



MINISTERSTVO ŠKOLSTVÍ,  
MLÁDEŽE A TĚLOVÝCHOVY



INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

# Uneven Development

Alice Navratilová

# Geographies of Development – the structure of the course

- 1) Measurements of inequalities and patterns of development
- A) historical dimension of uneven development
- B) the nature of inequalities and legitimization of inequalities

# Multi-disciplinary approach (besides geography)

- **Development economics:** patterns of uneven development
- History of **social thought** – projects of colonization, modernity, development and globalization
- **Development studies** – different development paradigms
- **Antropology:** antropology of development
- Sociology, political science: civil society, global civil society
- Public administration: achieving MDGs and case studies on health policies.

# Geographies of Development – the structure of the course I

## **2 Conceptualising development**

- a) Questioning development
- b) Understanding colonialism
- c) Theories and strategies of development
- d) Globalization, development and underdevelopment

# Geographies of Development – the structure of the course II

- **2) Development in practice**
- A) methodologies of development – project cycle management
- Logical framework analysis
- B) participatory development
- C) institutions of development

# Geographies of Development – the structure of the course III

- **3) Spaces of development**
- A) Local social movements and development
- B) Global civil society and development
- C) Urban spaces
- D) Rural spaces

# World inequalities – development economics

- Does world inequality rise or fall?
- What is the development over the last two decades?
- Why inequality matters?
- Are world markets equitable?
- Why power matters?

# World inequality

- Rising inequality at odds with conventional economic wisdom about how income differentials between countries change over time
- 80s and 90s – giving more space to the global market – would lead to closing of the income gap
- However income convergence took place only for a small number of countries
- More successful countries tended to be cautious in pursuing trade and financial reforms.



# Why inequality matters

- Inequality matters especially within developing countries – injustice, but also unequal opportunities – economic potential stays unutilized
- Better education and wealth – allows to take fuller advantage of economic opportunities
- Inequality breeds more inequality
- Trade-off - equity vs motivation

# World inequality

- Better endowments enjoyed by rich countries – give them **preferential access** to capital markets and makes them **less vulnerable** (Ocampo, Vos, 2008:2)
- Markets are not equitable – investors prefer less risky countries,
- Economy of poorer countries less diversified
- **Patent protection – intellectual property rights** (WTO) – increase costs incurred by poor countries in securing innovation, medicines

# World inequality

- Economic and political power tend to be reinforcing
- The rules governing global markets are likely to be less advantageous for developing countries
- Monterrey Consensus mandate to the international community to improve participation of developing countries in international decision-making
- Widening global asymmetries harm growth and prevent poor countries for reaping the full gains of global development (Ocampo, Vos, 2008:3)

# World inequalities – development economics

- **World inequality** is high and rising
- **The distribution of income** across the world's nations is extraordinarily skewed (Ray, 2007:10).
- How to measure inequalities?
- GDP – advantages and disadvantages? (to facilitate comparison – local currency into US dollars, problems: a) fluctuating exchange rate; b) intra-state inequalities)

# World inequalities

- GDP – 1993 – yardstick, world production 24trillion US\$:

20% of production coming from low and middle income countries;

Switzerland enjoyed a per capita income close to 400 times of Tanzania

# World inequalities

- GNP – *ibid.*
- PPP – purchasing power parity
- HDI
- CDI
- Disparities are enormous, no amount of fine-tuning in measurement methods can get rid of the stark inequalities (Ray, 2007:11).

# World inequalities

- Average Ethiopian 35times poorer than European or American
- Income level (PPP) in 1950 1/16 of American
- Now average US citizen 27 times of average Nepalete, up from 19 in 1950
- OCAMPO, J.A.; VOS,R.(2006):Uneven Economic Development, London: Zed Books.
- (Ocampo, Vos, 2006:1)

# Growth of Inequalities

**Table 1.3** Income ratios between the richest and poorest nations, 1820–2000

<b>Year</b>	<b>Income of richest 20% divided by income of poorest 20%</b>
1820	3:1
1913	11:1
1960	30:1
1970	32:1
1980	45:1
1990	59:1
2000	70:1

Sources: Fik (2000), Seitz (2000), UNDP (1998)



# Positive economics

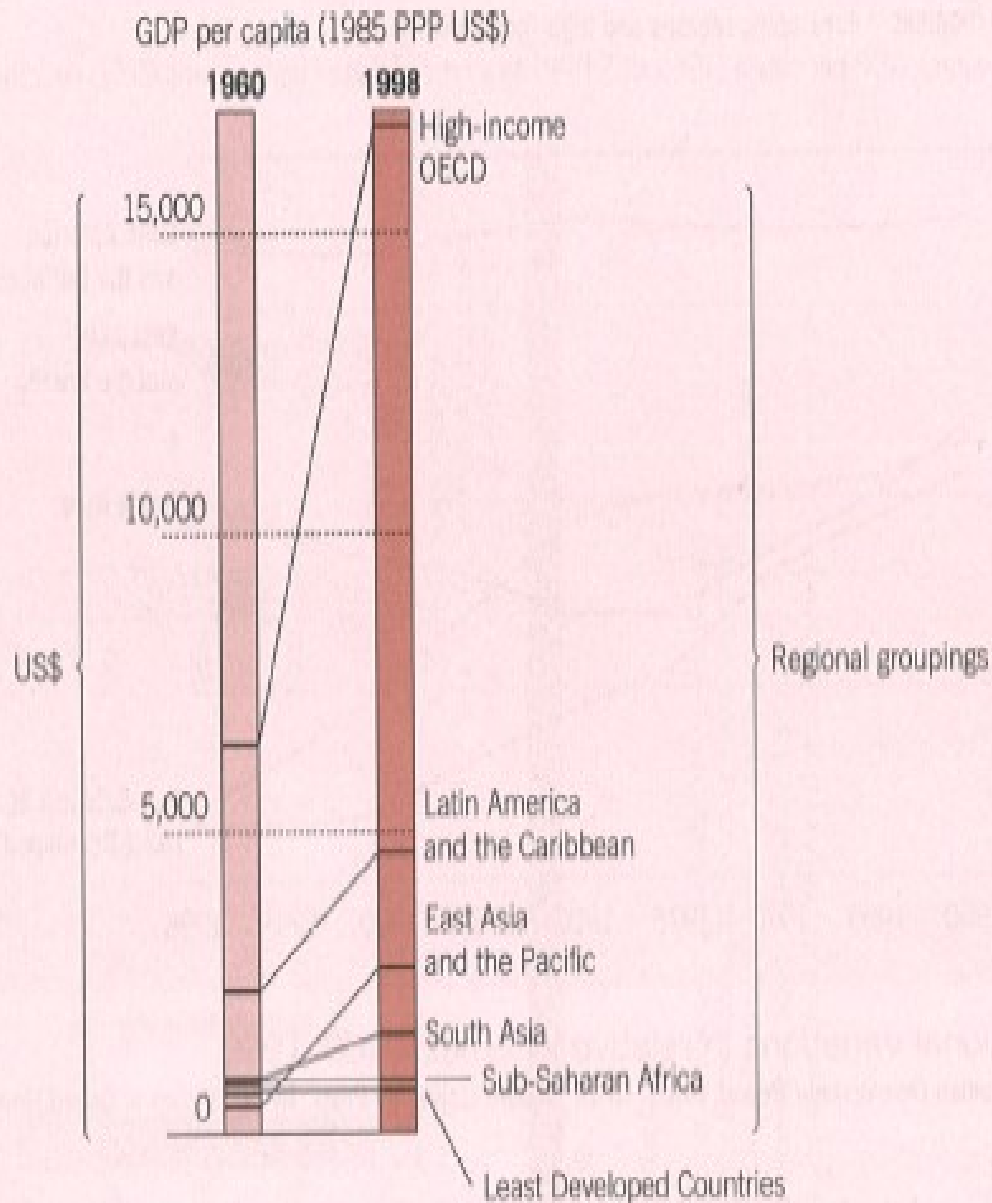
By the problem of economic development I mean simply the problem of accounting for the observed pattern, across countries and across time, in levels and rates of growth of per capita income. This may seem too narrow a definition, and perhaps it is, but thinking about income patterns will necessarily involve us in thinking about many other aspects of societies too, so I would suggest that we withhold judgement on the scope of this definition until we have a clearer idea of where it leads us.

—R. E. Lucas [1988]

# Normative economics

[W]e should never lose sight of the ultimate purpose of the exercise, to treat men and women as ends, to improve the human condition, to enlarge people's choices. . . . [A] unity of interests would exist if there were rigid links between economic production (as measured by income per head) and human development (reflected by human indicators such as life expectancy or literacy, or achievements such as self-respect, not easily measured). But these two sets of indicators are not very closely related.

—P. P. Streeten [1994]



**Figure 1.10** The widening gap in absolute incomes between world regions 1960-1998

Source: Adapted from United Nations (2001)

# Weaknesses in data available (Ray, 2007:11).

- Underreporting of income is not uncommon in developing countries; tax systems not as efficient as in developed economies - greater incentive to underreport income or output for tax purposes.
- National accounts may not be comprehensive as well
- The proportion of income that is actually generated from self-consumption is relatively high in developing countries.

# Weaknesses in data available (Ray, 2007:12).

- Prices for many goods are not appropriately reflected in exchange rates
- Exchange rates are just prices, and the levels of these prices depends only on commodities (including capital) that cross international borders;
- thus goods and services that are not internationally traded reflected inappropriately
- Prices of nontraded goods (infrastructure and many services do not affect exchange rate.
- Relatively low prices for nontraded goods – conversion to US dollars underestimates the real incomes of poorer countries.
- Attempt at correction – PPP: Heston-Summers data set.

# PPP – purchasing power parity

- **UN International Comparison Program (ICP)**
- ICP collects data on prices of 400-700 items in each of a set of benchmark countries.
- 150 expenditure categories
- PPP for any country is **the ratio of its domestic currency expenditures to the international price value of its output.**
- International prices are constructed for an enormous basket of goods and services by averaging the prices (expresses in dollars) for each such good and service over all different countries.

# PPP, WB indicators

- PPP of per capita income go some way toward reducing the astonishing disparities in the world distribution of income (Ray, 2007:15)
- World Development Indicators, 2011
- <http://data.worldbank.org>
- <http://data.worldbank.org/indicator>

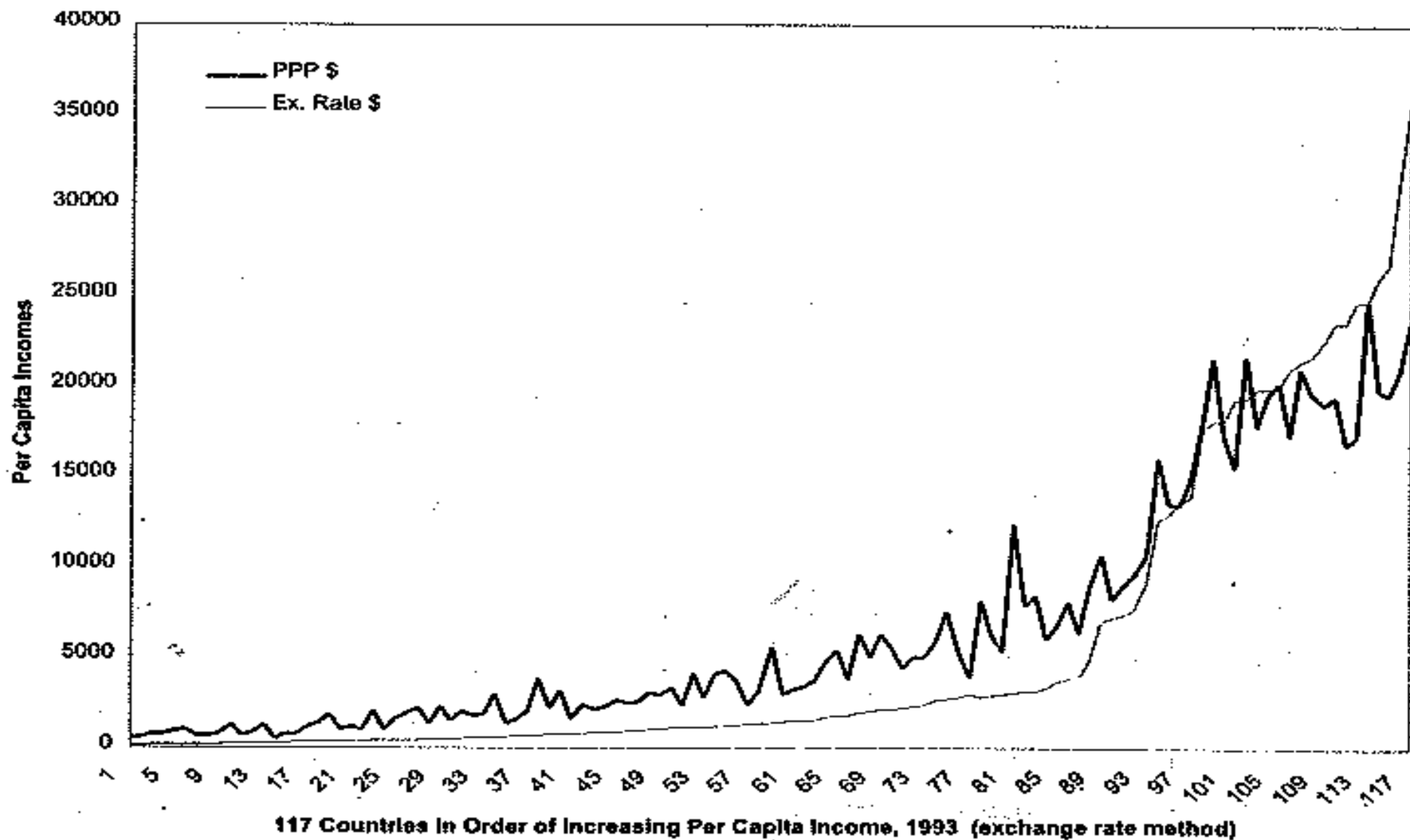


Figure 2.3. PPP versus exchange rate measures of GDP for ninety-four countries, 1993. Source: World Development Report (World Bank [1995]).



# QUESTIONING DEVELOPMENT

- Overviews of different ways of defining development
- Quantitative vs. qualitative conceptions of development
- Focus on socio-economic improvements since 70s, but net increase in inequalities
- In the industrialized world the income level has steadily grown for the past five decades
- It failed to do so in many developing countries (Ocampo, Vos, 2006:1)

# The nature of development

## Thomas (2001)

- Different usages of 'development'
- 1) development as fundamental or structural change
- Development as intervention and action aimed at improvement
- Development as the platform for improvement encompassing changes that will facilitate development in the future

# The 'essence' of development

- Different views of development
- A) what constitutes development?
- B) who participates in development?
- C) which institutions promote development?

# Positive interpretation of development

## SUPPORTERS OF DEVELOPMENT:

- Development brings about economic growth
- national progress
- modernisation along Western lines

# Positive connotation wt development

- Improves the provision of basic needs
- Can help create sustainable growth
- Improves governance
- (Potter et al., 2008:5)

# Alternative interpretations of development

- Critiques of development :
- Development is a dependent and subordinate process
- Development creates and deepens spatial inequalities

# Alternative interpretations of development

- D. undermines local cultures and values
- D. perpetuates poverty and poor working and living conditions

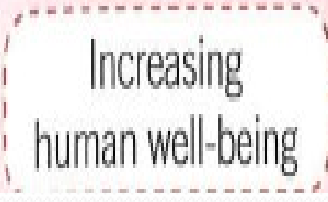
# Critiques of development

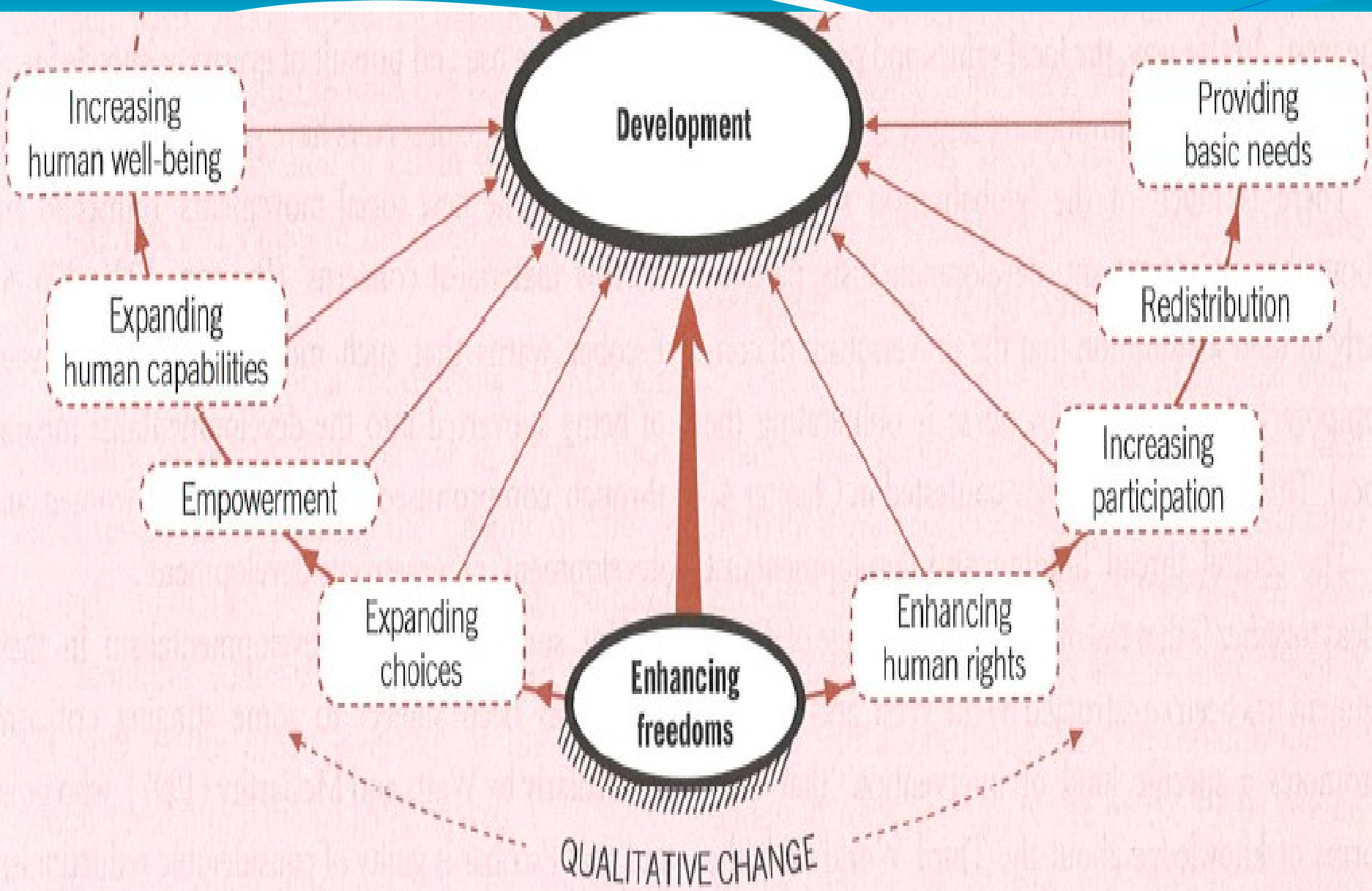
- D. is environmentally unsustainable
- D. infringes human rights and undermines democracy (Potter et al., 2008:5)





QUANTITATIVE CHANGE





# Amartya Sen



Plate 1.1 Amartya Sen

(photo: Getty Images/AFP)

- Development as Freedom (2000)
- Themes – poverty, famine, capabilities, inequality, democracy
- Development consists of the removal of various types of unfreedoms that leave people with little choice and little opportunity for exercising their reasoned agency

# Development as freedom

- ① Human freedom tends to promote freedoms of other kinds: many different **interconnections between distinct instrumental freedoms**
- ① **Economic and political freedoms help to reinforce one another**
- ① (Although some argue the opposite)

# Development as Freedom

- Social opportunities in the fields of health care and education – which **require public action** – complement individual opportunities for economic and political participation.
- Thus – intrinsic importance of human freedoms

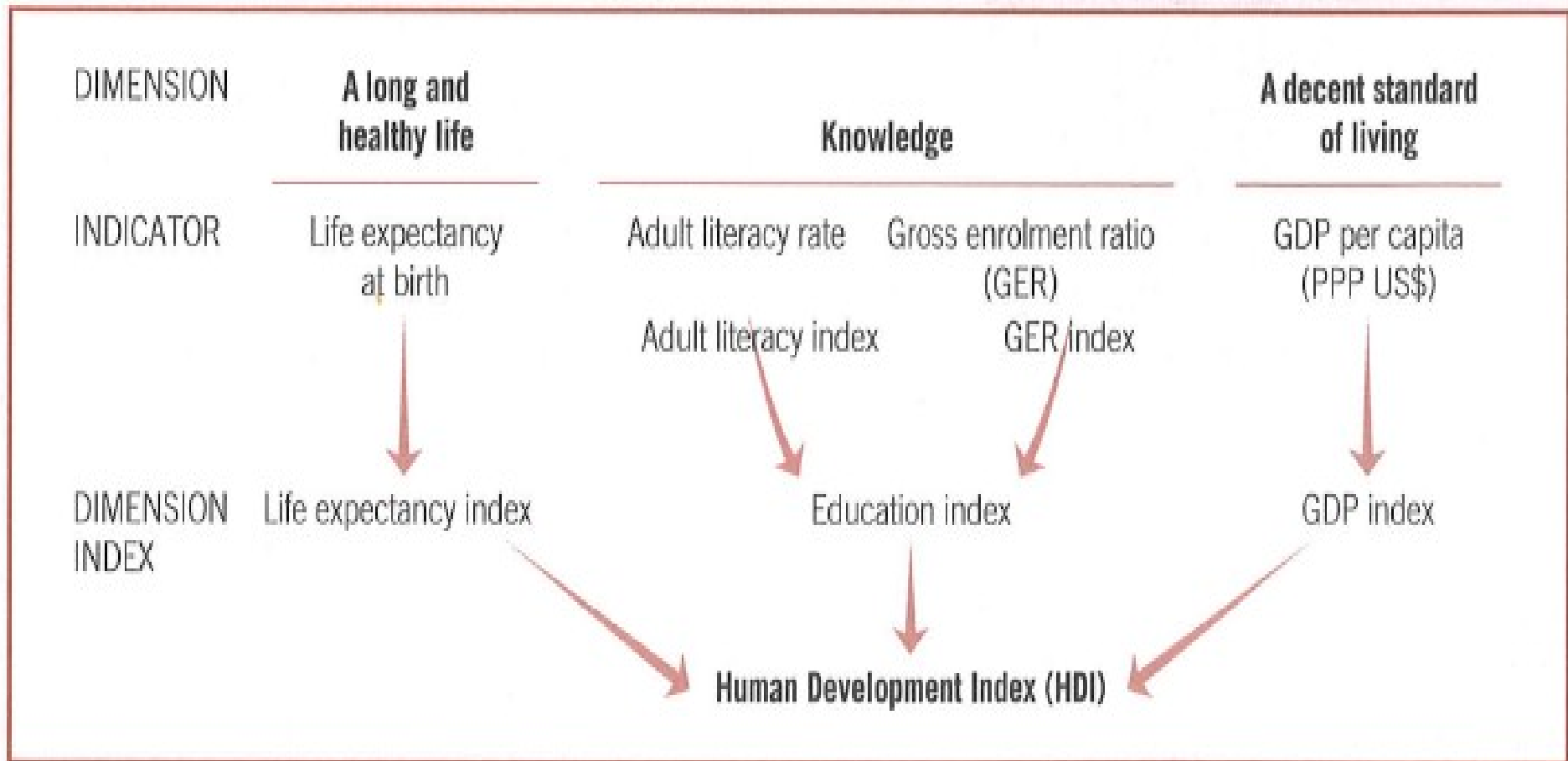
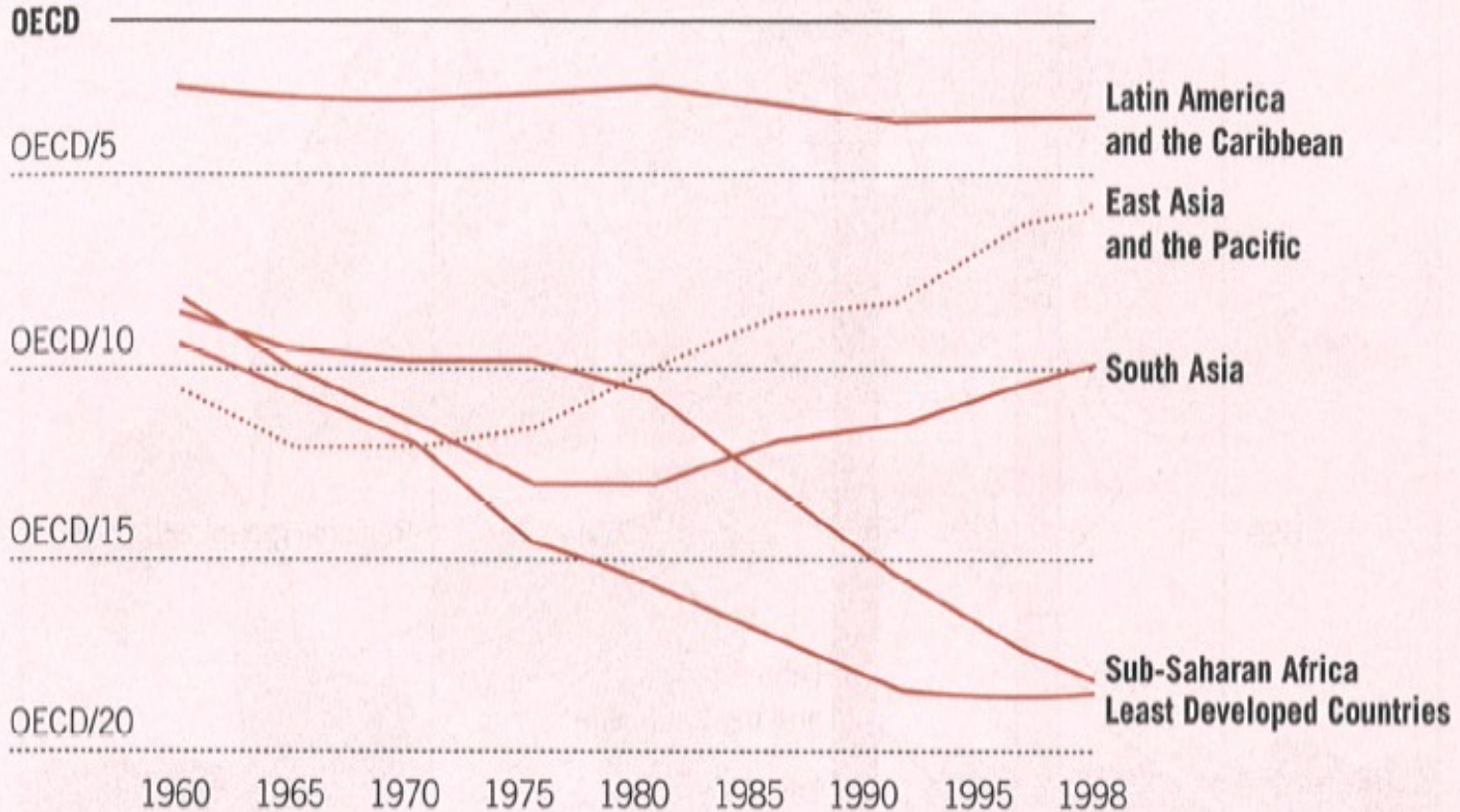


Figure 1.3 How the Human Development Index (HDI) is calculated



## Comparing incomes – developing regions and high-income OECD

Regional average GDP per capita (1985 US\$ PPP) as a ratio of that of high-income OECD countries



**Figure 1.9** Regional variations in relative incomes 1960–1998

Source: Adapted from *Human Development Report, 2001*, UNDP, Oxford University Press. By permission of Oxford University Press, Inc.



# Classification of Development Theory

- 1) Modernisation School
- 2) Dependency School
- 3) Neo-liberalism and current New Institutional Economics
- 4) human development (basic needs approach, rights-based approach, development as freedom, MDGs)

# Classification of Development Theory

- ⑤ 5) alternative development
- ⑤ Alternative to mainstream development
- ⑤ Global civil society
- ⑤ Fluid category – what was in 70s alternative – currently mainstream (sustainable development, WED)
- ⑥ 6) Post-development
- ⑤ Said, Escobar, Sachs, post-structuralist discursive analysis of development

# Euro-centricity of development – basic criticism

- Ideological biases
- Lack of sensitivity to cultural variation
- Setting of ethical norms

# Euro-centricity of development – basic criticism

- Stereotyping of other people
- Tendency towards deterministic formulations
- Dominance of 'male' narratives – vs. subaltern voices
- (Potter et al., 2008:5)

# Euro-centricity of development – basic criticism

- Tendency towards reductionism
- Tendency towards the building of grand theories
- underlying tones of racial superiority
- Unilinearity
- Universalism

# Mainstream economics

- western economics – logically closed system
- Assumptions are substituted for reality
- Mainstream economics is neither values-free nor tolerant of non-Western cultures-

# Peet, R.; Hhartwick, H.: Theories of Development , New York: Hulford Press.

- Modernity - philosophies that characterize the modern Western world
- Positivist through to modernization theorists of the 20th century
- Human reason and rational behavior as the mainspring of social progress
- Ideas are strenuously empirically based but also thought to be logical productively between human being and the rest of the natural world .
- Reasoned thinking produces science and technology as new

# Different histories, diverse narratives, autochton chronologies

- China and Japan - over thousand years of self-governance
- Thought of themselves as unified people



# Commitment fo Development Index (CDI)

- **Center for Global Development**
- Ranks OECD DAC countries (22 in total) according to their **dedication to policies** that help the 'majority' of the world (5 billion people in poorer countries)
- Index looks beyond the standard comparisons of foreign aid flows
- Measurement of 'development friendliness' of 22 countries

# Commitment fo Development Index (CDI)

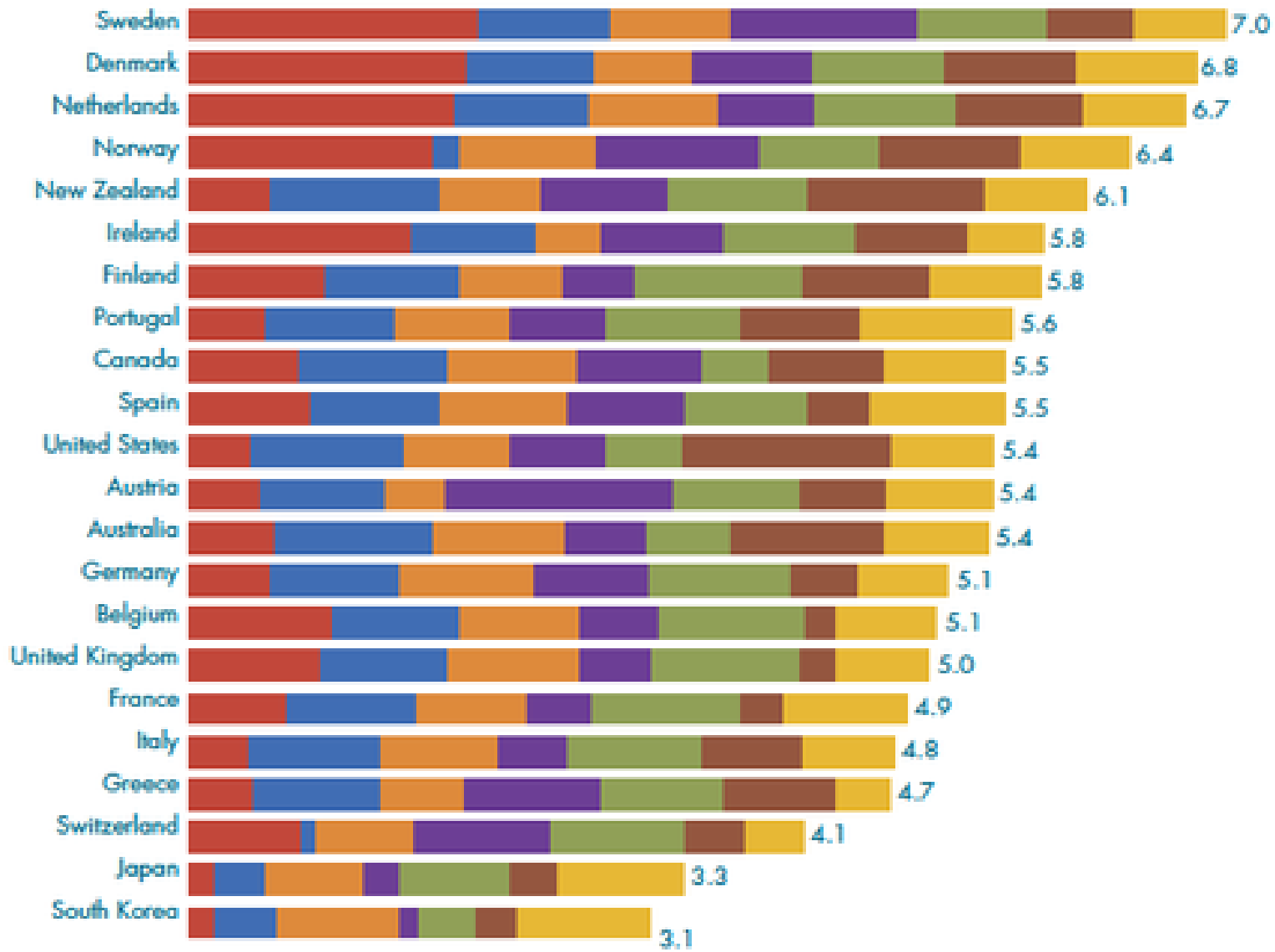
7 dimensions : aid, trade, investment, migration, environment, security, and technology

Operationalization of MDGs no 8, effort to measure not only quantity but also quality of aid.

The Index penalizes countries that give with one hand, for instance through aid or investment, but take away with the other, through trade barriers or pollution.

Closer look at the structure of development aid – tied aid.

# Commitment to Development Index 2010



# CDI

- Center for Global Development (CGD) - a non-profit think-tank based in Washington, on the initiative of **David Roodman**
- In 2003 CGD first published the Index in *Foreign Policy* magazine – to provoke discussion, highlight gaps in current knowledge, and encourage policy reform
- The Index was published annually in conjunction with Foreign Policy through 2006, and since published by CGD alone.

# Classifications of countries

- **Low-income economies**, with average incomes less than \$765 per capita in 2003, converted into dollars at the current exchange rate.
- **Lower middle-income economies**, with incomes between \$765 and \$3,035.
- **Upper middle-income economies**, with incomes between \$3,035 and \$9,385.
- **High-income economies**, mostly members of the Organization for Economic Cooperation and Development (OECD), with incomes over \$9,385 per capita.



# Patterns of development

- PERKINS, D.H., RADELET, S.; LINDAUER, D.L. (1996):  
Economics of Development, New York: Norton and  
Company.

# On-line data bases and resources

- World Bank [www.worldbank.org](http://www.worldbank.org); International Monetary Fund [www.imf.org](http://www.imf.org)
- The United Nations development organizations: [www.undp.org](http://www.undp.org); [www.who.org](http://www.who.org), [www.millenniumproject.org](http://www.millenniumproject.org)
- (cf Perkins et al. 2006:xxiii)



# On-line data bases and resources

- Independent Research Organizations : Center for Global Development [www.cgdv.org](http://www.cgdv.org)
- The Center for International Development at Harvard University [www.cid.harvard.edu](http://www.cid.harvard.edu)
- The Earth Institute at Columbia University ([www.earthinstitute.columbia.edu](http://www.earthinstitute.columbia.edu))
- (cf Perkins et al. 2006:xxiv)

# On-line data bases and resources

- The Overseas Development Institute ([www.odi.org.uk](http://www.odi.org.uk))
- The World Institute for Development Economics Research ([www.wider.unu.edu](http://www.wider.unu.edu))
- The World Resources Institute [www.wri.org](http://www.wri.org)
- (cf Perkins et al. 2006:xxiv)

# Information Gateways

- The Development Gateway  
[www.developmentgateway.org](http://www.developmentgateway.org)
- ELDIS: The Electronic Development and Environment Information System
- The International Development Research Centre  
[www.idrc.ca/library/world](http://www.idrc.ca/library/world)
- [www.Netaid.org](http://www.Netaid.org)
- [www.Oneworld.net](http://www.Oneworld.net)

# Data resources

- The Development Assistance Committee of the OECD  
([www.oecd.org/dac](http://www.oecd.org/dac))
- The World Factbook  
([www.ia.gov/publications/factbook](http://www.ia.gov/publications/factbook))

# NGOs and Advocacy networks

- Action Aid ([www.actionaid.org](http://www.actionaid.org))
- Debt, AIDS, Trade in Africa (DATA, [www.data.org](http://www.data.org))
- The ONE Campaign ([www.one.org](http://www.one.org))
- OXFAM ([oxfam.org](http://oxfam.org))