

SOCIAL DEVELOPMENT LECTURE NOTES

CONVENTIONAL ECONOMIC THEORIES ENVISION NATIONAL DEVELOPMENT IN *LINEAR* STAGES, WITH SUCCESS DEFINED AS ECONOMIC GROWTH.

- Economic development theories suffer from limiting constructions of reality.
- Ironically, conflict theorists notwithstanding, both capitalists and socialists have envisioned a series of linear stages, with total social evolution given an *economic* interpretation.
- The best known model for capitalist development, proposed by W.W. Rostow, as we've already said, outlines five stages:
 1. Traditional society
 2. Pre-conditions for take-off
 3. Take-off
 4. Drive to maturity
 5. High mass consumption
- Marx identified four stages of development:
 1. Feudalism,
 2. Bourgeois capitalism
 3. Socialism
 4. Communism
- Huge differences exist, of course, between these two conceptions of economic development.
 1. Capitalist development has been mostly self-described as a *non-conflict* process, with less-developed nations on the same track as those now highly developed.
 2. The neo-Marxists—such as some conflict theorists—interpret underdevelopment as the flip side of capitalism, sustaining an exploitative division of labor, and related primarily to *class conflict* over ownership of the production machinery.
- The main problem with these models is that a *diversity of conditions* rather than any specific sequence of stages account for successful development.
- Problematic too, especially for the capitalist model, is that the strongest variable in unsuccessful development is the unequal distribution of political and economic power, so non-conflict is a non-starter.

- Another shortcoming of both views is that economic growth per se is *not* a valid measure of social welfare.
 1. But the idea of growth as a measure of development is still a popular idea, even though expanding gross national product (GNP) is not usually reflected in *share of income* or *employment*, two good measures of development.
 2. GNP growth rate is typically for the wealthiest sectors of society.
 3. It's seriously misleading because it ignores both distribution and redistribution goals.
 4. Even with rising GNP, distributive injustices and living conditions change little for people on the lower social rungs.
 5. And while economic growth occasionally improves income shares for populations in poverty, income as a *quality of life* measure frequently does not give insight into social pathologies such as alcoholism, family violence, and crime.
- In the U.S., for example, even with record-breaking affluence, there is an impacted culture of poverty and a growing inventory of social pathologies.
- *But the most troubling aspect of an economically oriented industrial development model is the role it plays in creating and maintaining the "global divide."*
 1. To a significant extent, top-down economic development models have rationalized the industrialization of the west through the exploitation and expense of the Third World.
 2. For example, the top-down economic development has justified and enabled the continuing disproportionate consumption and despoiling of Third World natural resources by the industrialized nations.
 3. And, in the final analysis, the obstacles in the industrialized nations to the essentials of "green" politics—legislation and policy that aim to create *sustainable societies*—that would reduce the "global divide" reflects the lack of authentic *social* development of those same industrialized nations.
 4. The point is that the Third World on its own can't remedy its lack of development, but that the *social* development of the industrialized nations is a precondition for Third World development.
 5. We can't help the Third World be more *productive* until we can help ourselves be more *responsible*.
- *Social development*, replacing the more narrow economic conception, contemplates human advancement on multiple fronts, not just economic.
 1. In the broadest sense, this notion of development relies on *institutionalizing roles for social self-management by investing in human resources*.

2. The most promising strategy is long-term bottom-up investment in *social infrastructure*.
3. The vehicle is infrastructural organization and culture that is politically and economically empowering, creating public space and enterprise through which the *general citizenry* can directly enhance overall social well being by fostering sustainable societies.

SO LET'S UNPACK SOME OF THESE SOCIAL DEVELOPMENT CONCEPTS AND THEIR UNDERPINNINGS.

- Three dominant ideologies rationalize the failure of social development even in economically advanced, industrialized societies:
 1. That science, material technology, and hierarchical organization will eventually guarantee full development (ignoring social needs and local problems)
 2. That GNP growth in the industrial sector will trickle down, ending unemployment and poverty and their secondary effects (contrary to all evidence)
 3. That education is the key to long-term prosperity (not recognizing educational problems—some seemingly insurmountable—and needs)
- The continuing underdevelopment is not only a matter of selective material poverty and restricted opportunities—a punishing combination—but widespread *social powerlessness*.
- A large segment of the population remains permanently vulnerable, defenseless against intrusive and exploitative power, political and economic.
- Moreover, about half of economic expansion can't be explained by economic development theory.
 1. Unexplained residual factors are operating—not exclusively economic—to influence productivity.
 2. Yet both capitalist and socialist development models, for different reasons, ignore radical reform of *non-economic*, social and political factors, those structural arrangements that harbor the vested ideologies and interests of governing regimes.
- *Social development* entails socio-political as well as economic change, for meeting the widest range of human aspirations and interests.
 1. Social development refers to across-the-board progress—social, political, and economic.
 2. Raising the human condition is no longer a final goal of development but part of its instrumentality.
 3. The *capacity of the citizenry to act in the political economy* must be realized as an accompanying condition of this development.

4. So socio-political restructuring neither leads nor follows development but reinforces it in a process of “continual mutual causation.”
- In this sense, social development is concerned not only with end results but also necessarily with the *method* of change.
 1. More than sensible policies and efficient administration are needed.
 2. Socio-political *empowerment* is also necessary, widening control over the forces that generate wants and that allow humane and sustainable ways of satisfying them.
 3. *Institutionalized roles for each citizen to act in self-governance* are necessary for social development, for attaining substantively better overall allocation of the society’s benefits and costs.
 - What holds back social development?
 - Social development is constrained initially by unequal allocation of assets such as land, charters and licenses, bonds and stocks.
 1. Ironically, development aggravates the inequality because initial unequal allocation imposes unequal opportunities for secondary benefits such as education, health care, legal representation, and credit.
 2. In the credit market, for instance, assets and credit-worthiness go together.
 3. Permanently improving the allocation of political-economic resources for the general citizenry is possible only by greater production or redistribution.
 4. These are respectively the major developmental tasks for less-developed and industrialized states.
 - Three basic strategies are labeled as *redistributive*, although only two of them actually lead to redistribution:
 1. Transfers of income or other forms of consuming power through the fiscal system (via taxation, grants, subsidies, etc.) or by direct distribution of consumer goods
 2. Transfer of existing assets, as in revolutionary land reform and nationalization programs
 3. Channeling capital investment into human resources
 - Several obstacles prevent redistribution by transfer payments.
 1. While they are necessary at some level to protect children, the aged, disabled, and others who are dependent, income transfers do not reach the culture of poverty and do not offer a solution for epidemic health, employment, education, and welfare problems.
 2. Transfers of purchasing power have only short-run payoff—they are exchanges rather than investments.

3. Even when they are maintained indefinitely, they offer no prospect for reforming the undesirable characteristics of proprietary industrial capitalism.
- Revolutionary transfer of assets—nationalization of land and industry—is an authentic strategy for redistribution.
 1. But such revolutions mostly have *not* led to desirable economic outcomes in modern times.
 2. Politically, the result is usually an exchange of one form of despotic government for another form of despotic government.
 3. More often than not the transformation creates a new elite political class and leaves the conditions of poverty largely unchanged.
 4. In many cases, such “revolutions” have unleashed a reign of terror against those who are identified as enemies of the new regime.
 - That brings us to social infrastructure as a means to achieve social development in an industrialized state.
 1. Redirection of investment into human resources, as social infrastructure, is an authentic redistribution strategy.
 2. It spreads political-economic resources by an incremental but nonetheless structural alteration of the state, by forming new institutions.
 3. Ironically, even bottom-up investment in infrastructure, while not gaining immediate returns for its sponsors, has trickle-up effects that benefit owners of wealth by improving the productivity and consuming power of moderate- and low-income groups.
 - What, exactly, is infrastructure?
 1. Infrastructure is the substructure or foundation of the national state.
 2. Both physical and social infrastructure exist, the first referring to utilities, transportation, and communications systems, the second to organized human resources.
 3. The latter concept is derived from economic development theory and describes *social overhead capital*, the human base of national political economy—in effect, it’s part of the basic cost of “doing business” for the nation.
 - Social infrastructure includes organizations—in the political realm, local governments, parties, opposition groups, special interest organizations, and nonpartisan associations.
 - The cultural fabric of social infrastructure exists as ideological realities that define:
 1. Winning and losing,
 2. Allies and opponents
 3. Roles that define various forms of behavior
 4. Norms for action that is considered desirable and undesirable

INFRASTRUCTURE SERVES SEVERAL PURPOSES, BUT THE MOST CRITICAL ARE ECONOMIC AND POLITICAL.

- The economic purpose of investment in human resources, as with inanimate assets that yield benefits, is to improve the state's political economy.
 1. In strictly economic terms, the investment is justified if returns (benefits) after costs exceed the general rate of interest or if the additional benefits yielded are greater than the costs to obtain them.
 2. This apparently clear calculus is instantly muddied because social infrastructure is neither a precise nor exclusively economic enterprise.
 3. The relationship between investment in social infrastructure and political-economic benefits is not mechanical.
 4. Part of the problem is that these expenditures do not produce short-term benefits. They are investments rather than exchanges.
- The universal features of social overhead capital—long-term gestation and payoff, “lumpiness” or indivisibility, and indirect returns—make governments the main investors in social infrastructure.
- The social development purpose of investment in social infrastructure, has been suggested in numerous critiques of industrial society, all of which propose political-economic *decentralization* and *democratization*.
- History of social welfare is A.H. Halsey's point of departure.
 1. In England, small social communities arose from the country's new industrial working class in the nineteenth century.
 2. Local associations developed—burial societies, cooperatives, and labor party clubs and, although “localized and communalized,” they had national impact on Parliament and successive governments.
 3. The nationalization of these associations in the early twentieth century, and the unanticipated loss of their fraternal ideologies, left most citizens with little enthusiasm for the bureaucratic welfare state that followed.
 4. The remainder is an alienated majority that has deserted party politics in particular and public life in general, becoming increasingly affluent and privatized.
 5. Halsey proposes that the way to deal with the bureaucratic state, and the most likely means to redistribution, is re-creation of the small social welfare communities in what he calls “community governments.”
- Denis Goulet has made a parallel argument that the way out of the development failures of centralized planning is “democratic dialogue,” exchanging top-down goals for “multiplying agents of human promotion.”

1. Goulet's view is that abundance of goods is not the best indicator of "the good life."
 2. Participation must be enlarged so that all people become "agents of their own social destiny."
- Speaking to the theme of social welfare and development in the East and West, Eugen Pusic has written that much of it is unsuccessful because of existing allocations of resources.
 1. He suggests that excessive concentrations of power in industrialized societies are a "grave danger to the very survival of humanity."
 2. His course for development is decentralization throughout the social structure.
 3. What is needed, says Pusic, is democratization, institutionalized structures for social self-management. These must be designed from the bottom up, allowing dispersion of powerful interests.
 - The challenge of attaining social equality, the realization of genuine democracy, liberty, and individuality, is what David Gil has proposed as the goal of social development.
 1. Rejecting the current institutional forms of industrial capitalism, Gil argues that social development requires constructing new ideologies and organizing new institutions.
 2. "Self-governing" units, small enough to constitute authentic social communities, but sized to satisfy political and economic considerations, would be linked in federations—local, regional, national, and eventually global.
 - What a large segment of social theorists have proposed as the essential building block of social development is empowering local institutions that create roles for social self-management by the citizenry at large.

BUT SOCIAL DEVELOPMENT, LIKE EVERY OTHER APPROACH TO THE "GLOBAL DIVIDE" HINGES NOT ON THE QUESTION OF *WHAT* TO DO, BUT *HOW* TO DO IT.

- The basic outlines of social infrastructure can be drawn as institutional purposes that are ideologically neutral, like planning and service delivery.
- But specific investments in infrastructure invariably reveal ideological and interest bias.
- [HANDOUT: "Opposing Ideologies of Infrastructure Sponsors"]
- You have a handout that shows some of the political and economic ideological flooring of bottom-up and top-down expenditures for social infrastructure.
 1. The typology is exaggerated in proposing ideal types, and contains, as social life itself does, some obvious contradictions.

2. In practice we frequently find (bottom-up) demand for (top-down) service, notwithstanding the bottom-up ideology of self-help.
 3. Similarly, (top-down) distribution often has the practical effect of encouraging, if only temporarily, (bottom-up) demand, even with the top-down ideology of having experts define need.
 4. Top-down-sponsored infrastructure typically is foundation for capital-intensive enterprise, while bottom-up sponsorship favors labor-intensive activity.
- Decisions about infrastructural solutions to political-economic problems vary according to the ideologies of organized investors, whether they are *established* or *challenging*.
 1. Studies examining the effects of sponsorship on social change activities confirm unequivocal restraints on the autonomy of change agents.
 2. There's an inverse relationship between dependence on outside resources and independence of action.
 3. This seems to be universal, a general condition of community organization and development, in which action styles, decision-making, selection of objectives, and accountability are determined by the source of resources.
 4. The sponsor's influence extends to self-serving definitions of community problems and needs, conflicting with professional values and stimulating tensions and job security anxieties for practitioners.
 - There are significant differences between *citizen action* sponsored from the bottom up and *participation* sponsored from the top down.
 1. First, they have opposing purposes—direct action to satisfy demands versus social control to fulfill needs—and are manifested in equally opposed institutional responses.
 2. Ongoing tension exists between top-down-sponsored agencies, seeking to control forms of participation in public life, and bottom-up-sponsored organizations, attempting to control the agencies and politics, to make them more responsive and efficient.
 3. The purpose of social control through “participation” is to accommodate citizen needs that are defined by experts, without modifying or inconveniencing established power centers.
 4. An unmistakable emphasis is put on issues that can be resolved with education, public information, and other non-political approaches, exclusive of pressure tactics.
 5. Sponsorship from the top down is a force for system maintenance, not institutional change.
 6. Participation is expected to be “responsible,” focusing on distribution rather than redistribution issues.

- Bottom-up-sponsored citizen action organizations are typically self-legitimated.
 1. They generally reject top-down ideologies—recognized as class-based and biased—that are out of touch with the experience and history of ordinary citizens.
 2. They also refuse to accept administrative and technical ideologies that rationalize and protect top-down-sponsored organizational interests.
 3. Citizen action issues focus on power transfers for community control, income and benefit redistribution, and similar goals.
- The effects of sponsorship direction can be seen in planning.
 1. Apart from differences in priorities and action styles, there are other opposing characteristics.
 2. In top-down-sponsored planning, success is defined as decision-making speed and accuracy.
 3. Citizens provide advisory input to planners who are themselves, for the most part, on the output side of political decision-making.
 4. In bottom-up-sponsored planning, success is defined as maximum scope of citizen engagement in the exercise of public power.
 5. Planners provide advisory input to citizens who are, in turn, on the input side of political decisions.
 6. Top-down sponsorship of social infrastructure, when oriented to structural change, inevitably results in zero-sum conflict, leading to cut-off of resources, the loss of power by the community organization, and its subsequent collapse or severe displacement of goals—a scenario that has been repeated again and again in the last half-century.
- Bottom-up-sponsored political infrastructure, sustained in part by citizen action ideology, is designed to generate permanent and legitimate roles for social self-management, public space in the language of political philosophy.
 1. The theme is that political freedom is a deception if there is no room or way for individuals to make public contact with the lives of others in matters of collective concern.
 2. Public space translates into institutionalized roles in the state's political-economic structures, mainly governments, which are defined behaviorally, for people to act in their public capacity, as citizens.

WHAT DOES IT MEAN AS A PRACTICAL MATTER THAT EMPOWERING INFRASTRUCTURE MUST BE SPONSORED FROM THE BOTTOM UP?

- Legitimization must come through existing grassroots organizations, like local churches, neighborhood associations, and unions

- Funding must be bootstrapped through dues, self-imposed assessments, grassroots fundraising events, grants from interested foundations, etc.
- Is it possible to change the society and the inequality of the “global divide” by incrementally building social infrastructure that fosters sustainable societies?
- Do you see any other, more promising long-term social development strategy to deal with the “global divide”?

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