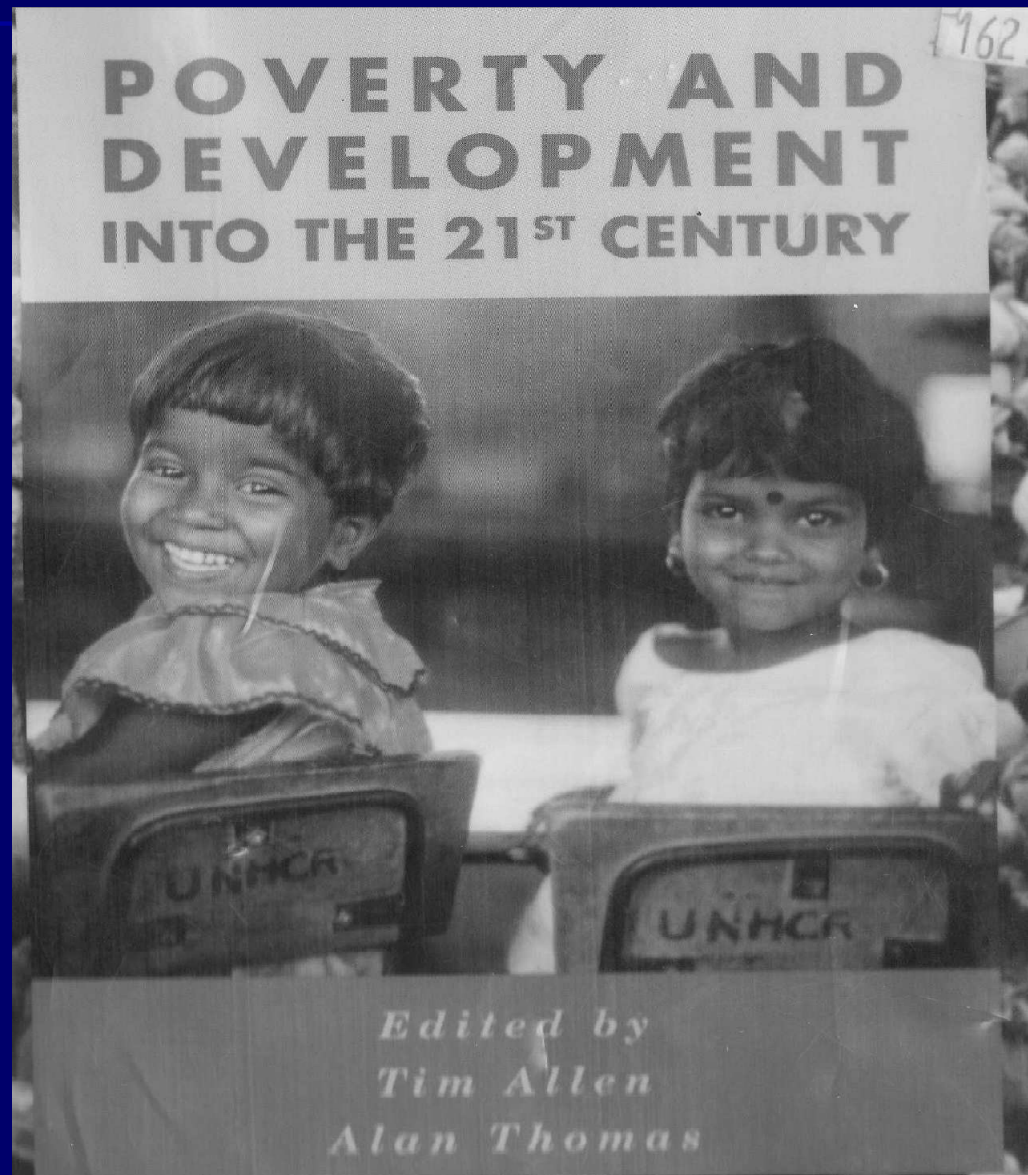


Tim Allen, Alan Thomas: Oxford 2000.



Hladomor

- Jaké procesy vedou k hladomoru?
- Můžeme hladomoru zabránit?
- Kolik lidí trpí hladem?
- Můžeme snížit počet hladovějících?

Hladomor, podvýživa

- Hladomor je krize způsobená nedostatečným přísunem potravy v kombinaci s vysokou incidencí nemocí a prudkým nárůstem mortality.
- Chronický hlad > podvýživa

Undernourished population People whose food intake is chronically insufficient to meet their minimum energy requirements.

Potíže se měřením podvýživy

- 1) neexistuje medicínský test, který by nezpochybnitelně stanovil kvalitu výživy či podvýživy
- 2) je velmi obtížné stanovit minimální kalorický příjem pod který mohou být aktivity nebo život v nebezpečí

Měření výživy/ podvýživy

1) měření nutričního příjmu – příjem potravy = přiměřenost kvantity a příjmu energie

ve skutečnosti nákladně a obtížné měřit, co lidé jedí

Intrusivní metoda – lidé mění stravovací návyky

měření

- 2) odhad pomocí tělesných charakteristik
- Výška/ robustnost vzhledem k věku
- Objem paže - krátkodobě
- Výška dlouhodobý odhad

Absolutní hodnoty

calories of energy. Accepted standards have been revised downwards from 2830 kcal/day in 1957, and 2450 kcal/day in 1985, to more recent figures of 2200 kcal/day for someone undertaking little activity and a 'survival requirement' of 1550 kcal/day (Payne, 1990, p.15). One reason

Hladomor – nikoli ‘technická záležitost’

“Famine is the closing scene of a drama whose most important and decisive acts have been played out behind closed doors.”

(Dessaiegn Rahmato, 1987)

Stádia vedoucí ke krizi

- nouze – bezprostřední příčina, které vede k nedostatku
- strádání a 'coping strategies' - dočasná migrace za prací a za obstaráním potravin
- prodávání zbytku majetku i zdroje obživy (dobytek)
- sociální kolaps, vyčerpání, rozptýlení obyvatel, masová migrace
- příchod do uprchlických táborů nebo center rozdávání pomoci



Figure 3.2 International Committee of the Red Cross 'feeding centre' at Tonj, southern Sudan.

Zkreslená žurnalistická optika

- Mediální pokrytí hladomoru se soustřeďuje zejména do finálního stádia – tj. kdy už ob+ěti opustily své domovy v zoufalé snaze najít potravu
- Pokud vláda a NGO ustavily uprchlické tábory "
- Oběti opouštějí své domovy, pole, sociální sítě a další statky
- Navíc problematika bezpečí – aféra OSN

Úmrtnost spojená s hladomorem a tábory

- Spalničky byli hlavní příčinnou smrti v Somálsku a Sudánu, v Thajsku včasné imunizační programy pravděpodobně zabránily vysokou úmrtnost na spalničky
- 80% úmrtí v Súdánu - průjmovými onemocněními a spalničkami
- Cholera, TBS, tyfus, meningitida a žloutenka

Vzájemná propojenost

Payne (1994) notes that disease and undernutrition reinforce one another, and it is often impossible to distinguish between them as a cause of physiological stress or death:

“An infection can result in loss of appetite and hence initiate undernutrition; it can also result in the depletion of body stores of specific nutrients and hence malnutrition. Dietary deficiencies on the other hand, can reduce the effectiveness of response of the body’s immune system, making infection more likely and increasing its severity.”

(Payne, 1994, pp.83–4)

Druhá fáze – horečná aktivita

- Tváří v tvář nedostatku potravy a dalších nezbytností, lidé migrují za prací,
- Tato migrace může uspíšit zdůvodní krizi, např. přeplněná obydlí v nevyhovujících bytových podmínkách s nedostatečným hygienickým zázemím.

Dopady na hostitelskou komunitu

The migration may also...erode the food entitlements of host populations, by bringing down wage rates and the returns on casual low-status trades, and by inflating the price of food. It may also have adverse effects on the entitlements of the migrants.

Ztráty při migrantů spojené s migrací

Some of their assets (houses, land, and other immovable property) will be temporarily abandoned and thus irredeemable for cash, and also exposed to the risk of theft or damage. Movable assets such as animals may die on the road... However, in



Figure 3.4 Social collapse. Families leaving home: collecting water to go to Korem relief camp, Wollo, Ethiopia, 1984.

Sociální kolaps

“Social collapse occurs when such coping strategies break down...[which] occurs when they no longer believe that it is possible to preserve [their] way of life...In practice, in Africa at least, this coping capacity does not break down: it is broken. Under peaceable conditions, African populations are not reduced to frank starvation by economic depression and natural disaster alone.”

(De Waal, 1990, pp.485–6)

Crude mortality rate hrubá míra úmrtnosti

- Počet úmrtí na 10 000 lidí denně
- V mírových, nekrizových obdobích :
0,5; tj. 1 člověk za dva dny

In mass migrations of refugees from genocide in Rwanda, and civil war in Congo/Zaire, crude mortality rates have reached new highs. In refugee camps in Goma, former Zaire, in 1994, cholera and dysentery killed Rwandan refugees at a rate of 60 per day (Stockton, 1998). In 1997,

CMR – forced repatriation to Congo

- nucené přemístění uprchlíků z Rwandy z Konga – pronásledování vojáky
- CMR – 300 denně

Dassalegn Rahmato

A low standard of living is socially accepted and there is little support for innovation. 'Peasants in the Northeast region as a whole are, even in normal conditions, and in times free of environmental and social stress, not too far removed from the precipice of starvation and death' (Dessalegn Rahmato, 1987, p.102).

Famine in Wollo 1984–85

Wollo was one of the provinces of Ethiopia hardest hit in 1984–85. Some of the most harrowing images of the 1984–85 Ethiopian famine came from the town of Korem in Wollo, where large numbers of peasants and pastoralists gathered to seek relief in the final stages of the crisis (Figure 3.5).

Pooling of resources

“Neighbours and friends decide to pool their resources the better to withstand the hardship; agreements are reached between relatives or friends to dispose of assets in turns, and to support each other in the meantime; measures are taken to remove livestock to...other areas less exposed to



Figure 3.5 Korem relief camp, Wollo, Ethiopia, 1984.

Důvody hladomoru

- stagnující způsob výroby, který nepodporuje inovace a je nepružný vzhledem k nárokům rostoucí populace a zhoršující se kvality půdy
- zemědělství ve Wollo – zejména pro přímou spotřebu (nikoli pro trh)
- Polanyi
- Malá propojenost mezi zemědělstvím a městskou ekonomickou aktivitou
- Malá zemědělská směna

Příčiny hladomoru

- 2) nárůst vnějších závazků – v podobě potravin, peněz a práce (povinné dodávky potravin do měst za státem určenou cenu, hladomorová daň, a v podstatě roba)
- Každá domácnost musela dodat určité množství obilovin
- Cena stanovená vládou významně nižší než tržní cena

Famine levy – hladomorová daň

- Příčiny hladomoru ve Wollo a dalších částech Etiopie
- rolníci museli platit zvláštní 'hladomorovou daň'
- museli jeden den v týdnu pracovat na komunálních a státních projektech
- neplacená práce

From subsistence to market economy

- Snaha vymanit se ze samozásobitelského ekonomického systému (subsistence economy)
- tj. příklon k monetárním směnám (Simmel)
- trh v dobách krize je významnější
- rolníci si uvědomují, že jejich přežití záleží na získání dostatku peněz na nákup potravin
- avšak za této situace jsou rolníci v nevýhodě

Endowments, subsistence eco., barter trade, market

Endowment: The owned assets and personal capacities which an individual or household can use to establish entitlement to food.

Entitlement: The relationships, established by trade, direct production or sale of labour power, through which an individual or household gains access to food. *Direct entitlement* is access to food gained through own production and consumption. *Exchange entitlement* is that command over food which is achieved by selling labour power in order to buy food. *Trade entitlement* is the sale of produce to buy food.

<i>Which famine?</i>	<i>Was there a food availability collapse?</i>	<i>Which occupation group provided the largest number of famine victims?</i>	<i>Did that group suffer substantial endowment loss?</i>	<i>Did that group suffer exchange entitlement shifts?</i>	<i>Did that group suffer direct entitlement failure?</i>	<i>Did that group suffer trade entitlement failure?</i>
Bengal 1943	No	Rural labour	No	Yes	No	Yes
Ethiopia (Wollo) 1973	No	Farmer	A little, yes	Yes	Yes	No
Ethiopia (Harerghe) 1974	Yes	Pastoralist	Yes	Yes	Yes	Yes
Bangladesh 1974	No	Rural labour	Earlier, yes	Yes	No	Yes

Source: Sen, A. (1981) *Poverty and Famines: an essay on entitlement and deprivation*, p.163, Oxford University Press, Oxford.

Súdan 1983-89

“The 1980s famine arose from a combination of four processes: the loss of assets and production (primarily because of raiding); the failure of market strategies; the failure of nonmarket survival strategies; and the inadequacy of relief...All these processes...yielded important benefits for a loose and shifting coalition of politically powerful groups within Sudan, who helped to promote these processes.”

(Keen, 1994, p.13)

Keen also criticizes the conceptual separation of famine and war from the long-standing processes in which they are embedded. He writes that it is important to 'avoid a common tendency to dissociate war from economic and political relationships existing in 'normal times'; both war and famine reflect an acceleration of existing processes of exploitation' (Box 3.2).

ing of exploitative processes already existing in 'normal' times, a continuation and exaggeration of long-standing conflicts over resources (ivory, slaves, cattle, grain, land, oil) and a means – for certain groups – of maximizing the benefits of economic transactions through the exercise of various kinds of force against groups depicted as fair game in the context of civil (or holy) war. Winning the war was not the sole, or even the most important objective of many of those engaging in violence or blocking relief; and famine was more than a weapon of war. The primary goal for many was to manipulate war, violence, famine, and relief in ways that achieved economic goals.”

(Keen, 1994, pp.13–14)

Box 3.3 The Indian system of famine prevent

The Indian system of famine prevention... [has]...two different features...One is a worked-out procedure for entitlement protection through employment creation (usually paying wages in cash), supplemented by direct transfers to the unemployable. The origins of this procedure go back to the 1880s and the Famine Codes of the late nineteenth century...The other part is a political 'triggering mechanism' which brings the protection system into play and indeed which keeps the public support system in a state of preparedness...[In] the political sys-

Efektivnost aktérů

Section 3.3.

Drèze and Sen argue that India's better record on famine prevention can be explained primarily by the existence of a governmental system of famine prevention in India, and social processes associated with democracy and a free press which 'trigger' the famine prevention system (Box 3.3).

Dilemmas of humanitarian intervention

“For relief agencies [responding to crises like famine], the media present both unparalleled opportunities to raise money and acute ethical dilemmas when fundraising priorities, developmental strategies and educational values conflict.”

Box 3.4 Rules for international humanitarian intervention

Where there is a political struggle against famine:

- 1 support locally accountable organization.
- 2 be prepared to work in a political manner.

And in regions where there is no political contract between the state and vulnerable people:

- 1 do not obscure power relations
- 2 do not claim long term solutions
- 3 do not seek media limelight.

(De Waal, 1997, pp.217–21)



Figure 3.7 A simple message? 'Tony: drinking a cup of milk to survive' (Red Cross photo and caption).

Table 3.2 Regional trends in number and proportion of undernourished people

<i>Region</i>	<i>Year</i>	<i>Proportion of undernourished (%)</i>	<i>Number of undernourished (millions)</i>
Sub-Saharan Africa	1969-71	38	103
	1979-81	41	148
	1990-92	43	215
Near East and North Africa	1969-71	27	48
	1979-81	12	27
	1990-92	12	37
East and South-east Asia	1969-71	41	476
	1979-81	27	379
	1990-92	16	269
South Asia	1969-71	33	238
	1979-81	34	303
	1990-92	22	255
Latin America and Caribbean	1969-71	19	53
	1979-81	14	48
	1990-92	15	64

Source: FAO (1996) *The Sixth World Food Survey*, UN Food and Agriculture Organization, Rome.

iviegnan vaughnan describes the victims of a 1949 famine in what is now Malawi as follows:

“The group which emerges as most disadvantaged...is that consisting of households which even in a normal year are not self-sufficient in food, who are short of land, and who make up their food deficit performing casual labour for other peasant farmers...The oral evidence, however, shows that there are added dimensions to the pattern of suffering...Firstly...both young children and the old suffered more than other age groups...[N]ot only were they physically less able to withstand food shortage, but they were also the first

Box 3.5 Quotes from poor women in Bangladesh

‘When I can, I give my husband and sons more. Men don’t understand if food runs short, so I wait till they have eaten.’

‘A good wife is one who makes sure her husband has enough to eat.’

‘If a woman eats before her husband, she shortens his life.’

‘Men work harder than women, they need to eat more.’

‘How can you explain to children that there is not enough food...? When my son cries, I feed him. It is easier to make my daughter understand.’

‘If there is less, I eat less. You have to feed the men more or they beat you. Even my son beats me if there is not enough food.’

(Kabeer, 1994, pp.143–4)

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nonsense proposals leave one feeling that perhaps there is a solution."

—*Business Week*

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—*The Economist*

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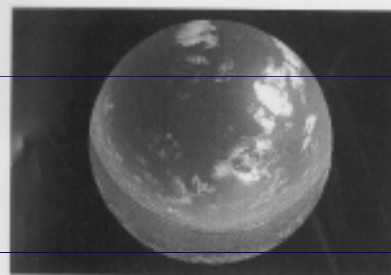


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DEVELOPMENT AS FREEDOM



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3	<i>Freedom and the Foundations of Justice</i>	54
4	<i>Poverty as Capability Deprivation</i>	87
5	<i>Markets, State and Social Opportunity</i>	111
6	<i>The Importance of Democracy</i>	146
7	<i>Famines and Other Crises</i>	160
8	<i>Women's Agency and Social Change</i>	189
9	<i>Population, Food and Freedom</i>	204
10	<i>Culture and Human Rights</i>	227
11	<i>Social Choice and Individual Behavior</i>	249
12	<i>Individual Freedom as a Social Commitment</i>	282

EFFECTIVENESS AND INTERCONNECTIONS

Freedom is central to the process of development for two distinct reasons.

- 1) *The evaluative reason:* assessment of progress has to be done primarily in terms of whether the freedoms that people have are enhanced;
- 2) *The effectiveness reason:* achievement of development is thoroughly dependent on the free agency of people.

are particularly investigated in the empirical studies that follow. These include (1) *political freedoms*, (2) *economic facilities*, (3) *social opportunities*, (4) *transparency guarantees* and (5) *protective security*. Each of these distinct types of rights and opportunities helps to



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Mapping Official Development Assistance

May 2004

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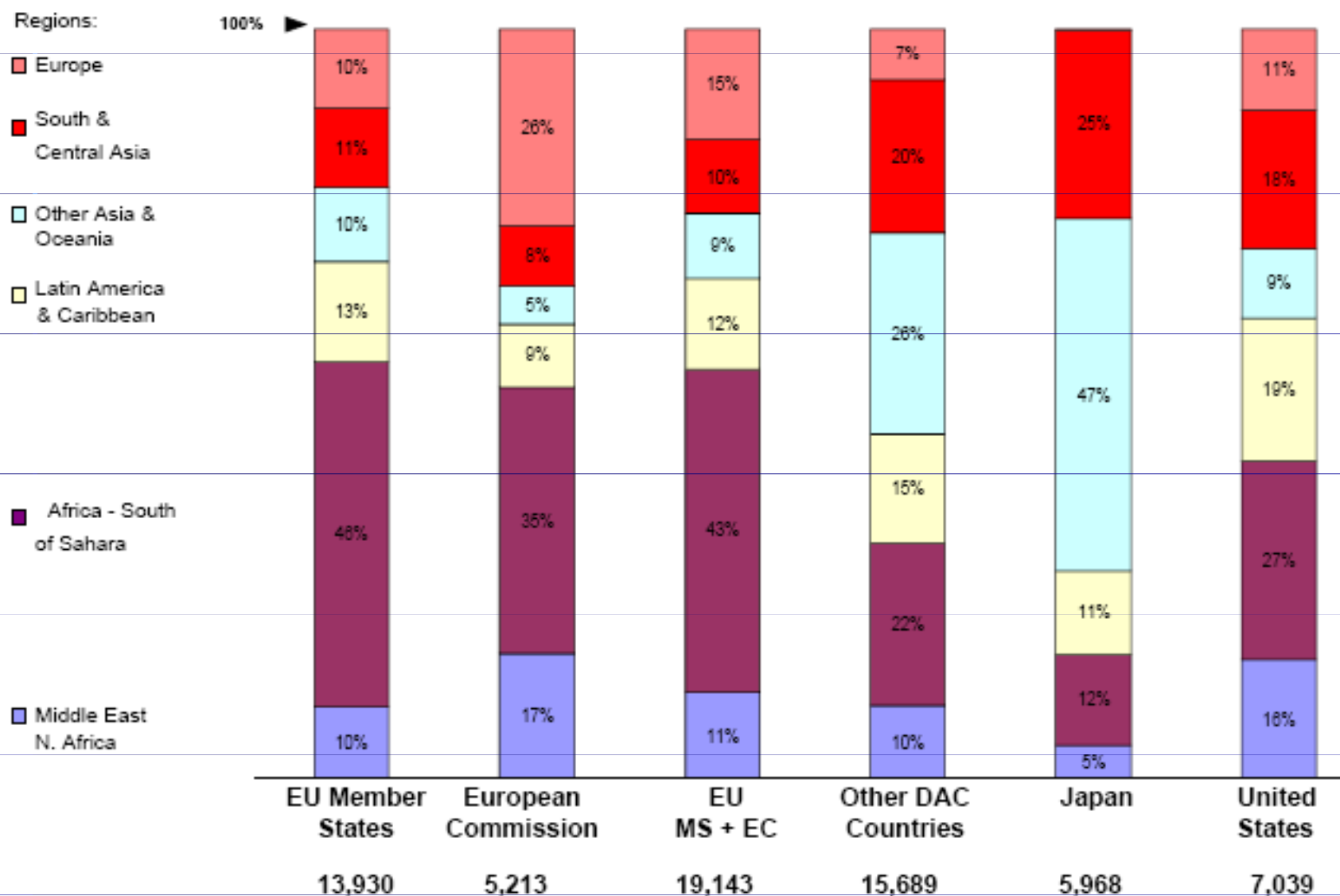
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7. Regional allocation of Aid

(Net Bilateral ODA and European Community ODA, millions US\$, disbursements, 2001-2002 average)

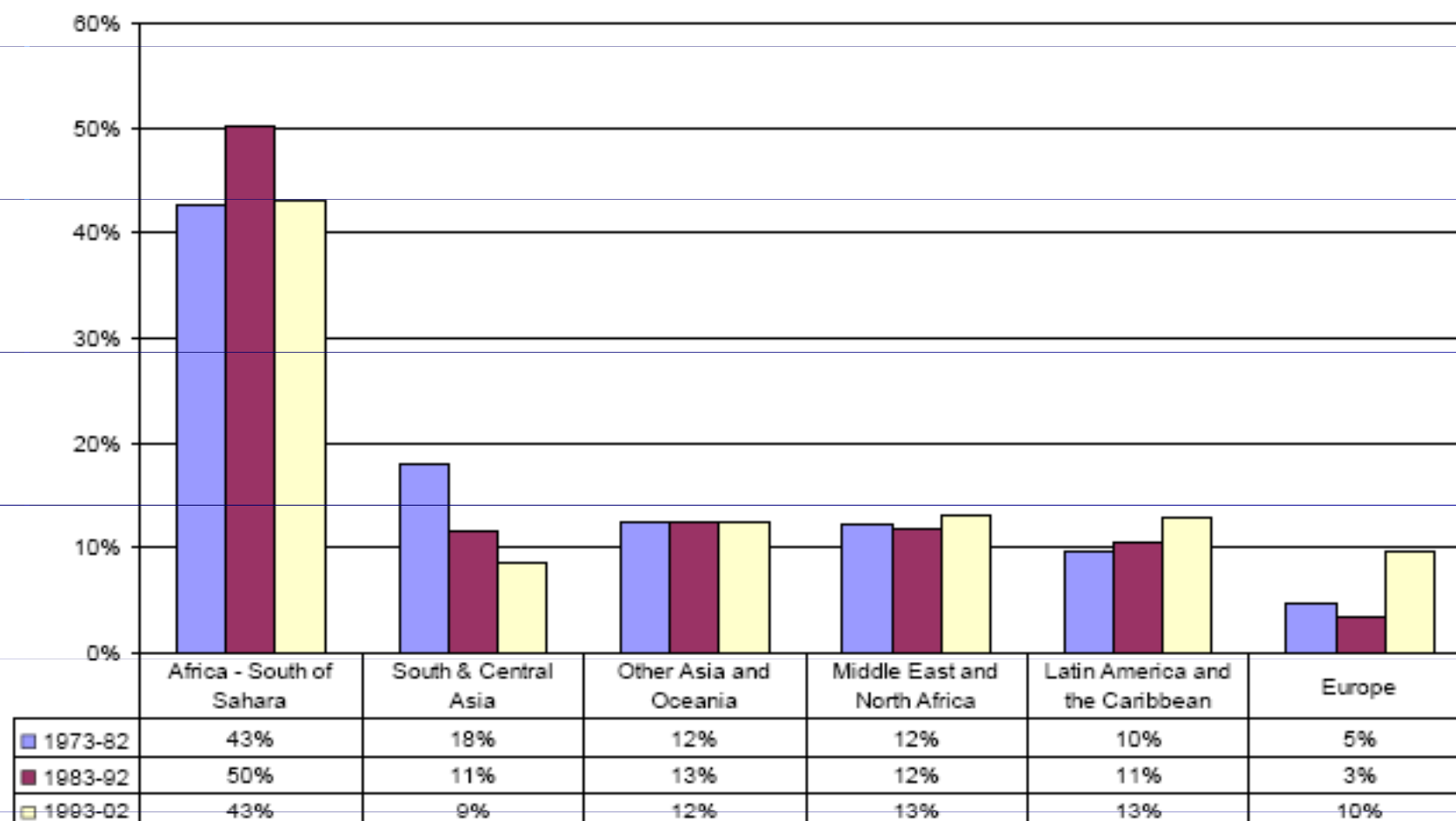


Source: DAC Online Database - Destination of Official Development Assistance and Official Aid - Disbursements (Table 2a)

Official development assistance (ODA) to basic social services ODA directed to basic social services, which include basic education (primary education, early childhood education and basic life skills for youth and adults), basic health (including basic health care, basic health infrastructure, basic nutrition, infectious disease control, health education and health personnel development) and population policies and programmes and reproductive health (population policy and administrative management, reproductive health care, family planning, control of sexually transmitted diseases, including HIV/AIDS, and personnel development for population and reproductive health). Aid to water supply and sanitation is included only if it has a poverty focus.

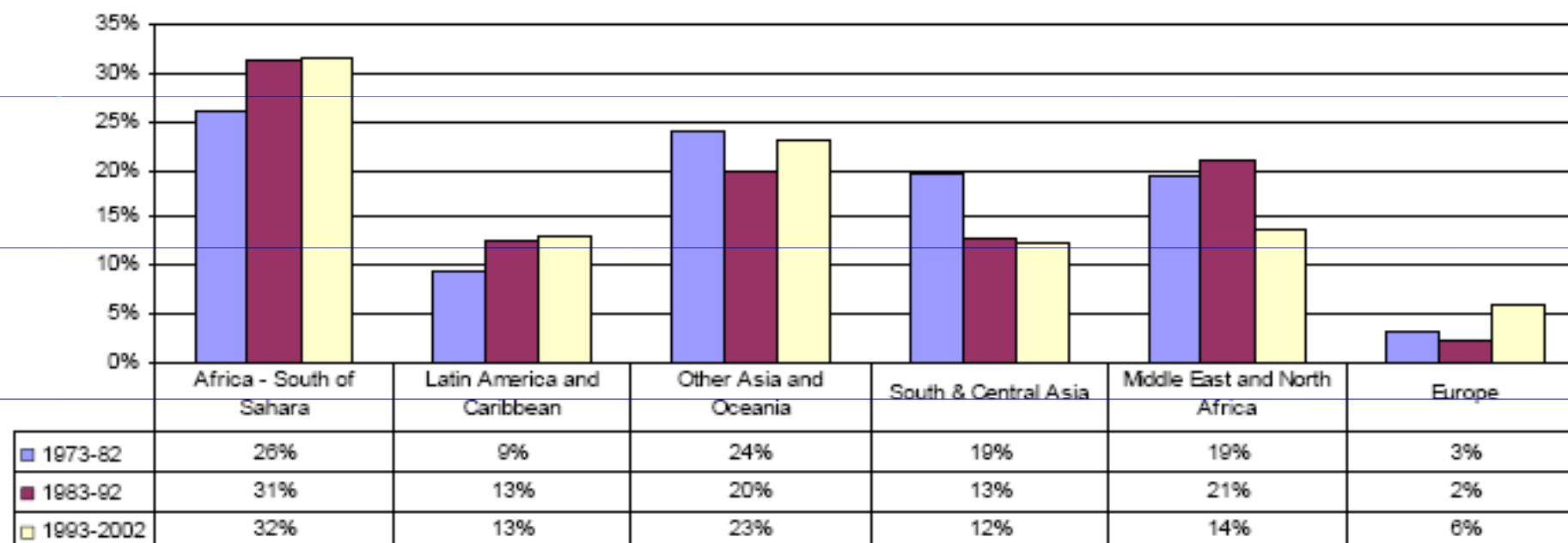
8. 30 Year Regional Allocation of Aid: EU

Net EU ODA (MS bilateral ODA and EC ODA) by region as a share of total EU ODA (Disbursements, 1973-2002)



10. DAC Members: 30 Year Regional Allocation of Aid

Net DAC ODA years by region as a share of total DAC ODA (Disbursements, 1973-2002)



DAC

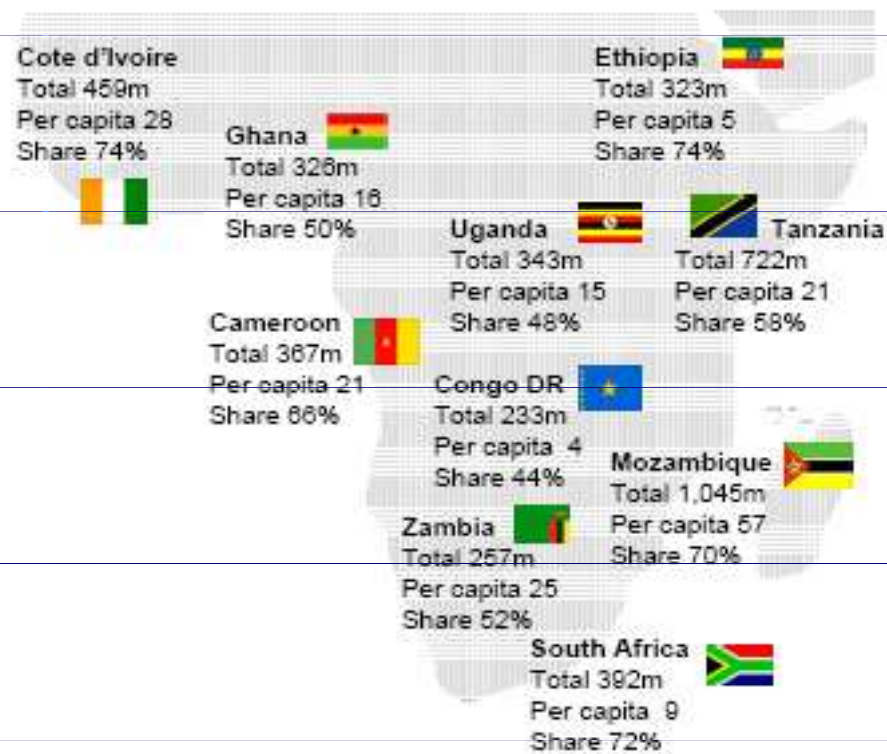
DAC Development Assistance Committee. DAC Members are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States, and the Commission of the European Communities.

DG Director General

13. EU Aid to Sub-Saharan Africa

Top Recipients - Total and per capita ODA

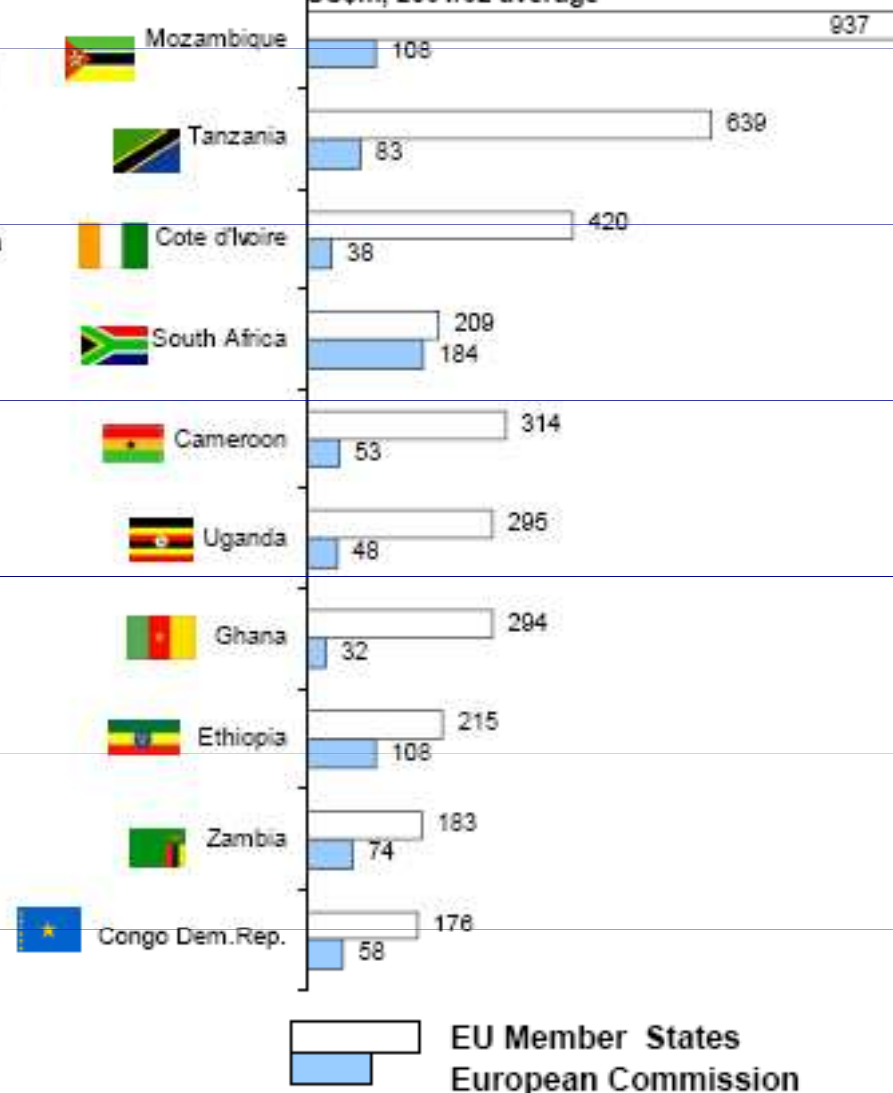
Net ODA Disbursements by EU MS bilateral and EC ODA; US\$ m, assistance per capita, 2001-02 average



Top ODA donors to the region

	US\$ m (avg 2001-02)	% of total ODA
World Bank	2,465	15%
United States	1,874	12%
EC	1,847	12%
France	1,521	9%
United Kingdom	1,057	7%
EU MS + EC	8,246	51%

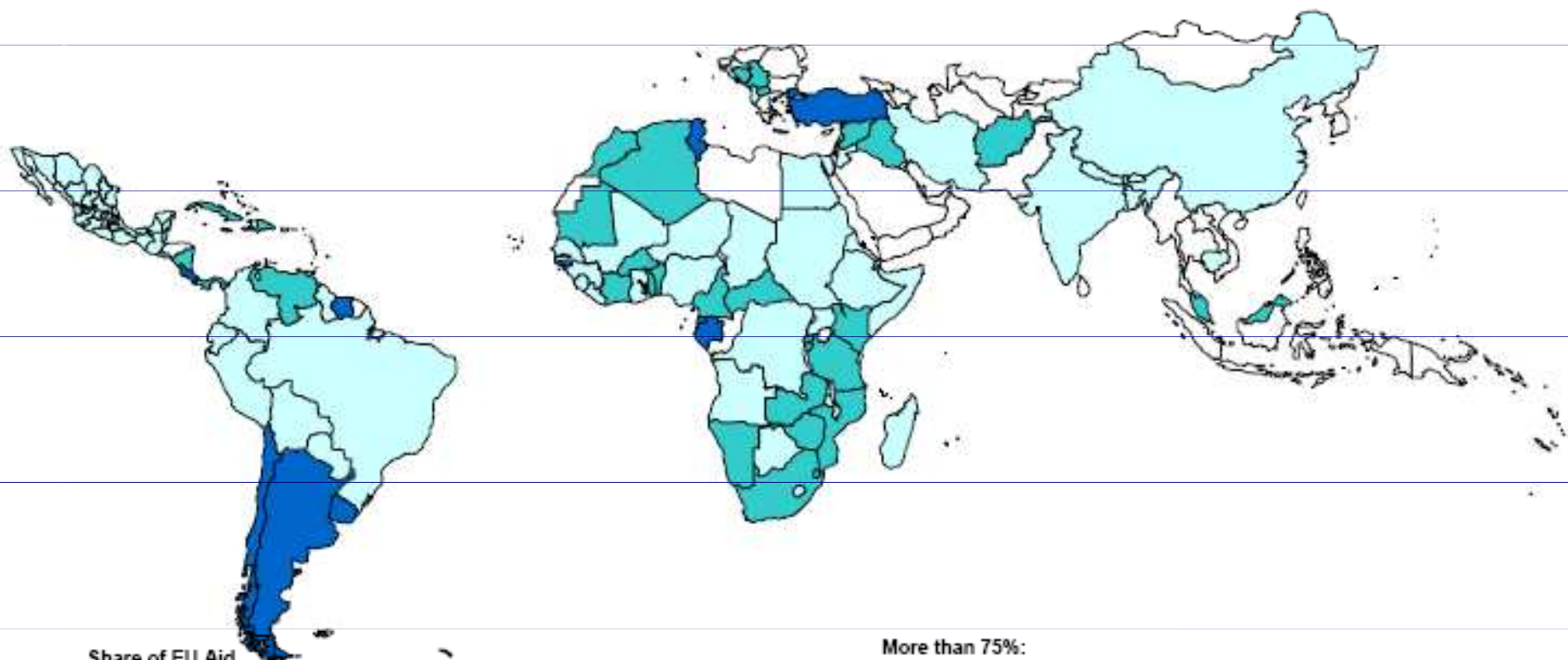
EU Member States bilateral and EC ODA US\$m, 2001/02 average



Source: DAC Online Database - Destination of Official Development Assistance and Official Aid - Disbursements (Table 2a)

1. Countries where the EU (Member States and the Commission) is a large donor today

(Net Bilateral ODA as a share of total net ODA from all donors to each country – disbursements, 2001-2002 average)



Share of EU Aid over Total Aid (%)

- 75% – 100%
- 50% – 74%
- 25% – 49%
- 0% – 24%

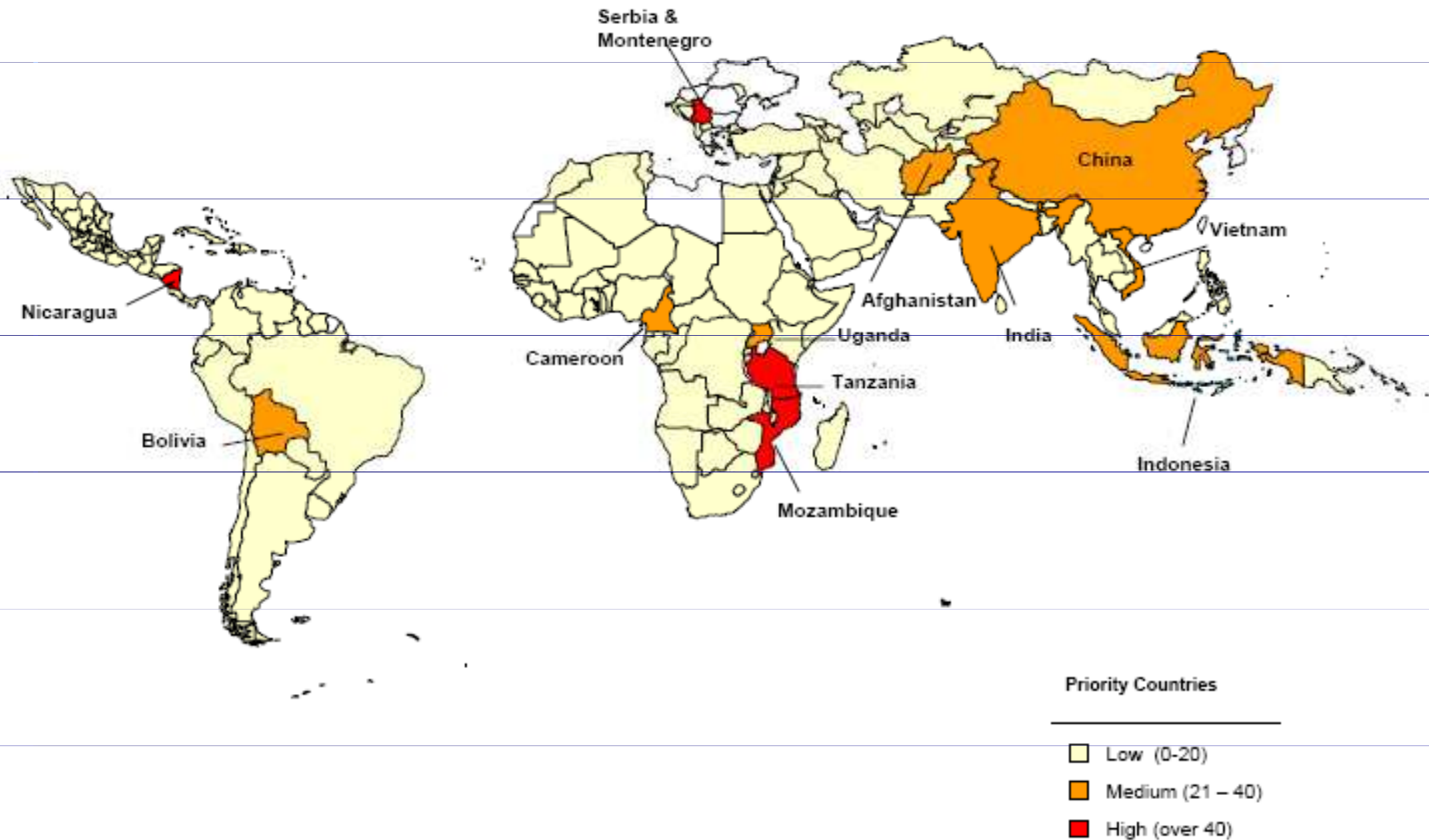
More than 75%:

Argentina	Mayotte
Barbados	Montserrat
Chile	St. Helena
Costa Rica	Suriname
Equatorial Guinea	Swaziland
Guinea	Tunisia
Gabon	Turkey
Guinea Bissau	Uruguay
Jamaica	Wallis & Futuna

Source: DAC Online Database - Destination of Official Development Assistance and Official Aid - Disbursements (Table 2a)

4. Priority Countries: EU

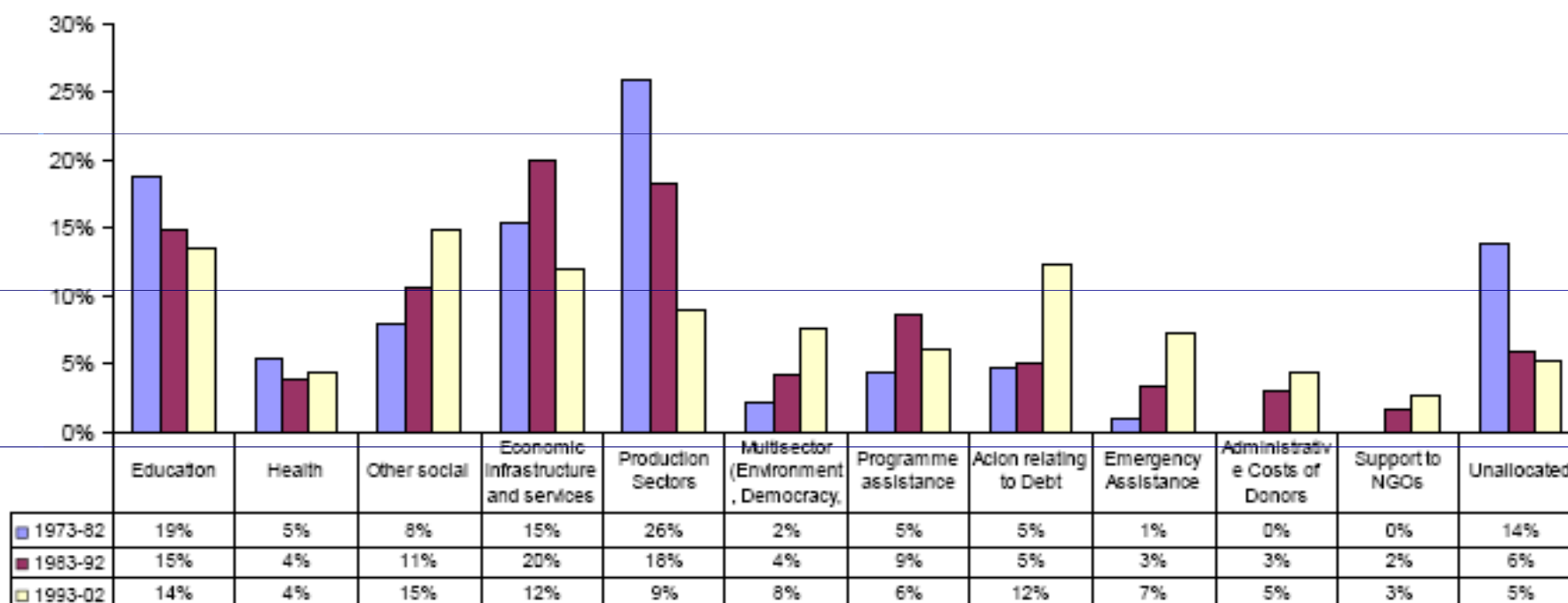
(EU Member States Top 10 recipients – unweighted average, disbursements, 2001-2002 average)



Source: DAC Aid at a Glance Charts. Top 10 recipients for each MS and Commission (score from 10 (top) to 1 (bottom) recipient. Max possible score: 160. Low is 0 to 20, medium is 21 to 40 and high is over 40.

22. EU Aid by Sector: 30 years

Net Disbursements of EU ODA (MS bilateral ODA and EC ODA) by sector as a share of total EU ODA 1/



Source: DAC Online - Official Commitments (or Disbursements) by Sector (Table 5)

1/ The table includes only partial data for the Commission for which a sector breakdown is available only for the years 2001 and 2002.



You don't have to promise them anything, sir. This is not what has been declared famine area — it is further up

OXFORD INDIA PAPERBACKS

DEVELOPMENT ECONOMICS

DEBRAJ RAY

From the Reviews

'As elegant, insightful and extremely effective textbook...combines astute theoretical reasoning with a firm grip on empirical circumstances, including institutional possibilities and limitations.'

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Debraj Ray is Professor of Economics, Boston University.

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OXFORD INDIA PAPERBACKS

DEVELOPMENT
ECONOMICS

DEBRAJ RAY

I invite you to study what is surely the most important and perhaps the most complex of all economic issues: the economic transformation of those countries known as the developing world. A definition of "developing countries" is problematic and, after a point, irrelevant.¹ The *World Development Report* (World Bank [1996]) employs a threshold of \$9,000 per capita to distinguish between what it calls high-income countries and low- and middle-income countries: according to this classification, well over 4.5 billion of the 5.6 billion people in the world today live in the developing world of "low- and middle-income countries." They earn, on average, around \$1,000 per capita, a figure that is worth contrasting with the yearly earnings of the average North American or Japanese resident, which are well above \$25,000. Despite

¹ The *Third World*, a group of low-income countries united by common economic characteristics and often a common history of colonialism, is just as much a political as an economic concept. Narrower economic classifications are employed by several international organizations such as the World Bank. A composite index that goes beyond per capita income is described in *Human Development Report* (United Nations Development Programme [1995]). There is substantial agreement across all these classifications.

² This view includes not only the notion that developing countries are somehow hindered by

common currencies to express incomes in a common unit. The *World Development Report* (see, e.g., World Bank [1996]) contains such estimates of GNP per capita by country. By this yardstick, the world produced \$24 trillion of output in 1993. About 20% of this came from low- and middle-income developing countries—a pittance when we see that these countries housed 85% of the world's population at that time. Switzerland, the world's richest country under this system of measurement, enjoyed a per capita income close to 400 times that of Tanzania, the world's poorest.

2.2. Income and Growth

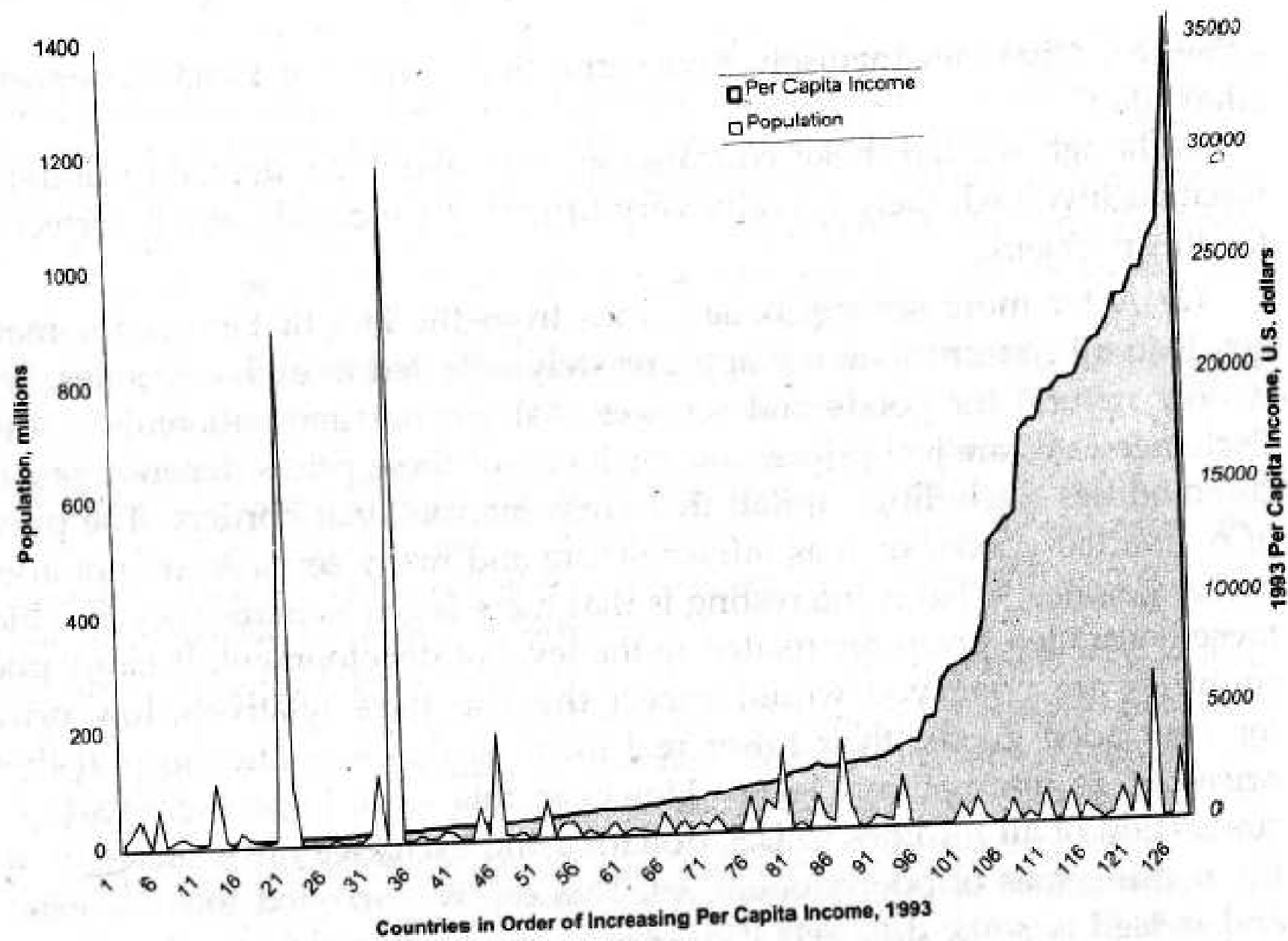


Figure 2.1. Per capita income and population for selected countries.

Income mobility matrix

	1/4	1/2	1	2	∞
1/4	76	12	12	0	0
1/2	52	31	10	7	0
1	9	20	46	26	0
2	0	0	24	53	24
∞	0	0	0	5	95

Figure 2.5. The income mobility of countries, 1962–84. Source: Quah [1993].

come data to construct "mobility matrices" for countries. To understand how these matrices work, let's start by converting all per capita incomes to fractions of the *world's* per capita income. Thus, if country *X* has a per capita income of \$1,000 and the world average is \$2,000, we give country *X* an index of $1/2$. Now let's create categories that we will put each country into. Quah used the following categories (you can certainly use others if you like): $1/4$, $1/2$, 1, 2, and ∞ . For instance, a category with the label 2 contains all countries with indexes between 1 and 2; the category $1/4$ contains all countries with indexes less than $1/4$; the category ∞ contains all countries with indexes exceeding 2, and so on.

Table 2.1. Shares of poorest 40% and richest 20% for selected countries.

<i>Country</i>	<i>Per capita income (1993 PPP)</i>	<i>Share of poorest 40% (in %)</i>	<i>Share of richest 20% (in %)</i>
<i>0-3,000 PPP</i>			
Tanzania	580	18	45
Uganda	900	17	48
India	1,220	21	41
Bangladesh	1,290	19	46
Senegal	1,650	11	59
Nicaragua	1,900	12	55
Pakistan	2,170	21	40
El Salvador	2,350	12	53
Sri Lanka	2,990	22	39
<i>3,000-9,000 PPP</i>			
Peru	3,220	14	50
Guatemala	3,350	8	63
Brazil	5,370	7	65
Colombia	5,490	12	54
Costa Rica	5,520	13	50
Panama	5,840	8	60
Thailand	6,260	11	59
Mexico	6,810	10	60
Malaysia	7,930	13	54
Venezuela	8,130	11	59

9,000+ PPP

Rep. Korea	9,630	20	42
Portugal	10,710	18	40
Mauritius	12,420	18	43
Spain	13,510	23	35
United Kingdom	17,210	20	41
France	19,000	19	42
Japan	20,850	18	42
United States	24,740	15	44

Source: *World Development Report* (World Bank [1995]) and Deininger and Squire [1996a].

Table 2.3. Indicators of "human development" for Sri Lanka and Guatemala.

Country	Life expectancy (years)	Infant mortality rate (per 1000)	Access to safe water (% of pop.)	Adult literacy rate (%)
Sri Lanka	72	18	60	89
Guatemala	65	48	62	54

Source: *Human Development Report* (United Nations Development Programme [1995]).

Note: All data are for 1992, except for access to safe water, which is the 1988–93 average.

The United Nations Development Programme (UNDP) has published the *Human Development Report* since 1990. One objective of this *Report* is to coalesce some of the indicators that we have been discussing into a single index, which is known as the *human development index* (HDI). This is not the first index that has tried to put various socioeconomic indicators together. A forerunner is Morris' "physical quality of life index" (Morris [1979]), which created a composite index from three indicators of development: infant mortality, literacy, and life expectancy conditional on reaching the age of 1.

The HDI is calculated

...ity, literacy, and life expectancy conditional on reaching the age of 1.

The HDI has three components as well. The first is life expectancy at birth (this will indirectly reflect infant and child mortality).¹¹ The second is a measure of educational attainment of the society. This measure is itself a composite: it takes a weighted average of adult literacy (with weight 2/3) and a combination of enrollment rates in primary, secondary and tertiary education (with weight 1/3). The last component is per capita income, which is adjusted somewhat after a threshold (around \$5,000 in PPP dollars, 1992) is crossed. Less weight is given to higher incomes after this point, on the grounds that there is diminishing returns to income.

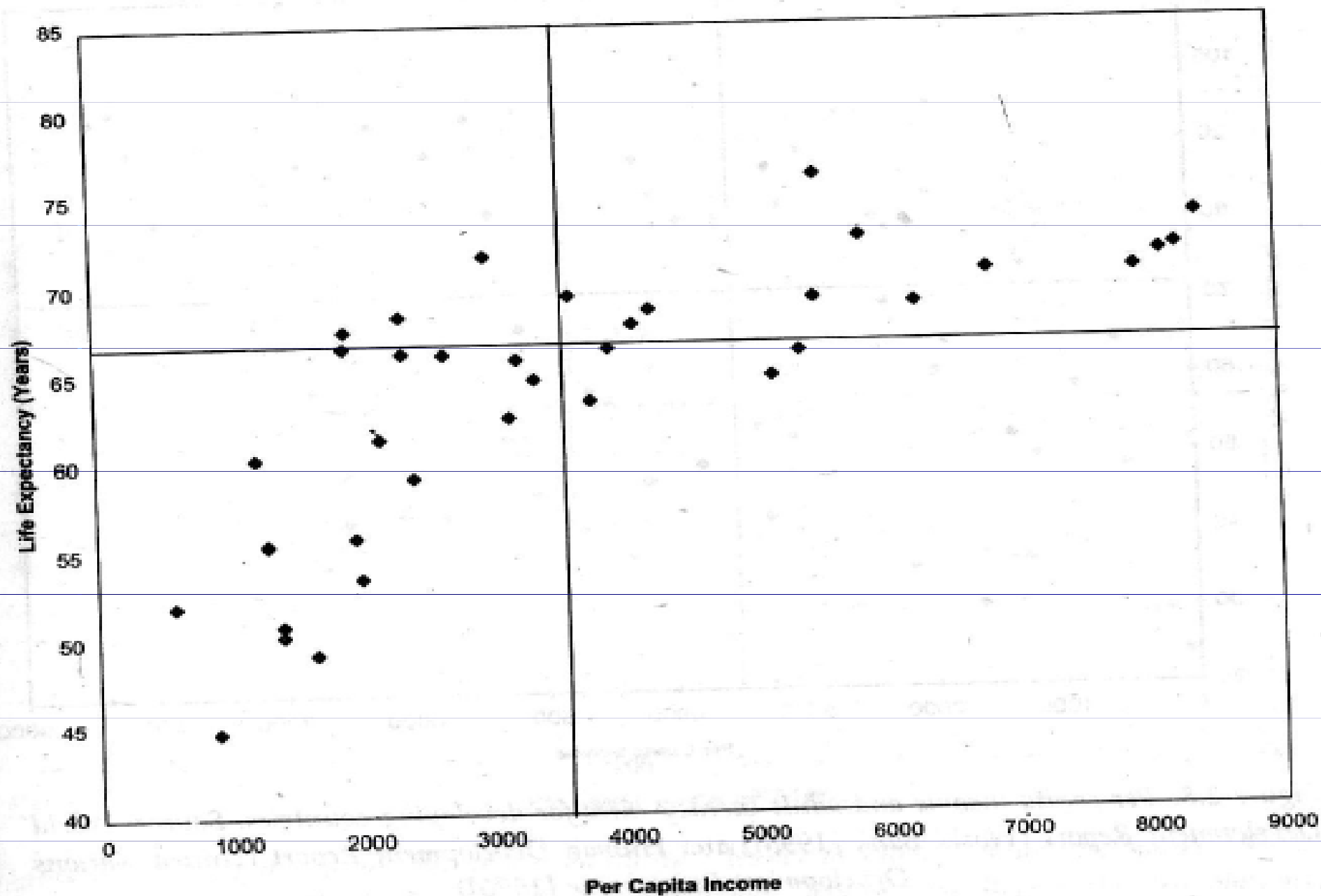


Figure 2.7. Per capita income and life expectancy for developing countries. Source: World Development Report (World Bank [1995]) and Human Development Report (United Nations Development Programme [1995]).

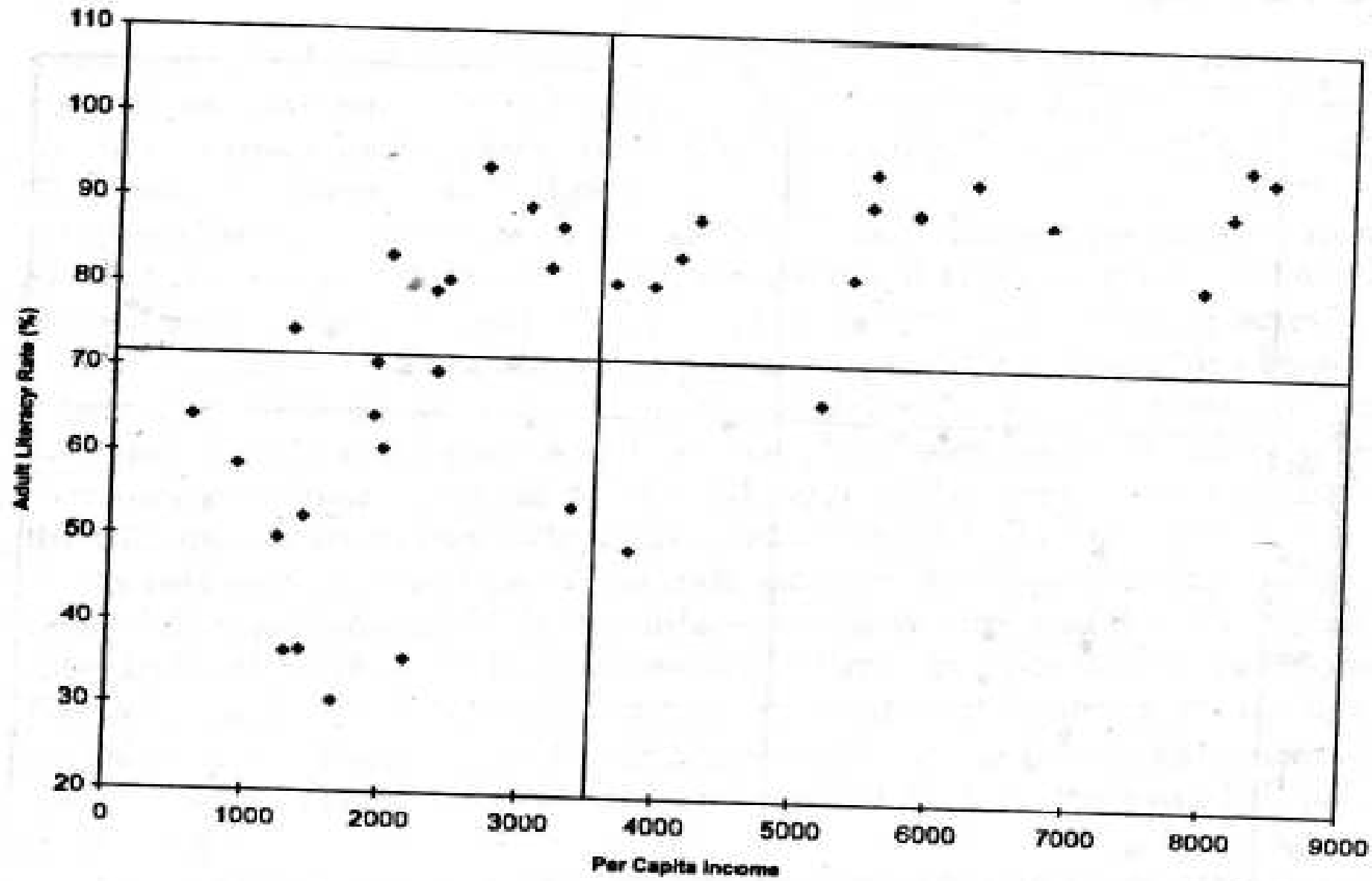


Figure 2.8. Per capita income and adult literacy rates for developing countries. Source: World Development Report (World Bank [1995]) and Human Development Report (United Nations Development Programme [1995]).

isons, I will skip a detailed discussion of the

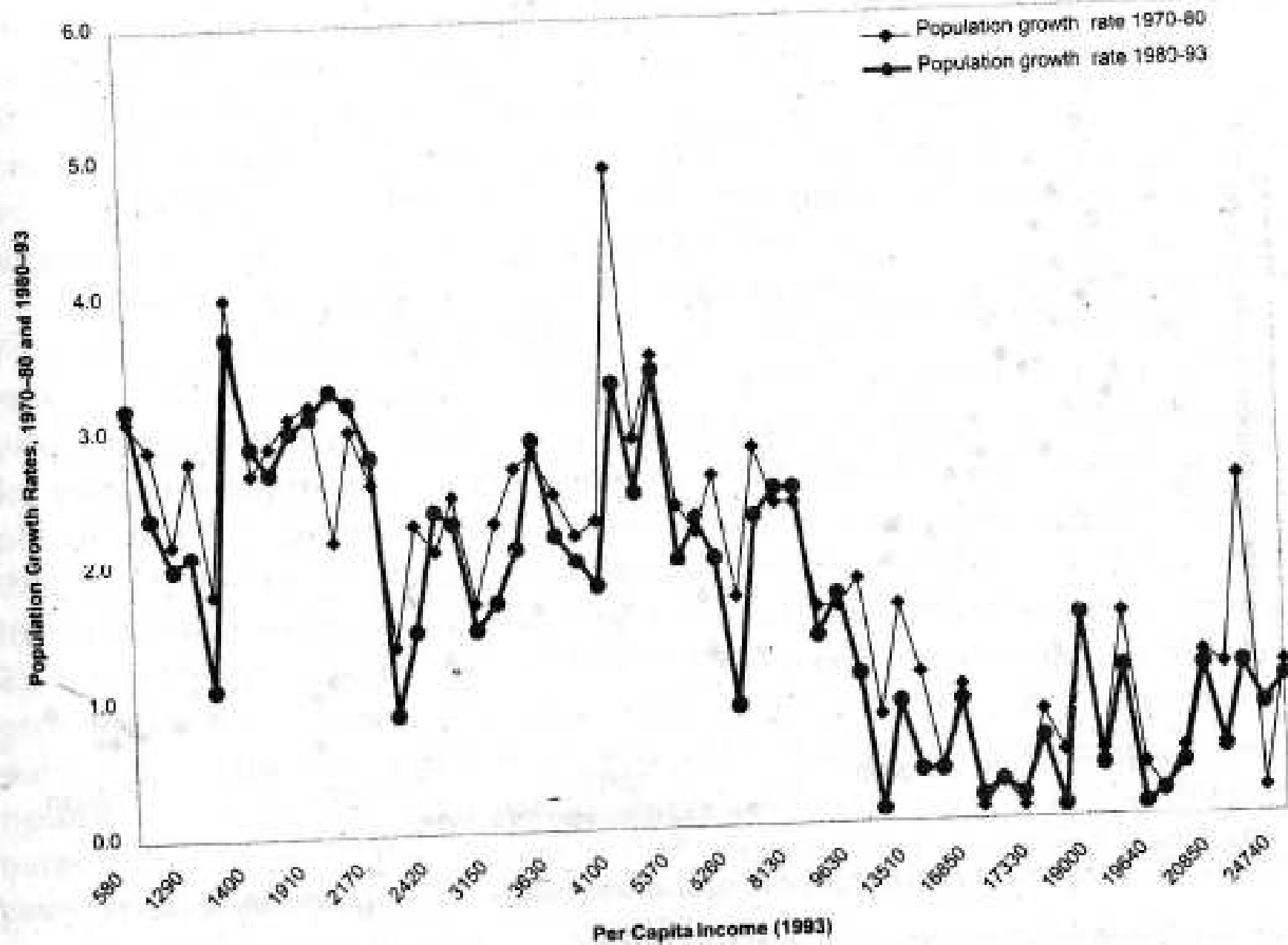


Figure 2.10. Population growth rates and per capita income. Source: World Development Report (World Bank [1995, 1996]).

3.3. *Theories of economic growth*

3.3.1. *The Harrod–Domar model*

- Economic growth – abstention from current consumption
- Two categories of goods – consumption goods and capital goods

...concept is summarized in Figure 3.1.

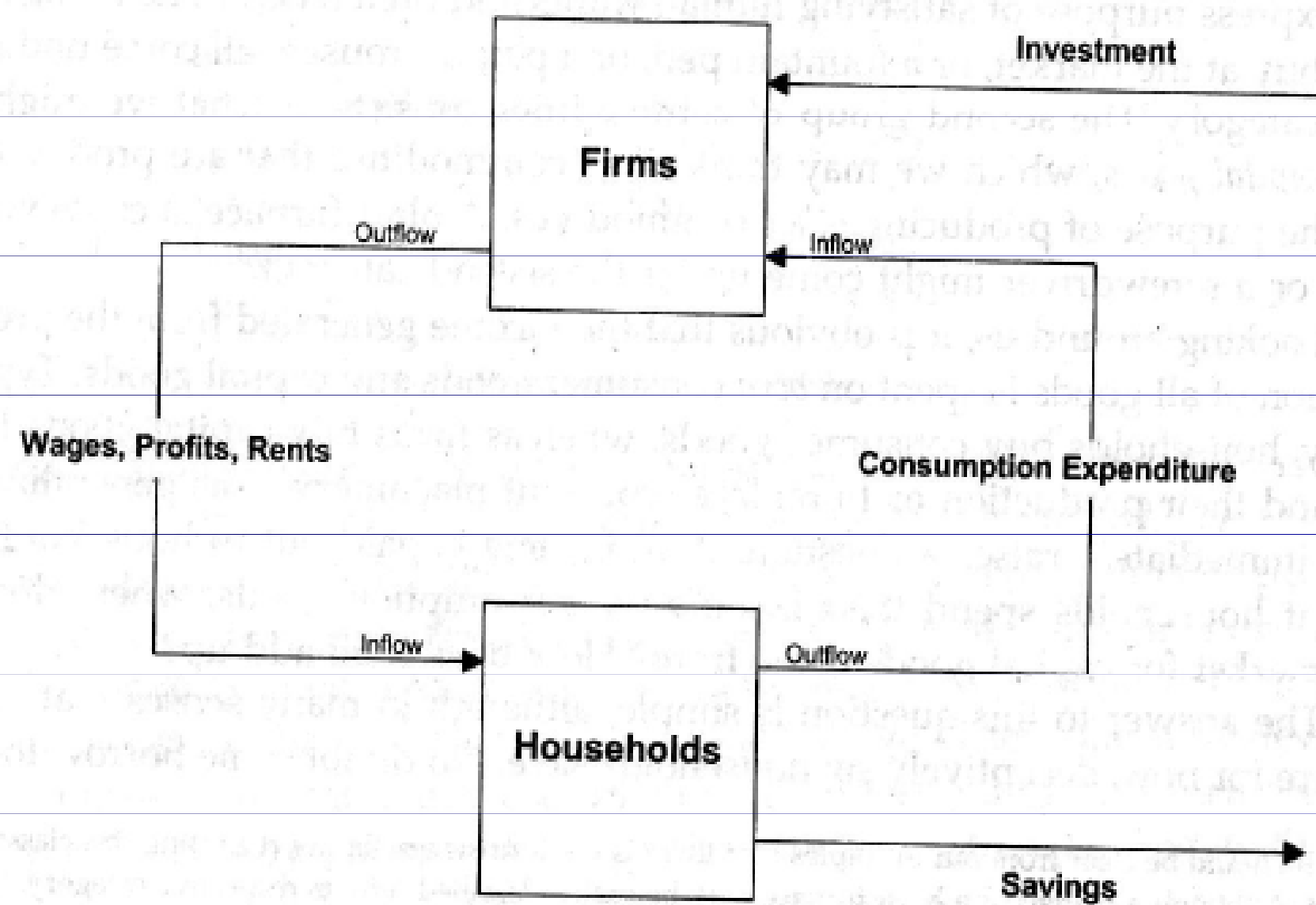


Figure 3.1. Production, consumption, savings, and investment.

Now we introduce two important concepts. The *savings rate* is just savings divided by income: $S(t)/Y(t)$ in our model. Call this s . The savings rate depends on a multitude of characteristics in the economy, which we will discuss subsequently.

There is also a ratio: the *capital-output ratio*, which we call

discuss subsequently.

Our second concept is also a ratio: the *capital-output ratio*, which we call θ . It is the amount of capital required to produce a single unit of output in the economy, and it is represented by the ratio $K(t)/Y(t)$.

Combining (3.3) and (3.4), using these new concepts, and moving terms around a bit (see the Appendix to this chapter for the easy details), we arrive at a very influential equation indeed:

$$(3.5) \quad s/\theta = g + \delta,$$

where g is the overall rate of growth that is defined by the value $[Y(t + 1) - Y(t)]/Y(t)$. This is the *Harrod-Domar* equation, named after Roy Harrod and Evsey Domar, who wrote well-known papers on the subject in 1939 and 1946, respectively.

It isn't difficult to see why the Harrod-Domar equation was influential. It

Human Development Report 2005

International cooperation at a crossroads
Aid, trade and security in an unequal world

Gender empowerment measure (GEM) A composite index measuring gender inequality in three basic dimensions of empowerment—economic participation and decision-making, political participation and decision-making and power over economic resources. For details on how the index is calculated, see *Technical note 1*.

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Human Development Report 2006

Projekt developmentarismu McMichael,

WORLD FRAMEWORK	Developmentalism (1940s–1970s)
POLITICAL ECONOMY	State-Regulated Markets Keynesian Public Spending
SOCIAL GOALS	Social Entitlement and Welfare Uniform Citizenship
DEVELOPMENT	Industrial Replication National Economic Management
[MODEL]	[Brazil, Mexico, India]
MOBILIZING TOOL	Nationalism (Post-Colonialism)
MECHANISMS	Import-Substitution Industrialization (ISI) Public Investment (Infrastructure and Energy) Education Land Reform
VARIANTS	First World (Freedom of Enterprise) Second World (Central Planning) Third World (Modernization via Developmental Alliance)

Projekt globalizační

Globalism (1970s–)

Self-Regulating Markets (Monetarism)

Private Initiative via Free Markets
Identity Politics Versus Citizenship

Participation in the World Market
Comparative Advantage
[Chile, South Korea]

Efficiency (Post-Developmentalism)
Debt and Credit-Worthiness

Export-Oriented Industrialization (EOI)
Agro-Exporting
Privatization, Public and Majority-Class Austerity
Entrepreneurialism

National Structural Adjustment (Opening Economies)
Regional Free Trade Agreements
Global Economic and Environmental Management

Chamber, R.: Rural Development

- [...] absolute poverty: a condition of life so characterized by malnutrition, illiteracy, disease, squalid surroundings, high infant mortality, and low life expectancy as to be beneath any reasonable definition of human decency [Chamber, 1995:1].

Biased knowledge

- “Outsiders are people concerned with rural development who are themselves neither rural nor poor. Many are headquarters and field staff of government organizations in the Third World. They also include academic researchers, aid agency personnel, bankers, businessmen, consultants, doctors, engineers, journalists, lawyers, politicians [...]. Outsiders underperceive rural poverty. They are attracted to and trapped in urban ‘cores’ which generate and communicate their own sort of knowledge while rural ‘peripheries’ are isolated and neglected.

6 biases

- *1) spatial* – urban, tarmac and roadside;
- *2) project* – towards places where there are projects;
- *3) person* – towards those who are better off, men rather than women, users of services and adopters of practices rather than non-users and non-adopters, and those who are active, present and living;

biases

- 4) *seasonal*, avoiding the bad times of the wet season;
- 5) *diplomatic*, not seeking out the poor for fear of giving offence
- 6) *professional*, confined to the concerns of the outsider's specialization. As a result, the poorer rural people are little seen and even less in the nature of their poverty understood (Chamber, 1995:2).

Lewis – self sustained growth 1950:39

- Once the snowball starts to move downhill, it will move of its own momentum
- You have, as it were, to begin by trolling your snowball up the mountain.
- Once it get there, the rest is easy, but you cannot get it there without the first making and initial effort.

Paradigm shift

- The rise of growth theory - rift in mainstream development studies
- Older orthodox neoclassical theory replaced by Keynesian interventionist school
- However continued stress on the importance of a 'pure' market and export-led growth
- Principle of comparative advantage

Criticism of neoclassical approach

- Neoclassical theory is static and focused on allocation of given resources
- Development problems – dynamic; focus on increasing investable resources through stimulation of savings and investment
- Big push needed to initiate the process
- Neoclassical theory offers only marginal adjustment and piecemeal improvements

Criticism of neoclassical

- The neoclassical emphasis on development – comparative advantage + free trade = inappropriate to the late industrializes of the South
- Direct static losses from state intervention to support industrialization – more that offset by dynamic gains
- Dynamic gains = technological change, improved skills, long-term benefits from infant industries

Eurocentric vision

- Growth theory – structured by Eurocentric vision of development based in Keynesian interpretation of the unique albeit historically important experience of core industrial capitalism
- 'New nations' - were to follow the Western model
- 'Modernization imperative' Nayar 1972
- Based on a stylized version of Western economic history
- Sequence of states on a unilinear path toward higher Western-style development

Huntington – charakteristika modernizační školy (1976)

(1) Modernization is a phased process. Rostow's theory, for instance, distinguishes different phases of modernization through which all societies will travel. Societies obviously begin with the primitive, simple, undifferentiated traditional stage and end with the advanced, complex, differentiated modern stage. In this respect, Levy argues that societies can be compared in terms of the extent to which they have moved down the road from tradition to modernity.

(2) Modernization is a linear process. It is a process that moves from a traditional stage to a modern stage.

(2) Modernization is a homogenizing process. Modernization produces tendencies toward convergence among societies. As Levy (1967, p. 207) contends, "As time goes on, they and we will increasingly resemble one another . . . because the patterns of modernization are such that the more highly modernized societies become, the more they resemble one another."

Charakteristika modernizační školy

THE MODERNIZATION SCHOOL

(3) Modernization is a Europeanization (or Americanization) process. In the modernization literature, there is an attitude of complacency toward Western Europe and the United States. These nations are viewed as having unmatched economic prosperity and democratic stability (Tipps 1976). And since they are the most advanced nations in the world, they are the trademarks of the modernization perspective.

(4) Modernization is an irreversible process. Once started, modernization cannot be stopped. In other words, once Third World countries come into contact with the West, they will not be able to resist the impetus toward modernization. Although the rate of change will vary from one country to another, the process is irreversible.

Policy implications

War II, and, as such, they have important policy implications. First, modernization theories help to provide an implicit justification for the asymmetrical power relationship between "traditional" and "modern" societies (Tipps 1976). Since the United States is modern and advanced and the Third World is traditional and backward, the latter should look to the former for guidance.

Second, modernization theories help to justify the

Second, modernization theories identify the threat of communism in the Third World as a modernization problem. If Third World countries are to modernize, they should be moving along the path that the United States has traveled, and thus should move away from communism. To help accomplish this goal, modernization theories suggest economic development, the replacement of traditional values, and the institutionalization of democratic procedures.

Third, modernization theories suggest that the United States should

Third, modernization theories help to legitimate the “meliorative foreign aid policy” of the United States (Chirot 1981, p. 269; Apter 1987, p. 23). If what is needed is more exposure to modern values and more productive investment, then the United States can help by sending advisers, by encouraging American business to invest abroad, by making loans, and by rendering other kinds of aid to Third World countries. Although not all modernization

The theory of the big push

- Rosenstein-Rodan – hidden potential for economic development
- Taking advantage of increasing returns from large scale planned industrialization
- Several sector simultaneously

Hlavní charakteristiky modernizační teorie Brohman

- Modernization –mixture of development factors – technological change capital accumulation changing values and attitudes
- Inducing social change (values, norms, beliefs, customs)
- Theorization of such social change – principally via conceptual apparatus of classical sociology

Path dependence

- “The term **path dependence** has been used to describe the important role which historical events and historically formed institutions have in determining the future range of possibilities for a nation. Once institutions have been formed, they tend to lock-in certain evolutionary path for the nation [Fieldhouse, quoted by Cypher, Dietz, 1997:72]

Gunnar Myrdal

- If previously formed institutions are socially constructive, then the evolutionary path of the economy can be *virtuous*; the process of cumulative causation leads to an upward spiral of social progress.

Vicious circle

- But if the institutional basis of a society has been formed through a long process whereby inhibiting institutions and social practices have become deeply entrenched, then it is more likely that the future evolutionary path will be on of the *vicious circles* of cumulative causation leading to low levels of income and achievement. [Fieldhouse, quoted by Cypher, Dietz, 1997:72]

- “The last 40 years can be called the age of development. This epoch is coming to an end. The time is ripe to write its obituary” [Sachs, 1992: 1].

Sachs, W.: *The Development Dictionary, A Guide to Knowledge as Power*, Zed Books, London, 1992.

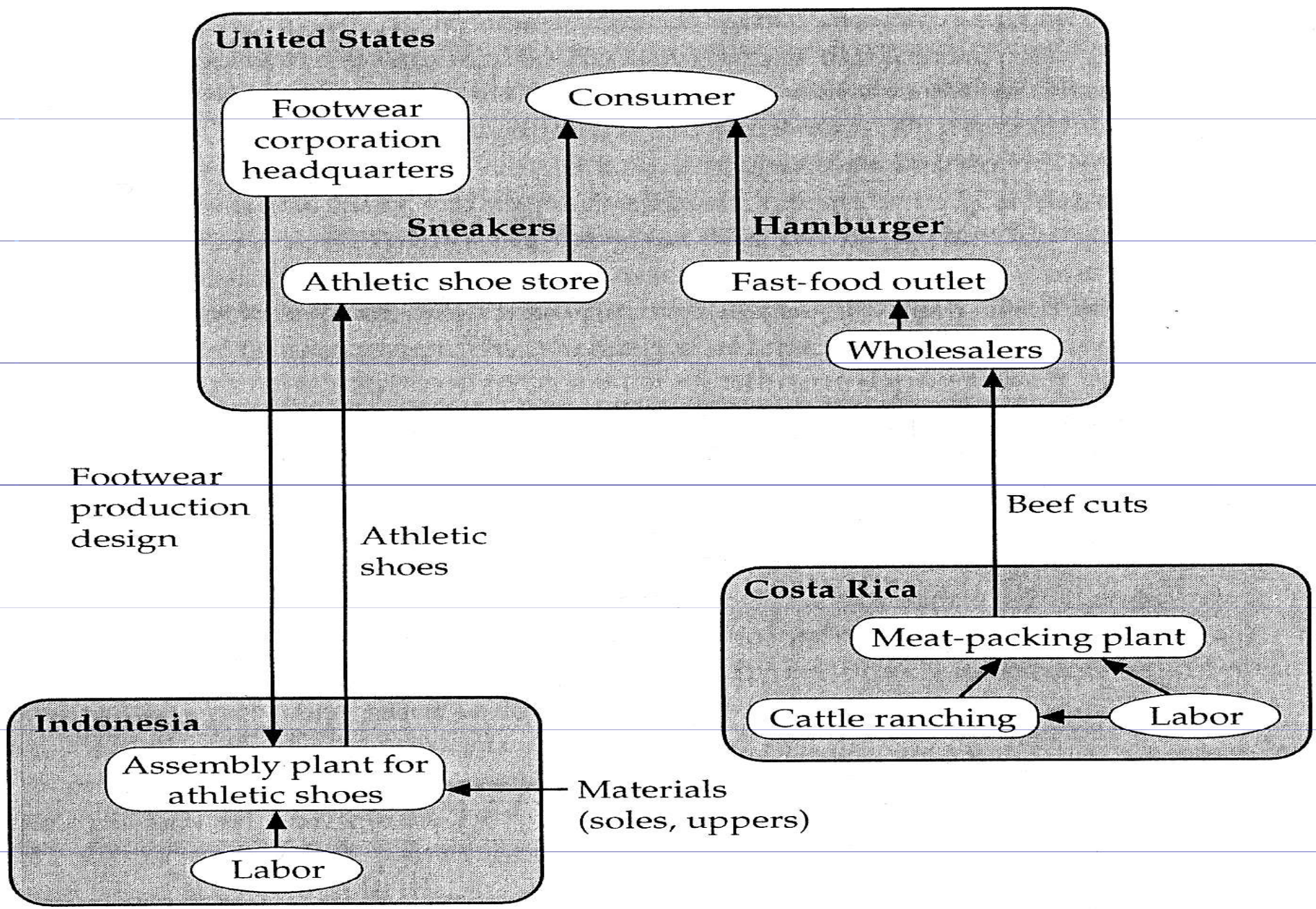
- Ul Haq, M.: *Reflections on human development*, Oxford University Press, 1995.

This arrangement had two basic effects: it stimulated European industrialization, and it forced non-Europeans into primary commodity production. Such specialization disorganized non-European cultures, undermining local crafts and mixed-farming systems. In other words, not only did non-European cultures surrender their own handicraft industries in this exchange, but they were often forced to reduce their agriculture to an **export monoculture**, where local farmers became producers of a single crop for export. The disruption caused by this shift is made clear in the follow-

The broadly accepted misinterpretation of other cultures appears frequently in historical accounts. It is reflected in assumptions made by white settlers in North America and Australia about the indigenous people they encountered. In each case, the Europeans perceived the Indians and aborigines as people who did not work the land they inhabited. In other words, they had no right of "property"—a European concept. Their removal from their ancestral lands is a bloody reminder of the combined military power and moral fervor with which European colonization was pursued. It was buttressed by a process of cultural conquest, whereby Eu-

FIGURE 1

A Simple Representation of Commodity Chains Linking Global Production Sites with Global Consumers



boundaries. Some researchers have noted that the ingredients of a container of yogurt—from the strawberries and milk to the cardboard and ink for the carton—travel more than 6,000 miles to market in Germany, and yet all could be produced within a 50-mile radius.¹ As the supply networks expand, the scale and character of economic development are transformed. In the past, we understood **development** to be a process of economic growth organized nationally; but today, global economic integration is transforming development into a process of *globally organized economic growth*.

from many places in the global marketplace.

The *global labor force* is dispersed along production links of these commodity chains (see Figure 1). In the athletic shoe industry, the initial labor is related to the symbolic side of the shoe—design and marketing. This step remains primarily in the United States. Then there is the labor of producing the synthetic materials; of dyeing, cutting, and stitching; and of assembling, packing, and transporting. These forms of labor are all relatively unskilled and often performed by women, especially South Koreans, Taiwanese, Chinese, Indonesians, and Filipinos. Companies like Nike subcontract with such labor forces through local firms in the regional pro-