

# Politics of human development



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POLITICS OF HUMAN DEVELOPMENT  
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In the contemporary world human development index is used to measure the impact of economic policies on quality of life. This index, as is well-known, veers round the measures of life expectancy, literacy, education, and standard of living. The 2006 Report showed stagnation in world Human Development Index. This stagnation was noticed despite the continued improvement of developed countries in the areas of concern for such index. The reason was not very difficult to understand. The high rate of growth of life expectancy, literacy, education, and standard of living of the industrially developed countries was offset by a general decline of these indices in the developing countries.

Countries in Sub-Saharan Africa and South Asia showed an important decline in life expectancy, literacy, education, and standard of living, even in comparison with the previous years report. There was no improvement noticed in these indices in the developing countries of other regions too. As a result not only the gap between the rich nations and the poor and the gap between the rich and the poor in the developing countries have increased, but also a process of pauperization seems to have set in. We need to notice that the fact of poverty is often recognised in the literature of development in mainstream Economics or rather in the dominant contemporary discourse on development.

Though in many cases the term poverty is used more in a comparative manner by referring to conditions of the poorest in a society than to indicate the conditions of the poor yet, there is no attempt at either denying its

existence or ignoring it. According to World Bank by the year 2000 1.3 billion people were living below the poverty line.

Where do the Majority of these poor live 633 million live in Asia, 240 million in Sub-Saharan Africa, and 6 million in Latin America and the Caribbean. Joe Mulien had pointed out that though the proportion of the poor in relation to the total population below the poverty line had decreased in the world during the last two decades of the Twentieth Century, yet, poverty in areas like Africa had increased substantially. He further showed and that the bottom 40% of the population had not benefited from the overall growth. The implication of these findings is clear. Despite globalization of the world economy, that implies free flow of ideas, goods, and capital, the world itself continues to be characterised by polarization, with some people and regions benefitting from it while the others faring as poorly as they did before the beginning of the process of globalization or, worse still decayed under the impact of this process .

The gap between the rich and the poor is widening. The richest 20 percent of the world??™s population has been enjoying 85% of the world??™s income. The poorest 20% of the world shared among them only 1.4% of world??™s income. We need to constantly remind ourselves that the poor regions of the world remain poor and poor in the poor regions are becoming poorer despite all talk about development and growth oriented policies and principles that the new world order promises.

As we mentioned above it is not that these facts are denied or that existence of poverty itself is disputed. But what should bother us is the fact that most

of the discussions of development and poverty in contemporary economic literature are empirical in nature. They state very clearly certain facts about poverty and then often issue prescriptions. While such recognition of poverty is based on presentation of empirically measured facts, the question of mechanism of generation of poverty is left out of the discourse. And without the latter the process of pauperization can not be understood.

Why for instance the per capita annual growth rate varies in striking manners even within the poor regions of the world According to the UNDP Human Development Report this rate varies between South Asia at 2.3 to Sub Saharan Africa at -0.7. Only when we try to examine why such disparities exist and do not try to explain it away in terms of inefficient state institutions (we will see below that this does not have much merit!) will we understand the issues involved in pauperization, not mere poverty. But what exactly happens in economics if one focuses on the poorest in the world and tries to take a comparative approach by looking at the richest and the poorest of the countries and then within that tries to scrutinise the lot of the poorest population in the world The answer to the above question is rather simple.

We then arrive at figures that depict the severe deprivation, and I repeat deprivation, in respect of the essential requirement of human existence. And we realise that this deprivation is taking place in the midst of plenty. When facts about the condition of the poor and the gap between the rich and the poor, both in terms of region and people are presented we tend to get a picture merely of the poverty that exists among the new found riches. But the picture changes when we also take note of the fact that the condition of the poor is constantly worsening! The fact that the Poor??™s share of the

world's riches has actually decreased from 2.3% in 1960 to 1.4% in 1996 explains it strikingly. We need to examine the mechanism or process that causes this unfortunate trend. The rich literature on poverty available to us leads us to believe that there is no primary cause of persistence of poverty and more importantly pauperisation.

A large section of contemporary literature tends to point to rapid population growth and failure of governments or states to take remedial steps. The failure of government is generally attributed to inefficiency of the state run economies. But it is necessary to ask as to what happens when the state withdraws or when liberalisation of a command economy takes place. The history of the erstwhile Soviet Union throws some light on this issue. It is common knowledge that in 1917 when the then Russian state ruled by the Tsar underwent the radical changes that came to be known as the Russian Revolution and experienced the establishment of the Soviet Union it carried the legacy of the one of the worst economies of the world. Describing the socio-economic situation of the pre-revolutionary Russia James and Grace Lee Boggs said, "Russia was extremely backward economically."

The great majority of the population lived in ignorance, poverty, and squalor on the vast countryside. Not until 1861 the Russian peasants have been emancipated from serfdom. After their emancipation, tens of thousands of the poorest peasants migrated to the cities where they worked in factories for fifteen or sixteen hours a day under the most inhuman conditions. This extremely poor economy was transformed by, what now many of us call Command Economy. Though most of the liberal economists declare it as the most inefficient economic system, incapable of delivering what is

called ??? development???, yet, it converted the extremely back ward Russian economy of the pre-1917 period in to one that by the 1960s could put United States of America, the most advanced of the countries under ??? liberal market and economy??? into a difficult situation by sending the first sputnik to space and also by conquering hunger! The main characteristics of the ??? command economy???, described by its supporters as socialist economy, were connected to the idea of egalitarianism, state owned industry and agriculture, planned and centralised economic control.

This ??? command economy??? established in the Soviet state performed well and delivered goods that were expected of a good economy and that are why the ideals that established this economy seemed to have inspired country after country and there came a time when people, particularly the poor in the world came to believe that their days of woe were over. The practices processes and the institutions of ??? command economy??? were of course different from what we call the free market. While the former believed in control the latter believed in freedom. To put it in other words the former stressed co-operation, forced or voluntary, the latter emphasised competition.

While the developmental process under the state controlled system prospered, for the better part of the Cold War and socialist economies provided much employment and a good level of social services, critics accused it of failing to generate economic competitiveness and of a resultant poor economic performance. But as Paulson pointed out in the context of Africa even economies governed by market and therefore friendly to economic competition too could not perform better. The end of the Cold War

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was also the collapse of many socialist economies. That collapse was followed by an unprecedented assertion of ethnic identities in the world under the spell of which many former organised political systems of the East cracked. Experiences of the consequences of ??? liberalization??? of the former Soviet Union show that the liberalized economy quickly generates unemployment and misery. Some commentators argue that Poland??™s Solidarity movement, the USSR??™s draining Afghan war, Gorbachev??™s policy of perestroika contributed to the collapse of Soviet Union and the emergence of hundreds of communities asserting identities. These listed causes do not include the failure of the state controlled economies. There indeed are to clear positions about economic efficiency.

Inefficiency of state controlled economies can not be held responsible for the extensive poverty that exists in the world and also the process of pauperization. The liberal analysis of economic development does not explain the process of pauperization. Polarization at the world scale seems to be associated with pauperization. We need to examine if the economic order and the systems of production and marketing, as it takes place, have a tendency of operating on imperialistic lines. It is rather well established in the informed economic literature of the post-cold war world that the capitalist development project, the ideal of liberal economics, was going through a crisis in the 70s of the last century and a series of measures were implemented to overcome that crisis. These measures actually led to a new vision of development that considered the free market to be a panacea for all ills in the economies. It is pointed out that this new vision conceals the realities of exploitative relationships which in turn helps in defuse the

solidarity mechanisms of the oppressed, hides the old structures of dominance, encourage the free floating economic actors, destroy the sense of a an alternative social project and also find the market for the new products of the system. We have to understand that the new concept of development in fact is a new variety of imperialism.

It is clear from the worsening conditions of the rural poor and the pauperization of a section of the urban population that the peasants made landless as a result of industrialization accompanying ??? reforms??? in the globalized world is fuelling migrations to metropolis and small towns, leading the political realities of these areas to a volatile situation. In a working paper David Booth, of the Overseas development institute, pointed out that, with a few significant exceptions, the policies supported by concessional lending institutions and development cooperation agencies in the poorest countries had not been implemented in sustained and consistent ways, and a massive body of research suggested the root problem to be lack of local commitment. The questions that we need to ask are - is it possible to elicit greater commitment to equitable and efficient development policies by governments Are they prepared to debate their policies openly with other actors in their countries It is common knowledge that when coming face to face with such deprivation liberal economists resort to preaching what we have been calling development. Most advocates of development insist that reduction of poverty is the leitmotif of programmes and policies of development. This idea of development often stresses economic growth and maintains that once a particular growth rate is achieved the deprivation will disappear. But any informed social scientist today will know that there indeed are two



approaches to the issue of development. One, that emphasises growth and the other emphasises fair distribution of the resources. Shall we look at development only in terms of per capita income or in terms of growth in living standards of the worlds poorest of the poor If we look at the latter then it becomes imperative for us to examine whether our approach to development leads to concentration of wealth or distribution of wealth.

The politics of human development actually veers round this issue. In this sense human development is closely connected with ideology. Ideology is about politics not merely about apolitical economics. The protagonists of globalization merely speak of the inevitability of globalization and assure everyone that this inevitable economic trend will bring along with it competition in the market and since market governs everything else, competition will be the order of the day. The argument proceeds further to impress upon all of us that competition is possible only with freedom and therefore all restrictions will have to be withdrawn.

They also go to great length to spread the message that this is possible in the field of economics only when the state withdraws. But we have shown above that the economic efficiency is in its top gear only when the state takes control. Whether the state will control or it will leave the market to private hands is a matter of politics to which the nature of human development is inalienably connected.