Conventional and recent views</i>	<i>New themes</i>
Differentiation	Grand theories	Middle range theories, local knowledge
Reflexivity, self-questioning	i Unreflexive use of language, indicators, models, ii Discourse analysis	Development as social learning, social feedbacks, reflexive development
Interdisciplinarity	Sectoral theories. Gap between economic and social/ political development. (Multi) disciplinary case studies, policies.	Bridging approaches: embeddedness, new institutional economics, sociology of economics, social capital, social economy, holism
Intersectoral cooperation	State, market or society-led development	Intersectoral synergies. Public action
Social diversity	Homogenization, essentialism	Balance. Politics of difference
Human security	i Betting on the strong, ii humanitarian assistance, from relief to development	Risks of polarization, transnational social policy, global social contract
Gender awareness	i Gender blind, ii WID (add women and stir)	Gender interests, gendering development
Environment	i Mastery over nature, ii sustainable development (add environment and stir)	Green GDP, political ecology
Cultural turn	i Westernization, ii homogenization vs. indigenization (add culture and stir)	i Cultural diversity, ii cultural capital, as political currency, iii as engine of growth
Unit of development	i Nation, ii local	Local, national, regional and world development and multi-scalar partnerships

Dependency theory

In relation to reworking dependency theory, a well-established trend is the analysis and critique of NICs. In the 1990s, key problems that were being revisited from a dependency point of view were neoliberalism and uneven global development (e.g. Cardoso 1993; Boyer and Drache 1996; Hoogvelt 1997). This takes the form of a general critique of uneven globalization (Amin 1997; Mittelman 1996). A crucial distinction that is rarely clearly drawn runs between globalization as a process and as a specific 'project' (as in McMichael 1996; Dessouki 1993), or, between globalization as a trend and neoliberal globalization policies

(e.g. Bienefeld 1994; Brohman 1995). Analyses of globalization projects focus, for instance, on the World Trade Organization and global environmental management (e.g. Khor 1997). Rethinking dependency theory has taken innovative directions (e.g. Frank 1996 and 1998), including the renewal of structuralist analysis (Kay 1998). Other trends that involve a renewal of dependency thinking in a broad sense are 'new political economy' and international political economy.

Neoclassical economics

From the point of view of neoliberalism and neoclassical economics, a major area of concern is the adjustment of Structural Adjustment policies. There have been attempts to implement Structural Adjustment 'with a human face', in combination with a safety net, and to somehow combine structural reform with poverty alleviation. Current concerns are to make structural adjustment policies country-specific and user-friendlier. The concern with good governance and an effective state (World Bank 1997) represents a further adjustment. Clearly, structural adjustment is not the end of development – as was believed some years ago – but rather an intermezzo. An area of concern that may grow in time is the regulation of international finance ('the architecture of the international financial system'). A different turn, which is prefigured in new institutional economics (Mehmet 1995), is the interest in the cultural and social dimensions of development (witness e.g. Fukuyama's work on trust 1995, 1996).

A broad question that underlies the futures of development concerns the character of capitalism. This is a question of global interest: what kind of capitalism? Presently different kinds of capitalism coexist – Rhineland capitalism, Anglo-American free enterprise capitalism, East Asian capitalism, the NICs, the rentier capitalism of the oil producing countries, etc. (cf. Albert 1993). The differences among them reflect levels of technology, historical itineraries, the timing of development, geographical locations, resource endowments, cultural capital and institutional differentiation (Nederveen Pieterse 1997b). From a sociological point of view this may be captured under the heading of 'different modernities', which then raises the question of the interaction of modernities. For a long time Anglo-American capitalism has been hegemonic. This is now being globally transmitted through the 'Washington consensus', the international financial institutions and the World Trade Organization, in part by default, in the absence of an alternative policy consensus. Arguably, more in line with the interests of other, majority forms of capitalism and modernity are proposals for global or transnational social policy and possibly global neo-Keynesianism (e.g. Group of Lisbon 1995).

Alternative development

Some of the keynotes of alternative development thinking, in particular participatory development, have become increasingly influential in mainstream development approaches. The strength of alternative development is local devel-

opment. With this comes a concern with local project failure, cultural sensitivity and endogenous development (Carmen 1996). Oddly, the disaffection with the state in alternative development resonates with the neoliberal complaints about state failure, and this conjuncture has contributed to the great wave of 'NGO-ization' and informalization since the 1980s. For a long time alternative development has been strong on critique and weak on alternatives beyond the local, beyond decentralization. Increasingly, the attention now also includes global alternatives, or an alternative globalization 'beyond Bretton Woods' (e.g. Korten 1990; Arruda 1996).

One may argue that alternative development is not an appropriate heading now that it is no longer 'alternative' and that a different, more specific heading would be welcome. Options include 'popular development' (Brohman 1996) or grassroots development but the limitation of such headings is that the idea of global alternatives slips out of the picture. Alternatively, one can retain the commitment to alternative development but define its core elements (such as participation, empowerment) more sharply to distinguish alternative from mainstream approaches.

Human development

The human development approach is being extended in different dimensions such as gender (as in the Gender Development Index) and political rights (as in the Freedom Development Index) (ul Haq 1995; UNDP 1997). It also extends to different regions, in the preparation of regional human development reports (e.g. ul Haq and Haq 1998). Merged with participatory development, it gives rise to new combinations, such as 'just development' (Banuri *et al.* 1997).

Substantively what may be a growth area for the human development approach is to examine the relationship between human capital (its original main concern) and social and cultural capital. Bourdieu (1976) has argued all along that these different forms of capital are interrelated and interchangeable. For Bourdieu, this served as an analysis of 'modes of domination'. What is on the agenda now is the significance and potential of these interrelations from an analytical and a programmatic and policy-oriented view. Social capital now figures in social and economic geography: 'institutional densities' and civic political culture emerge as significant variables in explaining regional economic success or failure. The success of micro-credit schemes may be explained by the fact that they make maximum use of people's social capital. Part of the cultural turn in development is regard for local cultural capital, for instance in the form of indigenous knowledge. Cultural diversity and the mingling of different cultural communities (diasporas, migrants, travellers) may be considered as a potent ingredient in economic innovation and growth (Griffin 1996). That participation has become a mainstream concern opens possibilities for wider cooperation. A way forward may be the exploration of development synergies, i.e. the relationship between civic organizations, local government and firms.

This may take the form of a concern with supply-side social development (Nederveen Pieterse 1997a).

The theme of human security refers to a new combination of concerns, a conjunction of conflict and development (e.g. Naqvi 1996). This finds expression in the new development problematic of humanitarian action and 'linking relief and development' (e.g. Nederveen Pieterse 1998b). Another current in human development, almost from the outset, has been a concern with global reform. This ranges from the role of the UN system in relation to the Bretton Woods institutions and the World Trade Organization (Singer and Jolly 1995) to macroeconomic regulation and global taxes (Cleveland *et al.* 1995; ul Haq 1995). This is likely to remain a major preoccupation. This ties in with the question of global governance in the sense of global managed pluralism (Falk 1994; Commission on Global Governance 1995).

Anti-development

A major concern in anti-development approaches currently is 'resistance to globalization', such that anti-development and anti-globalization are becoming synonyms: globalization is viewed as the main form of developmentalism at the end of the millennium (Mander and Goldsmith 1996). Anti-development has all along been concerned with local autonomy, at times advocating local delinking (Sachs 1992). A further turn to this is a connection with ecological liberation movements (Peet and Watts 1997). The Zapatista rebellion in Chiapas is, according to some, concerned with land rights and local autonomy; but the Zapatistas also organize with a view to political reform in Mexico and global alliances of resistance and hope (Castells 1997). The major limitation of the post-development approach is that beyond local autonomy it offers no significant future perspectives, so that the most likely future of anti- or post-development is localism.

There are other changes affecting the development field that are not revealed by looking at the transformations of theories. One is the trend towards convergence of developed countries and NICs. In light of technological change, globalization, knowledge intensity, developed countries are presently developing much like LDCs, though starting from a higher base and more stable institutions. If we compare the developmental profiles of the United States with those of e.g. Korea and Brazil, we find a broadly similar agenda. In either, the emphasis is on innovation-driven growth, human capital, technopoles, industrial districts, R&D, and knowledge intensity (e.g. Connors 1997). This is a new form of 'betting on the strong', driven by the imperative of global competitiveness (Group of Lisbon 1995). Meanwhile the 'Asian crisis' since 1997 has shown the frailty of the 'emerging markets'. The net figures in terms of productivity and exports may line up with those of advanced countries, but the institutional settings are quite different. The common verdict on globalization and development is that while the gap between advanced countries and NICs is in some respects narrowing, the gap between both of these and the least developed countries is widening.

As well as the policy innovations concerning the least developed countries in the era of globalization, this development gap also points towards the global horizon. Combined and uneven globalization makes for global inequality as well as global risks. Ecological hazards, financial instability, technological change and conflict require global risk management. The challenge for a global development approach is to bring separate and opposing interests and constituencies together as part of a worldwide bargaining and process approach.

Notes

- 1 I owe many thanks to Ranjit Dwivedi for comments on an earlier version of this chapter.
- 2 Notable exceptions are dependency theory (which was also informed by Marxism, i.e. originally a Western counter-hegemony), alternative development and human development thinking, which largely originate outside the West.
- 3 An effective use of discourse analysis is as an analytical instrument applied for example to development policy (e.g. Apthorpe and Gasper 1996; Rew 1997).
- 4 There have been similar agnostic moves in Foucault and Derrida's work.

14 The constructivist underpinnings of the new international political economy

Ronen Palan

Constructivism deserves attention for two reasons. First, and perhaps less important, constructivism, or more appropriately, one version of constructivism has gained tremendous popularity in International Relations during the past few years (see for instance, Adler 1997; Onuf 1989; Wendt 1992). The question, then, is to what extent constructivism is relevant to International Political Economy. Second, a sharp distinction is commonly drawn between economic and political economic theory, on the one hand, and poststructuralist, postmodernist theories, and more broadly 'cultural' theories, on the other. Indeed, many believe that political economy, including its international variant, stands as bulwark against the ephemeral, fashion conscious, if not reactionary tendencies of the 'posties' in the social sciences.

Recent developments in political economy, in particular the rise in popularity of evolutionary institutionalism (see chapters in this volume by Phillips, Nitzan and Bichler, Leander), on the one hand, and the rediscovery of the institutionalist tenets of Marxist thought on the other (see Dunford, Chapter 10 in this volume), have demonstrated that the relationship between political economy and the broader tradition of thought dubbed as the 'continental' or critical tradition of the social sciences is close if complex (Mirowski 1990; Silverman 1997, see also Ling, Chapter 16 in this volume). Modern institutionalist thought in particular is united in rejecting rationalist, progressivist and crude-materialist explanations of social processes and practices. Rather than adopt a simple ideas versus practice type of theory, they view 'the materiality of social institutions and their dynamics (as products) of evolving interrelated systems of institutions and discourse rather than as grounded in externalised and objective social realities' (Cameron and Palan 1999).

While rationalist thought is grounded, as Carlson (Chapter 8) and Spruyt (Chapter 9) remind us, in methodological individualism, the critical tradition takes the view that 'economic activity is socially constructed' (Wilkinson 1997: 309). This chapter seeks to clarify the relationship between constructivism and the critical wing of as Murphy and Tooze (1991) called it, the 'new' International Political Economy or Barry Gills and I described as neostructuralism (Palan and Gills 1994). I seek to demonstrate that constructivism is rooted in a theory of the subject as a 'paranoid construct', and this theory of the