Development critiques in the 1990s: *culs de sac* and promising paths

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1 Introduction

The final decade of the last millennium opened with the demise not only of soviet-style socialism and of apartheid. In addition, shock troops of the neoliberal right and the cultural left confidently declared the Death of Development. This was no mere impasse, as some had suggested in the 1980s. Development was definitively dead, and sending out noxious fumes that could only be dissipated either by market rationality or by New Social Movements.

With the dawning of Y2K, Development is back on the agenda with a vengeance. A flourishing industry centered on social capital and social development has arisen in the World Bank, the UNDP and other multilateral institutions, as well as in Tony Blair's Department for International Development. Questions of development are also back in the guise of ‘globalization’ and the rise of oppositional movements that are both reminiscent of the 1960s and yet startlingly new.

A revealing article on recent anti-capitalist protests in *The Economist* expressed grave concern that a motley assortment of protestors and NGOs, ranging from the League for a Revolutionary Communist International to Oxfam, are ‘extorting admissions of fault from law-abiding companies and changes in policy from democratically elected governments’ (*The Economist*, 23 September 2000: 87). What is more, *The Economist* complains, the IMF and particularly the World Bank are bowing to these pressures; the latest World Development Report, for example, blathers on about poverty as encompassing not only lack of food, shelter and other material necessities, but also powerlessness, voicelessness, vulnerability and fear. (The article omits mention of the resignation of economist Ravi Kanbur from the World Bank when, at the prompting of Treasury Secretary Lawrence Summers, he was ordered to rewrite the report with a stronger pro-growth message.) Whether ‘the developing countries’ will benefit from pervasive soft-headedness is very much in doubt: ‘Empowerment, supposing the idea
is taken seriously, may distract governments and the Bank alike from the simpler pro-growth tasks that they already appear to find impossibly difficult.’ The article goes on to explain how the protests are being driven by a group of predominantly western malcontents who are articulating widespread popular concern about the hard edges of globalization: ‘fears, genuine if muddled, about leaving the poor behind, harming the environment, caring about profits more than people, unleashing dubious genetically modified foods, and the rest.’ It concludes with a warning that, if the protestors’ appetite for power is stimulated rather than assuaged by their continuing success, global capitalism is in grave danger.

In addition to inciting wry amusement, this article captures vividly the multilayered struggles that have arisen, phoenix-like, from the ashes of market triumphalist claims of the Death of Development. It also exemplifies a distinction that seems to me very useful: between ‘big D’ Development defined as a post-second world war project of intervention in the ‘third world’ that emerged in the context of decolonization and the cold war, and ‘little d’ development or the development of capitalism as a geographically uneven, profoundly contradictory set of historical processes.

The D/d distinction has affinities with Cowen and Shenton’s (1996) distinction between development as an intentional practice and an immanent process. In their deeply historicized account, Cowen and Shenton contend that development understood as intentional intervention was present at the very birth of industrial capitalism to confront the depredations wrought by ‘progress’. They also observe that what I have called Development is part of a much longer lineage of what they aptly call trusteeship. Yet Cowen and Shenton are strangely silent on Karl Polanyi’s (1944) monumental contributions along broadly similar lines in the form of what he called capitalism’s ‘double movement’. The unleashing of markets for labor, land and money, Polanyi maintained, wreaks profound havoc and generates countertendencies and demands for intervention and social protection. Far from the countermovement representing some sort of external intervention in an inexorably unfolding teleology, these opposing tendencies are contained within capitalism. By the same token, the conditions for global capital accumulation must be actively created and constantly reworked. Key questions (on which Polanyi was somewhat agnostic) concern the social and political forces through which the countermovement is constituted in any particular historical-spatial conjuncture, and how these opposing tendencies play out – or are fought out – within and across multiple, interconnected social and spatial arenas.

In teaching a course on ‘Development in Theory and History’, I start off juxtaposing Deepak Lal’s neoliberal polemic (Lal, 1985) with an equally polemical anti-Development diatribe by Wolfgang Sachs (1992). Apart from their brevity and passion, what makes the two together so useful as a pedagogical device is that the full force of their combined ferocity is directed at precisely the same target: Development understood as a postwar international project. From a Polanyian perspective, both neoliberal and post-Development critiques can be seen as expressions of the opposing forces contained within capitalism. While profoundly a-historical, both can be situated within a much longer history of assertions of – and reactions to – ‘progress’ (Cowen and Shenton, 1996). Both deploy similarly crude conceptions of power (Cooper and Packard, 1997) and, in their mutual antipathy to the state, both conjure up (a problematically conceived) civil society and both invoke certain sorts of populisms (Watts, 1993). They are emblematic, in short, of how Development
critiques coming from opposite directions converged in the early 1990s.

Over the past decade there has emerged a related convergence, partly in response to neoliberal and post-Development critiques. Problematic conceptions of civil society still figure prominently in this new convergence, but so too do equally problematic invocations of ‘the local’. These notions in turn play into deeply disabling discourses of globalization, and constitute the intellectual and political cul de sac that I refer to in the title. Notably missing from these formulations – yet urgently needed – is attention to the multiply inflected capitalisms that have gone into the making of globalization. Critical human geography is, I suggest, singularly well equipped to contribute to such understandings – an argument that I shall spell out more fully in future essays.

My task here is to trace how Development critiques played out over the 1990s. In section II below, I probe how the neoliberal ‘Washington Consensus’ that appeared so firmly entrenched at the beginning of the decade gave way to a ‘post-Washington Consensus’. In particular, I focus on the re-emergence of trusteeship as a central mission of the World Bank, and show how notions of social capital and ‘the local’ figure in this project. In section III, I turn to a brief overview of recent post-Development literature and critical reactions to it in the latter 1990s, calling attention to ethnographically grounded critiques, and arguing that a focus on Development that abstracts from broader questions of political economy leads inexorably to a dead end.

II The unraveling of the Washington Consensus? Development redux

At the start of the 1990s neoliberal orthodoxy appeared as an impregnable fortress, cemented in place by the Washington Consensus that emerged over the 1980s among ‘the economically influential bits of Washington, meaning the US government and international financial institutions’ (Williamson, 1993: 1329). In an earlier piece on structural adjustment in Latin America, Williamson (1989) made clear ‘what Washington means by policy reform’: fiscal austerity and control over inflation; trade and capital account liberalization; and privatization and deregulation of product and factor markets. Any challenge to this ‘common core of wisdom embraced by all serious economists’ could only come from cranks, Williamson declared, going on to note that ‘The proof may not be quite as conclusive as the proof that the Earth is not flat, but it is sufficiently well established to give sensible people better things to do with their time than to challenge its veracity’ (Williamson, 1993: 1330).

Geographer Charles Gore (2000) perceptively maintains that the propagation of the Washington Consensus (hereafter WC) in the 1980s represented a Kuhnian paradigm shift in spatial and temporal frames of reference. Until then, both explanations and evaluations of Development had been cast in a national frame of reference, and informed by an implicit or explicit historicism. The WC entailed the partial globalization of policy analysis, combining ‘normative economic internationalism with a methodologically nationalist form of explanation which attributed what was happening within countries to national factors and policies’ (Gore, 2000: 792). It also represented a shift from historicism to a-historical performance assessment. There are parallels here with Neil Smith’s claim that the paradigm of modernization gave way in the 1980s to ‘the geographical [and, one might add, a-historical] euphemism of globalization’ (Smith, 1997: 174).
These spatio-temporal frames of meaning are key to grasping how forces emanating from East Asia provided the battering ram that punctured large and embarrassing holes in the WC during the 1990s. The assault actually came in two waves: a battle over the interpretation of East Asian ‘miracles’ in the early 1990s, and the eruption of what came to be known as ‘the Asian crisis’ in the second half of 1997. That the meaning of rapid and comparatively equitable growth in East Asia loomed so large over Washington had to do both with how key figures in the World Bank had used it to legitimate neoliberal orthodoxy in the 1980s (Balassa, 1981; Krueger, 1981) and with the escalating share of East Asia in the global economy. The cement in the WC had barely hardened when Alice Amsden (1989) lobbed a powerful missile in the form of claims that South Korean state functionaries has systematically violated some of the most sacred tenets of neoliberal orthodoxy. Wade (1990), Castells (1992), Evans (1995) and others followed up, invoking Chalmers Johnson’s (1982) notion of the ‘developmental state’, along with Weber (and in Evans’ case, Polanyi) to assert the powerful role of the state in East Asian accumulation. Yet, as Gore (1996) has argued, the construction of East Asian debates in terms of ‘states versus markets’ reinforces methodological nationalism as an explanatory framework, while failing to recognize how East Asian state strategies ‘are based on an explanatory framework which analyses national patterns and processes within a global context, and a nationalist normative framework which seeks national economic development through rapid industrialization’ (Gore, 1996: 78).

It was in the context of growing tension between the USA and Japan over the deregulation of financial markets that the battle over the interpretation of East Asian ‘miracles’ moved into top gear, culminating in the World Bank’s publication of *The East Asian miracle* in 1993. In his fascinating account, Robert Wade (1996) documents how powerful Japanese policy-makers challenged the WC and financed the Bank study; the process by which the study was written inside the Bank; and the awkward, heavily vetted text that emerged in which the Bank conceded to state intervention in East Asian economies, but held firmly to a ‘market-friendly’ interpretation. Although the report quickly elicited a roar of protest, (e.g., Amsden, 1994; Lall, 1994), the WC emerged intact – although with its defences weakened. Wade illuminates both the practices of meaning-making through which key figures within the Bank fended off the challenge to neoliberal orthodoxy, and the larger configurations of power within which the Japanese challenge unfolded. The story of *The East Asian miracle*, he argues, shows the determining force of US values and interests in the functioning of the Bank. Yet this influence does not come mainly from direct influence by US government officials. In addition to a preponderance of North Americans within the Bank, it operates through the Bank’s reliance on world financial markets, and ‘the self-reinforcing congruence between the values of the owners and managers of financial capital and those of the US state’ (Wade, 1996: 35). The WC, in other words, stretches north to encompass Wall Street.

Wall Street was, of course, directly implicated in the financial meltdown following the devaluation of the Thai *baht* in mid-1998. In a particularly prescient article, Lance Taylor (1997) warned that pressures for radical financial deregulation were producing potentially incendiary conditions in many parts of the world. A few months later, what has come to be called ‘the Asian crisis’ spread like wildfire through Thailand, Korea, Indonesia and Malaysia. Brandishing the weapons of the WC, IMF officials leapt into action – palpably worsening the situation. While the Bretton Woods institutions have
never been monolithic, dissent has generally been contained in a gentlemanly fashion. As the financial crisis deepened, there were key defections from the WC. For example, Jeffrey Sachs (until then, a prominent IMF consultant) alleged that ‘instead of dousing the flames, the IMF screamed fire in the theater’ (Sachs, 1998: 19). At around the same time Joseph Stiglitz (then senior vice president and chief economist at the World Bank) delivered his famous ‘post-Washington consensus’ speech to the World Institute for Development Economics Research (WIDER) in Helsinki in which he asserted that financial market liberalization had contributed to instability, and called for a reversal of neoliberal orthodoxy (Stiglitz, 1998).

Much of the recent excited talk about a post-Washington Consensus is greatly exaggerated. Even though the fortress walls have been breached, there is still vigilant policing – as is evident from the departures from the Bank of Stiglitz and Kanbur (Henwood, 2000). In addition, the ideas that Stiglitz advocates remain within a narrowly economic and quite conservative framework of the ‘new institutional economics’ (NIE). Yet there has clearly been a shift in the balance of power within the Bank, with talk of a post-WC strengthening the hand of those who advocate ‘participatory Development’ and intensifying (although not inaugurating) a Polanyian counter-movement.

Ameliorative tendencies emanating from the Bank in the context of neoliberal orthodoxy were evident in the latter part of the 1980s and the first half of the 1990s in the guise of ‘adjustment with a human face’, ‘good governance’, the ubiquitous ‘sustainable development’ and so forth. In all of these moves, civil society – conceived in opposition to the state and the market – has figured prominently. Organized pressure on the environmental front clearly played a role (Wade, 1997). Yet the incorporation of environmentalism did not pose any fundamental threat to the WC. In terms of official knowledge production it was encompassed easily (if clumsily) with the addition of natural capital and social capital to the more orthodox man-made [sic] and human capital (Serageldin, 1996), and what McAfee (1999) calls ‘Green Developmentalism’ continued unabated.

The destruction wrought by the ‘Asian crisis’ is, I suggest, far more threatening, and has called forth a response reminiscent of the McNamara Bank in the 1970s. One example is the unveiling of a ‘Comprehensive Development Framework’ by Bank president James Wolfensohn in January 1999. The same year the Bank issued a report revealingly entitled ‘Managing the Social Dimensions of Crises: Good Practices in Social Policy’, reiterating on the one hand the importance of ‘prudent’ macro-economic policies but also emphasizing the need to ‘protect the people who are worst off’ (World Bank, 1999: 6). (The long-standing ‘African crisis’, needless to say, has failed to elicit such concern.) Trusteeship, in short, is once more prominent on the official agenda, draped once again in the language of Development – this time, with ‘the social’ as a prominent accessory.

It is within this context that one needs to situate the meteoric rise of ‘social capital’ in the late 1990s, propelled in large part by the Bank’s imprimatur. While the concept is (I hope) destined to collapse under the weight of its own floppiness, its lease of life is far from over. Rather than going into questions of what social capital is or where it came from, I want to focus on how it is being used, and with what effects. Proponents of social capital within the World Bank claim that it broadens conceptions of poverty; enables new forms of practice; and facilitates conversations across disciplines (Woolcock, 1998;
Woolcock and Narayan, 2000). My own guess is that the room to manoeuvre opened up by notions of social capital is extremely small. Many (if not most) economists regard the notion of social capital with contempt. What the concept does is enable them to accommodate ‘non-economists’ as non-threatening junior partners. In an incisive critique, Ben Fine (1999) maintains that ‘social capital has provided the World Bank with the analytical capacity to propose its new agenda without having to come to terms in any serious or substantive way with the critical literature of the old consensus, especially that around the developmental state’ (Fine, 1999: 12). While I concur with much of Fine’s argument, I would argue that it is not just the Developmental state that needs to be resurrected; as Fine himself has argued elsewhere, this literature is itself quite circumscribed (Fine and Rustomjee, 1996). First, though, I want to turn to the post-Development critique.

III  Post-Development and its discontents

The term ‘post-Development’ has come to encompass a wide array of writings, ranging from those with explicitly Foucauldian ambitions to those that embody a visceral reaction to modernity, but also including adherents of radical democracy, post-Marxism, ecofeminism, and various other positions. While differentiated across multiple axes, they are united by antagonism to Development as a normalizing, deeply destructive discursive formation emanating from ‘the west’; by firm rejection of any sort of reformist tendencies; and by faith in new social movements or what Esteva and Prakash (1998) call ‘grassroots postmodernism’. The most widely cited texts published in the first half of the 1990s (Escobar, 1995a; 1995b; Latouche, 1993; Sachs, 1992) have been followed by others in which the broad contours of argument are essentially the same (Esteva and Prakash, 1998; Rahnema and Bawtree, 1997; Sachs, 1999). In addition to Watts (1993; 1995), useful critical review essays on post-Development include Little and Painter (1995), Agrawal (1996) Lehmann (1997) and Corbridge (1998). Gupta (1997), Everett (1998), Li (1999), Moore (1999) and Diawara (2000) provide trenchant historically and ethnographically grounded critiques of the rather crude, top-down conceptions of power running through much of the post-Development literature. Related literature takes on romanticized post-Development notions of New Social Movements, also in terms that hearken to a broadly Gramscian set of understandings (Linkenbach, 1994; Rangan, 1996; Watts, 1997). I shall return to some of these studies in a later essay, less for their critiques of post-Development – which seem to me to have run their course – than for their capacity to illuminate multiple trajectories in the context of globalization.

That critiques of post-Development have indeed reached a point of rapidly diminishing returns is evident from a slew of recent literature that represents, in one way or another, reactions to the nihilism of post-Development (Blaikie, 2000; Munck and O’Hearn, 1999; Pieterse, 1998; 2000; Schuurman, 2000; Simon, 1998). One such reaction has been an often frantic search for paradigms, typically in the form of lengthy and increasingly repetitive treks across conceptual territory in which political economy is either absent or a distant mirage on the horizon. Others have reacted by taking on board poststructuralist understandings of power/knowledge/discourse, and steering confidently into the realm of Development practice (Gardner and Lewis, 1996; 2000;
Phillips and Edwards, 2000). This is, of course, precisely the ‘non-economic’ terrain that has been occupied for some time by (often self-proclaimed populist) proponents of participatory methods such as Robert Chambers (1994; 1997) and, more recently, where growing numbers of social capital(ists) are setting up camp.

My use of spatial metaphors is quite deliberate, precisely because this terrain is so often defined not only in terms of civil society, but also ‘the local’. As Mohan and Stokke (2000) point out, romanticized notions of ‘the local’ represent the key point of convergence between the revisionist neoliberalism that has taken shape over the 1990s, and post-Marxist presumptions that underpin a large chunk of the post-Development literature. Not only has this localism ‘tended to essentialise the local as discrete places that host relatively homogeneous communities or, alternatively, constitute sites of grassroots mobilisation and resistance’ (Mohan and Stokke, 2000: 264). In addition, they note, ‘local participation, can be used for different purposes by different stakeholders – including underplaying local inequalities and power relations, as well as national and transnational economic and political forces – thereby overtly or inadvertently cementing Eurocentric ‘solutions’ to development problems.

Uncritical invocations of ‘the local’ I suggest, also play directly into deeply disabling discourses of globalization, reinforcing what I call the impact model. A number of binaries map onto the global/local dichotomy that frames the impact model. In addition to active/passive and dynamic/static, these include economics/culture, general/specific, abstract/concrete and, very importantly, dichotomous understandings of time and space in which time is accorded active primacy while space appears as a passive container. This conflation of ‘the global’ with dynamic, technological-economic forces restlessly roving the globe defines its inexorable – and inexorably masculine – character. By the same token, ‘the local’ appears as a passive, implicitly feminine recipient of global forces whose only option is to appear as alluring as possible. This counterposition and gendering of time and space are thus key components of discourses that naturalize neoliberalism, whether in its orthodox or revisionist form. Such discourses also reinforce the role of ‘non-economists’ as handmaidens.

This takes me back to the point that critical engagement with revisionist neoliberalism currently in ascendance is not just a matter of reasserting the Developmental state. The key issue, rather, is the need to confront questions of capitalist development – not as unfolding teleology or immanent process, but in terms of the multiple, non-linear, interconnected trajectories that are constitutive of what has come, euphemistically, to be termed ‘globalization’. Refocusing on ‘small d’ development, and on non-reductionist understandings of class and power, constitutes a vitally important terrain for intellectual engagement in a world of profound injustice and material inequality, and will form the focus of my next essay.

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References


