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**DEPARTMENT OF BUSINESS AND SOCIAL
STUDIES**

COURSE CODE: BBM 121

COURSE TITLE: DEVELOPMENT STUDIES

Instructional Material for BBM- distance learning

COURSE OUTLINE

Course Code: BBM 121

Course Title: Development Studies

Purpose: To introduce students to the general concepts and make students aware of the development issues affecting Kenyans and other peoples of the region and the world at large

Course Objectives: By the end of the course unit the student will be able to:-

- i) Explain the various aspects of cultural, social and economic development and their relationships
- ii) Discuss the concept of gender in development
- iii) Explain general development concepts and development agencies
- iv) Describe the various indicators of development and their limitations

Course Content:

Theories of Development and Underdevelopment; Historical roots of African development and under development; Development Ethics; Ethics and cultural values in development; Population and Development- Poverty and Inequality in population, rural-urban migration, natural resources and environment, science and technology in development; Gender and Development- Concepts of gender, rationale for mainstreaming gender, the affirmative action and development, Development strategies- Economic growth, industrialization, modernization indicator problem and regional integration, participatory development; Co-operatives and Development- The social and economic role of co-operative movement in development; Economic liberalization- The roles of trade direct foreign investments, foreign aid, structural adjustments and stabilization

Reference Books:

- Todaro, Michaela P., *Economics for a developing worlds: an introduction to principles problems and policies*, Prentice Hall Press
- Sen. Amartya (2000), *Development as Freedom*, New York
- Salter R.O. (1993), *Global Transformation and the Third World* Boulder Inc

MODE OF ASSESSMENT

MARKS (%)

<i>C. A.Ts and Assignments</i>	<i>30</i>
<i>Final Examination</i>	<i><u>70</u></i>
<i>Total</i>	<i><u>100</u></i>
<i>Pass mark</i>	<i>40</i>

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CHAPTER ONE

THEORIES OF DEVELOPMENT AND UNDERDEVELOPMENT



Learning Objectives

By the end of this chapter the learner should be able to:

- i) Define the term development and distinguish it from underdevelopment*
- ii) Discuss the tenets of the various theories of development and underdevelopment*
- iii) Discuss the points of divergence between modernization theories and dependency theories*
- iv) Describe the limitations to the development of a general theory of development*

Introduction

The term development is understood as a social condition within a nation, in which the authentic needs of its population are satisfied by the rational and sustainable use of natural resources and systems. This utilization of natural resources is based on a technology, which respects the cultural features of the population of a given country.

This general definition of development includes the specification that social groups have access to organizations, basic services such as education, housing, health services, and nutrition, and above all else, that their cultures and traditions are respected within the social framework of a particular country.

In economic terms, the aforementioned definition indicates that for the population of a country, there are employment opportunities, satisfaction -at least- of basic needs, and the achievement of a positive rate of distribution and redistribution of national wealth. In a political sense this definition emphasizes that governmental systems have legitimacy not only in terms of the law, but also in terms of providing social benefits for the majority of the population.

1. Modernization Theories (Backwardness Theories)

According to modernization theories, internal factors in the countries, such as illiteracy, traditional agrarian structure, the traditional attitude of the population, the low division of labor, the lack of communication and infrastructure, etc., are responsible for

underdevelopment. Differences in structure and historical origin are considered of little importance; international dependencies are not taken into account.

Consequently, a change of these endogenous factors is the strategy for development. The industrialized countries are the model for economy and society, and this model will be reached sooner or later.

There is a continuum between the least and the most developed country and each country has its position on this line. The difference as compared to the industrialized countries is the degree of backwardness which has to be made up for. Suitable measures are the modernization of the production apparatus, capital aid, transfer of know-how, so that the developing countries can reach the stage of industrialized countries as soon as possible. Development is seen as an increase of production and efficiency and measured primarily by comparing the per capita income.

1.1 Dualism Theories

Dualism theories assume a split of economic and social structures of different sectors so that they differ in organization, level of development, and goal structures. Usually, the concept of economic dualism differentiates between two sectors of economy:

- i) The traditional subsistence sector consists of small-scale agriculture, handicraft and petty trade, has a high degree of labour intensity but low capital intensity and little division of labour;
- ii) The modern sector of capital-intensive industry and plantation agriculture produces for the world market with a capital-intensive mode of production with a high division of labour.

The two sectors have little relation and interdependence and develop each according to its own pattern. The modern sector can be considered an economic enclave of industrial countries, and its multiplier and growth effects will benefit the industrial countries but have little effect on the internal market.

Several authors stress the dualism of specific factors. *Eckhaus*, for instance, differentiates, in his concept of technological dualism, between labour and capital-intensive sectors. *Gannage* explains regional dualism as a lack of communications and exchange

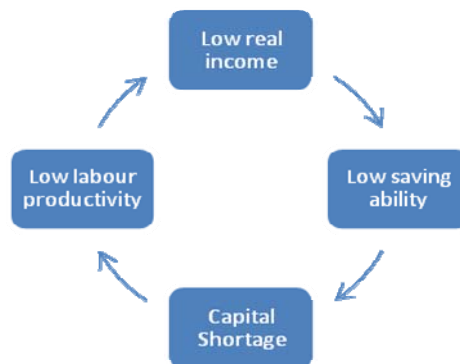
between regions, the capital sometimes being an island which, in geographical terms, belongs to the developing country, in economic terms, however, to the industrialized country.

Economic, technological, and regional dualism are often the consequence of a social dualism, the absence of relationships between people of different race, religion, and language, which, in many cases, is a legacy of colonialism.

Development in dualism concepts is the suppression of the traditional sector by concentrating on and expanding the modern sector. In time, it is assumed that the trickle down effects will reduce and abolish dualism. In this line of thinking, the main problem is capital formation because its degree determines the scope and speed of expansion of the modern sector. In general, agriculture has to provide the resources, labour as well as capital, for expanding the modern sector.

1.2 Strategy Theories

Underdevelopment from the viewpoint of these theories is the result of vicious circles of factors. One example is based on the fact of low real income in developing countries which is the result of low labour productivity. This low labour productivity, in turn, is a consequence of capital shortage which is a result of the population's low saving ability. As the saving rate is determined by the low real income, the circle is closed. The illustration below summarizes this cycle of factors.



Strategy theories intend to break up this cycle at a certain point which they consider critical and which varies according to the different theories. Thus, they want to initiate development and transform traditional subsistence economy into a modern market economy. Their main emphasis is on capital formation and investment (investment theories) and, by and

large, they prescribe action for overcoming underdevelopment while they contribute little towards explaining the causes of underdevelopment.

1.2.1 Theory of Balanced Growth

This theory sees the main obstacles to development in the narrow market and, thus, in the limited market opportunities. Under these circumstances, only a bundle of complementary investments realized at the same time has the chance of creating mutual demand. The theory requests investments in such sectors which have a high relation between supply, purchasing power, and demand as in consumer goods industry, food production, etc.

The real bottleneck in breaking the narrow market is seen here in the shortage of capital, and, therefore, all potential sources have to be mobilized. If capital is available, investments will be made. However, in order to ensure the balanced growth, there is a need for investment planning by the governments.

Development is seen here as expansion of market and an increase of production including agriculture. The possibility of structural hindrances is not included in the line of thinking, as are market dependencies. The emphasis is on capital investment, not on the ways and means of achieving capital formation.

It is assumed that, in a traditional society, there is ability and willingness for rational investment decisions along the requirements of the theory. As this will most likely be limited to small sectors of the society, it is not unlikely that this approach will lead to super-imposing a modern sector on the traditional economy, i.e., to economic dualism.

1.2.2 Theory of Unbalanced Growth

Contrary to the theory of balanced growth, in the opinion of this theory, the real bottleneck is not the shortage of capital, but lack of entrepreneurial abilities. Potential entrepreneurs are hindered in their decision-making by institutional factors: either group considerations play a -great role and hinder the potential entrepreneur, or entrepreneurs aim at personal gains at the cost of others and are thus equally detrimental to development. In view of the lack of entrepreneurial abilities there is a need for a mechanism of incentive and pressure which will automatically result in the required decisions.

According to the theory, not a balanced growth should be aimed at, but rather existing imbalances— whose symptoms are profit and losses—must be maintained. Investments should not be spread evenly but concentrated in such projects in which they cause additional investments because of their backward and forward linkages without being too demanding on entrepreneurial abilities. Manufacturing industries and import substitutions are relevant examples. These first investments initiate further investments which are made by less qualified entrepreneurs.

Thus, the strategy overcomes the bottleneck of entrepreneurial ability. The theory gives no hints as to how the attitude of entrepreneurs and their institutional influence will be changed in time.

1.2.3 Theory of Stages of Growth

This theory tries to explain the long-term processes of economic development from the point of view of economic history by describing five ideal types of stages through which all societies pass:

i) 'Traditional Society Stage'

The 'traditional society' has more than 75 per cent of the population engaged in food production, and political power is in the hands of landowners or of a central authority supported by the army and the civil servants.

ii) 'Transitional Stage'

The 'transitional stage' creates the preconditions for take-off by bringing about radical changes in the non-industrial sectors. Export of raw material gains momentum; a new class of businessmen emerges; and the idea of economic progress coming from outside spreads through the elite.

iii) 'Take-off Stage'

The 'take-off stage' brings a sharp increase in the rate of investment in the per capita output. This stage of industrial revolution is accompanied by radical changes in the production techniques. Expansion takes place in a small group of leading sectors at first and, on the social side, is accompanied by the domination of the modern section of society over the traditional one.

iv) *'Drive to Maturity stage'*

The 'drive to maturity' brings a spread of growth from the leading to the other sectors and a broader application of modern technology followed by necessary changes in the society at large.

v) *'Stage of High Mass Consumption'*

The 'stage of high mass consumption' can be reached after attaining a certain level of national income and formulating an economic policy giving priority to increased private consumption.

The critical phase for development is the 'take-off stage' during which net investment rates have to increase from 5 to 10 per cent of the national product and during which the political, social, and institutional framework has to be built in order to reach a situation of self-sustained growth. The financial resources must be accumulated internally by higher saving rates. Income distribution favoring classes and strata which are willing and able to use capital more productively than others has the same effect.

1.2.4 'Big-push' Theory

This theory is an investment theory which stresses the conditions of take-off. The argumentation is quite similar to the balanced growth theory but emphasis is put on the need for a big push. The investments should be of a relatively high minimum in order to reap the benefits of external economies. Only investments in big complexes will result in social benefits exceeding social costs. High priority is given to infrastructural development and industry, and this emphasis will lead to governmental development planning and influence.

1.2.5 Theory of Development Poles

The promotion of regional development centers will serve as focal point and incentive for further development. Such a regional concentration helps to reap the benefits of technological external economies and makes the growth centre attractive to entrepreneurs, thus initiating further development. This theory is a sort of 'regional unbalanced growth theory' which uses temporary regional imbalances to initiate development. Little attention is given to the process which is necessary to ensure a spread or linkage from the centers to the hinterland without which the poles may transform the economy of the region into a dual economy.

1.2.6 Theory of Circular Causation

This theory opposes the strategy of development poles because social systems and economic processes do not develop towards equilibrium but, on the contrary, factors tend to cumulate to positive or negative cycles. In principle, the theory is a negation of the mono-causal explanation of problems of developing countries by economic factors alone. Rather, in a comprehensive way, all social relations have to be incorporated.

At national level—different stages of development between regions—as well as international level—trade between industrialized and developing countries—differences tend to increase because of the spread effects in the more developed areas and modern sectors and backwash effects in backward areas and traditional sectors. For instance, industrial import goods are in competition with traditional crafts; terms of trade deteriorate; capital is being transferred, etc.

The direction of processes depends on the initial situation and the factors causing the change. Under the conditions in developing countries, increased regional dualism often is a consequence of such processes of circular causation.

1.3 Social-Psychological Theories

In the dualism and (economic) strategy theories discussed so far, underdevelopment and development are explained by economic factors alone while individual or group values and motivations are neglected. The social-psychological theories consider these very factors as main determinants of underdevelopment and development. Thus, they add a new component to the discussion. Because they reduce the causes to aspects of one discipline, like economic theories, they are partial explanations as well.

1.3.1 Sociological Explanation of Socioeconomic Change

One of the earliest and widely discussed concept is Weber's treatise "Protestant Ethics and the Spirit of Capitalism" in which he combines Psychological & Sociological variables with economic development. Because of its determination of the value systems of societies, he put primary importance on religion. According to Weber, the Protestant religion was a precondition for capitalistic development for two reasons:

Protestant ethics led to an ascetic life style which, instead of advocating affluence, reinvested the proceeds. As well, it is the basis of rationalism and goal achievement behavior. While a value system which motivates economic development can hardly be limited to Protestantism Weber's stress on values and the resulting motivation influenced later thought.

1.3.2 Theory of Social Change

Based on the assumption that a level of development is correlated with achievement motivation, this theory attempts to explain why this achievement motivation varies between societies and their classes and strata. It argues that in traditional societies the status of individuals is fixed. Children learn to act according to established norms, and deviations (initiative!) are punished. If by external influences a new group gains power, the status of the old elite is challenged and weakened.

The insecurity and frustration leads to changed behavior which has consequences on the family structure. Children tend to become dissatisfied with the society and readily accept new values. In time, they become innovative personalities. If these persons become dominant groups in the society, this causes economic development. Similar phenomena may happen as far as the changing situation of marginal groups or minorities is concerned.

2. Dependency Theories

According to dependency theories, the cause of underdevelopment is the dependence on industrialized countries while internal factors of developing countries are considered irrelevant or seen as symptoms and consequences of dependence. The development of industrialized countries and the underdevelopment of developing countries are parts of one historical process. Developing countries are dependent countries. The economic and political interests of industrialized countries determine their development or underdevelopment. The goals are superimposed.

Underdevelopment is not backwardness but intentional downward development. As to the causes of dependence, the various theories differ, economic factors always dominating. External trade theories concentrate on economic relations between countries. Imperialism theories stress the politico-economic interest while dependency theories concentrate on the deformation of internal structures by dependence which perpetuates the situation. Dependency

theories concentrate on explanations of the genesis of underdevelopment and pay little attention to strategies for overcoming this situation. Implicit development here means liberation, end of structural dependence, and independence.

2.1 External Trade Theories

The structure of supply and demand in industrialized and developing countries is such that industrialized countries are able to reap the benefits from international trade. This transfer of resources makes development impossible, and these unequal trade relations are seen as the reasons for underdevelopment.

2.1.1 Theories of Circular Deterioration of Terms of Trade

The structure of supply and demand is such that industrialized countries offer industrial products and buy raw products and the developing industries do the reverse. According to *Engel's law*, the demand for raw materials tends to be inelastic while the demand for industrialized goods is elastic. The technological progress in the production of industrialized goods not only makes it possible for industrial countries to increase their incomes and thus the standard of living, but, because of the elastic demand on the world market, also to enforce higher prices.

The situation in developing countries is the opposite: technological progress in primary production results in lower prices because of the inelastic demand. This mechanism leads to deteriorating exchange relations between industrialized and developing countries (and, as well, between the industrialized and the agricultural sector in developing countries).

2.1.2 Theory of Immiserizing Growth

This theory follows the argumentation of the theory of circular deterioration of terms of trade and concludes that countries, in order to improve their balance of trade, have to increase their exports to compensate for falling prices. This means a further deterioration of terms of trade. The unchanged structure of supply intensifies the structural dependency and, regardless of growth, there is no development but only 'immiserizing growth'- impoverishing growth. This situation is especially pertinent for countries with agrarian monoculture. As a consequence, the theory seeks for a speedy industrialization including heavy industry for larger countries.

2.2 Imperialism Theories

The imperialism theories explain the domination of underdeveloped areas by industrialized countries as the consequence of different economic and technological levels and unequal power potential resulting from a different economic growth. The consequence of the development of industrial capitalistic societies is a pressure for expansion which may lead to military or political acquisition (colonies) or to maintaining economic dependence (developing countries).

Different theories have their own explanation of the reason for the pressure for expansion but it is always seen as the result of the inability to cope internally with the consequences of permanent technological innovation and their effects on the society.

2.2.1 Classical Imperialism Theory

The desire for profit maximization causes production beyond the needs of the internal market and leads to the establishment of new markets in underdeveloped areas. Here, the autochthon production and markets are being destroyed and, thus, unemployment is exported to underdeveloped areas. Thus, capital is being exported in order to maximize profits. In the underdeveloped areas, this capital is invested, not according to the needs of these countries, but according to the interests of industrial countries. The profit is transferred to the industrial countries whose development is based on the exploitation of underdevelopment areas.

2.2.2 Modern Imperialism Theory

The thesis of classical imperialism theory has been disproved empirically. New imperialism theories therefore, postulate the dependency theorem with a new explanation of exploitative relations. The new phase of relation between industrialized and developing countries can be called technological-industrial dependence. Industrial countries invest in the production and export of raw materials in developing countries, influence with their potential of power the terms of trade in their favor, and thus perpetuate the international division of labour.

While imperialism is seen as a phenomenon of capitalism and these theories are based on Marxian concepts, the fact remains, nevertheless, that communist countries also participate in the exploitation of developing countries by accepting the advantages of the world market.

Towards a General Theory of Development and Underdevelopment

All the theories discussed in this chapter are only partial theories. They explain certain aspects but do not fully explain the cause of underdevelopment. The explanation is more adequate for certain historical situations and specific conditions of production while they are less relevant for others. They offer a strategy for overcoming the prevailing situation and initiating development which may be suitable under certain economic and social conditions but are not applicable to others.

A general theory of development is still lacking. Drawing up such a general theory is indeed a difficult task; it would have to include:

- i)* an explanation of underdevelopment for different countries;
- ii)* an explanation of the development process of industrialized countries; and
- iii)* a strategy for overcoming underdevelopment in developing countries.
- iv)* all relevant disciplines and their interdependence;
- v)* the different levels at which development takes place, from the local to the international level;
- vi)* the processes and relations between the different sectors and strata of society and economy; and
- vii)* the international dimensions of the development process

While the system theory opens up the possibility of organizing such a vast theoretical body, the activities of different researchers hitherto have not yet been successful. Even in the absence of a concise theory to guide political activities, decision-makers must have some yardsticks to measure whether their strategies and tools will achieve the goals of the society.

Here, goals play an important role. While, in detail, the question of goals in the development process is a political question, and difference of opinion and conflict are possible, at a high level of abstraction, universal agreement seems to be possible.

It is widely agreed that preservation of human dignity and fulfillment of basic needs are the foremost duties of every society. While there is wide agreement on this goal, differences of opinion exist on the question of the degree to which these basics should be supplied and, as well, how they should be supplied. These differences allow for different paths of development. From the common denominator "basic needs," one can deduct five basic goals of development:

- i) economic growth to secure food and other requirements for the population;
- ii) social justice to reduce inequality;
- iii) employment as means of earning an income but, as well, because of its ethical and social value;
- iv) participation as political involvement and social sharing;
- v) independence as freedom from external domination

While individual societies may have different opinions on the priorities of these goals, in the absence of a general theory of development; one can use the criterion of fulfillment of these goals as a yardstick in development. Development is then understood as a simultaneous progress towards these five goals.

Root Causes of African Underdevelopment

Different researches on the causes of African underdevelopment emphasize varieties of factors as the root causes of African underdevelopment. Among these the most important ones can be grouped into the following categories: (a) hostile natural environment, (b) archaic production technology, (c) demographic factors, (d) slave trade, (e) colonialism and its extractive institutions, and (f) political instability and predatory states.

i) Hostile Natural Environment

Most of the African landmass lies within the tropical climate; this made the vast areas of the interior continent home to malaria and tsetse fly which afflict humans and animals respectively. This has led some researchers on the causes of African underdevelopment to test the hypothesis of malaria as the dominant cause of the underdevelopment in the continent. A significant number of recent studies tend to support the malaria view both at the macro as well as micro level. It is an established fact that low mortality as a result of better health contributes to economic growth.

In addition to malaria the animal disease carrying tsetse fly, which is found all over the continent and can incapacitate draught animals, may itself explain the traditional low use of ploughs and other animal-drawn implements and hence the lower productivity of the agricultural sector.

ii) Archaic Production Technology

For centuries the African continent depended on archaic methods of agricultural production. Even the use of ploughs and other animal drawn implements were limited. The agricultural revolution and the use of iron tools came to sub-Saharan Africa later than to other parts of the world

An important reason for the continent's technological underdevelopment is the geographical obstacles to communication both internally and with the rest of the world. The Sahara has been a barrier in the north, and the Atlantic coast had no contact with the rest of the world until the first Europeans arrived around 1500. Influence from the Arab world and India came mainly via the Nile Valley and the East African coast, and had little spillover effect further inland. With the exception of the Niger and the Nile, the continent's rivers with their large waterfalls have not provided a navigable route to the interior, in contrast to the rivers of Europe and Asia. The problems of today's land-locked states illustrate the great importance of communication for economic and cultural development

iii) Demographic Factors

Africa's demographic history has been characterized by low density of population and continuous migration and settlement of new areas. The continent with a massive land mass of over 30 million km² has inhabitants less than that of India at present. Migration has continued right up to the present day, and there is still more migration on this continent — including migration between urban and rural areas — than anywhere else in the world. This continued migration may be due to a hostile geographical environment that debilitates the livelihoods of the population.

However, at present the demographic picture of the continent is totally different. Rapidly growing population with limited demographic windows of opportunity has caused further strain on the development efforts and environmental sustainability in the continent. Rapid deforestation following population explosion has further aggravated the environmental problems. The rapid deforestation is fueling desertification with its negative impacts on agricultural production in many parts of sub Saharan Africa. Consequently, Africa is more food insecure today than the era of wooden agricultural implements.

iv) The Slave Trade

The slave trade theory is one of the dominant views on the historic root causes of the African underdevelopment. According to this view, Africa's engagement in slave trade caused massive depopulation of the continent over two centuries. Furthermore, the African countries with the biggest slave exports are by and large the countries with the lowest incomes now (based on per capita gross domestic product in 2000).

It has been shown that slave trade prevented state development, encouraged ethnic fractionalization and weakened legal institutions and through these channels it affected economic development. The export of an estimated 12 million people across the Atlantic, and possibly a similar number to the Arab world in the course of a full millennium may have been a factor in Africa's lower population growth compared with that of other continents.

v) The Colonial Extraction System

Colonialism in Africa took different form compared to Asia. Unlike in Asia, hostile tropical environment prevented colonizers from settling in Africa as a result of which they erected extractive institutions in these colonies. These colonial institutions have persisted over time and they continue to influence the economic performance of the colonies even long after independence.

Research, shows that colonial extraction when severe enough can cause a society to move from a high to low production level equilibrium. Due to the stability of low level equilibrium, a society can remain trapped in this equilibrium even after the period of colonial extraction is over. However, many African as well non-African scholars do not agree on the link between colonial extraction and the current underdevelopment in Africa. Ethiopia was never colonized but it is one of the least development countries in the continent while many Asian countries which have achieved development miracle since 1960s have been former European colonies.

However, there is one crucial link between colonialism and underdevelopment in Africa. This is the creation of a political map that is economically irrational and dysfunctional. Colonialism created artificial and non viable nation states that lacked legitimacy. This is the root cause of continued ethnic conflicts and civil wars that ravage the continent since the day of decolonization. Thus unless Africa does away with the current artificial colonial boundaries either through realignment of the current state boundaries wherever there are contestations or

through more regional integration similar to the European model but not through hasty “United States of Africa” rhetoric, the continent will never achieve sustainable development.

vi) *Postcolonial Political Instability*

The post colonial Africa has been characterized by lack of political stability. Post independence African politics was dominated by authoritarian regimes and kleptocracies. These rent seeking dictators often intentionally sow seeds of ethnic conflicts by deliberate political exclusion and marginalization of various ethnic groups that reside within the country.

Even after two decades of democratic reforms in the continent, today about 50% of authoritarian states in the world are found in Africa. About 24 out of 54 states in Africa are authoritarian regimes. Only Mauritius qualifies as a full democracy in the continent out of about 30 full democracies in the world while 6 more countries in the continent are flawed democracies.



Review Questions

- i) *Delineate the points of divergence and convergence between modernization theories and dependency theories of development*
- ii) *What are the tenets of dualism theories of development*
- iii) *Discuss the factor that need to taken into consideration if a general theory of development is to be formulated*
- iv) *Colonization has been argued to be one of the root causes of African underdevelopment yet Ethiopia and Liberia are relatively less developed than most of the countries that were colonized. Discuss*
- v) *Firestorms, harsh winters, hurricanes, earthquakes and other natural disasters are more prevalent in North America than in Africa yet ‘a harsh natural environment’ is argued to be one of the root causes of African underdevelopment. Explain*
- vi) *Discuss the tenets of strategy theories of development*
- vii) *State five basic goals of development*

CHAPTER TWO

ECONOMIC GROWTH AND DEVELOPMENT



Learning Objectives

By the end of this chapter the learner should be able to:

- i) Differentiate between economic growth and economic development*
- ii) Describe the various measures of economic wellbeing*
- iii) Discuss the limitations of GDP as measure of economic wellbeing*
- vi) Describe the development indicator problem*

Economic Growth

Economic growth is an increase in activity in an economy. It refers only to the quantity of goods and services produced; it says nothing about the way in which they are produced.

Economic development

Economic development refers to social and technological progress. It implies a change in the way goods and services are produced, not merely an increase in production achieved using the old methods of production on a wider scale. Economic development typically involves improvements in a variety of indicators such as literacy rates, life expectancy, and poverty rates.

Measures of Economic Wellbeing/Health

Gross Domestic Product (GDP)

Economic health is often measured as the rate of change of gross domestic product (GDP). GDP can be defined in three ways, all of which are conceptually identical.

First, it is equal to the total expenditures for all final goods and services produced within the country in a stipulated period of time (usually a 365-day year).

Second, it is equal to the sum of the value added at every stage of production (the intermediate stages) by all the industries within a country, plus taxes less subsidies on products, in the period.

Third, it is equal to the sum of the income generated by production in the country in the period i.e., compensation of employees, taxes on production and imports less subsidies, and

gross operating surplus (or profits). The most common approach to measuring and quantifying GDP is the expenditure method:

$$GDP = \text{private consumption} + \text{gross investment} + \text{government spending} + (\text{exports} - \text{imports})$$

Gross national product (GNP) is sometimes used as an alternative measure to gross domestic product. GNP adds net foreign investment income, unlike GDP.

$$GNP = GDP + \text{net foreign investment income}$$

Put simply, GDP is concerned with the region in which income is generated. It is the market value of all the output produced in a nation in one year. GDP focuses on where the output is produced rather than who produced it. GDP measures all domestic production, disregarding the producing entities' nationalities.

In contrast, GNP is a measure of the value of the output produced by the "nationals" of a region. GNP focuses on who owns the production. For example, in the Kenya, GNP measures the value of output produced by Kenyan firms, regardless of where the firms are located.

Limitations of GDP as a Measure of Economic Health

Wealth distribution – GDP does not take disparity in incomes between the rich and poor into account. However, numerous Nobel-prize winning economists have disputed the importance of income inequality as a factor in improving long-term economic growth. In fact, short term increases in income inequality may even lead to long term decreases in income inequality.

Non-market transactions – GDP excludes activities that are not provided through the market, such as household production and volunteer or unpaid services. As a result, GDP is understated. Unpaid work conducted on Free and Open Source Software (such as Linux) contributes nothing to GDP, but it was estimated that it would have cost more than a billion US dollars for a commercial company to develop.

Underground economy – Official GDP estimates may not take into account the underground economy, in which transactions contributing to production, such as illegal trade and tax-avoiding activities, are unreported, causing GDP to be underestimated.

Non-monetary economy – GDP omits economies where no money comes into play at all, resulting in inaccurate or abnormally low GDP figures. For example, in countries with major

business transactions occurring informally, portions of local economy are not easily registered. GDP also ignores subsistence production.

Quality of goods – People may buy cheap, low-durability goods over and over again, or they may buy high-durability goods less often. It is possible that the monetary value of the items sold in the first case is higher than that in the second case, in which case a higher GDP is simply the result of greater inefficiency and waste.

Quality improvements and inclusion of new products – By not adjusting for quality improvements and new products, GDP understates true economic growth. For instance, although computers today are less expensive and more powerful than computers from the past, GDP treats them as the same products by only accounting for the monetary value. The introduction of new products is also difficult to measure accurately and is not reflected in GDP despite the fact that it may increase the standard of living. For example, even the richest person from 1900 could not purchase standard products, such as antibiotics and cell phones that an average consumer can buy today, since such modern conveniences did not exist back then.

What is being produced – GDP counts work that produces no net change or that results from repairing harm. For example, rebuilding after a natural disaster or war may produce a considerable amount of economic activity and thus boost GDP. The economic value of health care is another classic example—it may raise GDP if many people are sick and they are receiving expensive treatment, but it is not a desirable situation.

Externalities – GDP ignores externalities such as damage to the environment. By counting goods which increase utility but not deducting or accounting for the negative effects of higher production, such as more pollution, GDP is overstating economic welfare.

Sustainability of growth – GDP does not measure the sustainability of growth. A country may achieve a temporarily high GDP by over-exploiting natural resources or by misallocating investment.

For example, the large deposits of phosphates gave the people of Nauru one of the highest per capita incomes on earth, but since 1989 their standard of living has declined sharply as the supply has run out. Oil-rich states can sustain high GDPs without industrializing, but this high level would no longer be sustainable if the oil runs out.

Economies experiencing an economic bubble, such as a housing bubble or stock bubble, or a low private-saving rate tend to appear to grow faster owing to higher consumption,

mortgaging their futures for present growth. Economic growth at the expense of environmental degradation can end up costing dearly to clean up; GDP does not account for this.

Alternative Measures of Economic Wellbeing

Genuine Progress Indicator (GPI)

GPI is a concept in welfare economics that has been suggested to replace gross domestic product (GDP) as a metric of economic growth.

GPI is an attempt to measure whether a country's growth, increased production of goods, and expanding services have actually resulted in the improvement of the welfare (or well-being) of the people in the country. GPI advocates claim that it can more reliably measure economic progress, as it distinguishes between worthwhile growth and uneconomic growth.

The GDP vs the GPI is analogous to the difference between the gross profit of a company and the net profit; the Net Profit is the Gross Profit minus the costs incurred. Accordingly, the GPI will be zero if the financial costs financial gains in production of goods and services, all other factors being constant. Advocates of GPI assert that in some situations, expanded production facilities damage the health, culture, and welfare of people. Growth that was in excess of sustainable norms had to be considered to be uneconomic

The Human Development Index (HDI)

HDI is a summary measure of human development that is published by the United Nations Development Programme (UNDP). HDI measures the average achievements in a country in three basic dimensions of human development:

- i) A long and healthy life, as measured by life expectancy at birth.
- ii) Knowledge, as measured by the adult literacy rate (with two-thirds weight) and the combined primary, secondary and tertiary gross enrollment ratio (with one-third weight).
- iii) A decent standard of living, as measured by GDP per capita in purchasing power parity (PPP) terms in US dollars.

Before the HDI itself is calculated, an index is created for each of these dimensions. To calculate these indices—the life expectancy, education and GDP indices—minimum and maximum values (goalposts) are chosen for each underlying indicator. For example, in 2004

the maximum and minimum values for life expectancy were 85 and 25 years, Adult literacy rate (%) 100 and 0, Combined gross enrolment ratio (%) 100 and 0, GDP per capita (US\$) 40,000 and 100 respectively. Performance in each dimension is expressed as a value between 0 and 1. The HDI is then calculated as a simple average of the dimension indices:

$$\text{HDI} = 1/3 (\text{life expectancy index}) + 1/3 (\text{education index}) + 1/3 (\text{GDP index})$$

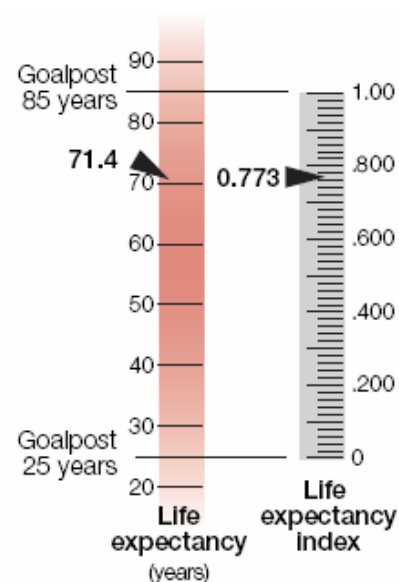
Calculating the HDI

This illustration of the calculation of the HDI uses data for Turkey.

1. Calculating the life expectancy index

The life expectancy index measures the relative achievement of a country in life expectancy at birth. For Turkey, with a life expectancy of 71.4 years in 2005, the life expectancy index is 0.773.

$$\text{Life expectancy index} = \frac{71.4 - 25}{85 - 25} = 0.773$$

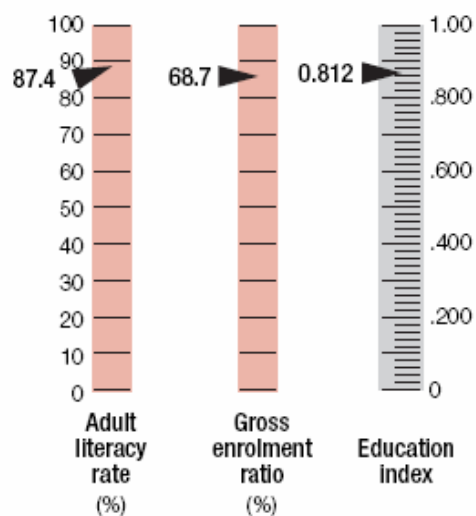


2. Calculating the education index

The education index measures a country's relative achievement in both adult literacy and combined primary, secondary and tertiary gross enrolment. First, an index for adult literacy and one for combined gross enrolment are calculated. Then these two indices are combined to create the education index, with two-thirds weight given to adult literacy and one-third weight to combined gross enrolment. For Turkey, with an adult literacy rate of 87.4% in 2005 and a combined gross enrolment ratio of 68.7% in 2005, the education index is 0.812.

$$\text{Adult literacy index} = \frac{87.4 - 0}{100 - 0} = 0.874$$

$$\text{Gross enrolment index} = \frac{68.7 - 0}{100 - 0} = 0.687$$

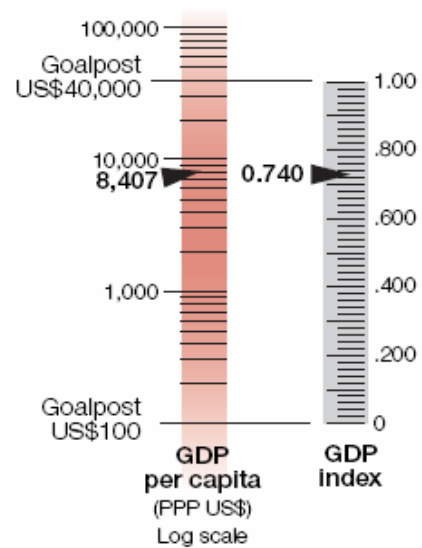


$$\begin{aligned} \text{Education index} &= 2/3 (\text{adult literacy index}) + 1/3 (\text{gross enrolment index}) \\ &= 2/3 (0.874) + 1/3 (0.687) = 0.812 \end{aligned}$$

3. Calculating the GDP index

The GDP index is calculated using adjusted GDP per capita (PPP US\$). In the HDI income serves as a surrogate for all the dimensions of human development not reflected in a long and healthy life and in knowledge. Income is adjusted because achieving a respectable level of human development does not require unlimited income. Accordingly, the logarithm of income is used. For Turkey, with a GDP per capita of 8,407 (PPP US\$) in 2005, the GDP index is 0.740.

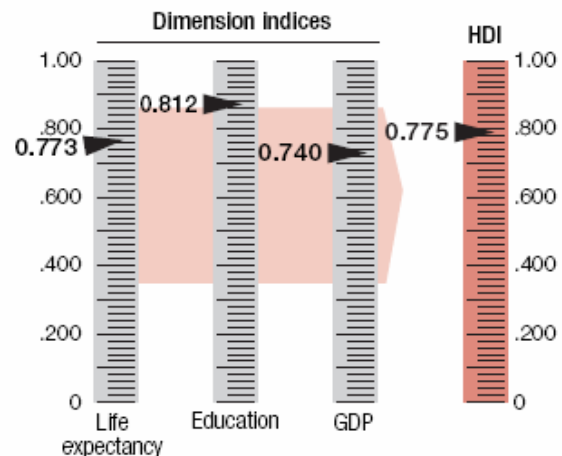
$$\text{GDP index} = \frac{\log(8,407) - \log(100)}{\log(40,000) - \log(100)} = 0.740$$



4. Calculating the HDI

Once the dimension indices have been calculated, determining the HDI is straightforward. It is a simple average of the three dimension indices.

$$\begin{aligned} \text{HDI} &= 1/3 (\text{life expectancy index}) + 1/3 (\text{education index}) \\ &\quad + 1/3 (\text{GDP index}) \\ &= 1/3 (0.773) + 1/3 (0.812) + 1/3 (0.740) = 0.775 \end{aligned}$$



The Indicator Problem

When the term indicator is used in the following, it refers to data and 'simple' statistical composites (e.g. gross domestic product and life expectancy) which are recognized as analytic decision-making tools. Highly composite index-type indicators (e.g. human development index) are explicitly excluded here. The main problems can be stated as follows:

Proliferation of indicators- The sheer volume of development indicators and the lack of information on how similar indicators are related makes it difficult for analysts and decision makers to use them.

Inconsistencies among indicators- Despite references to seemingly identical indicators, there exists differences in the definition, in the use of data sources, in the compilation method, in the periodicity etc., which lead to different numerical values.

Validity of indicators- Sources, definitions and compilation/ estimation methods are not always made explicit. The lack of adequate referencing and of technical notes deprives the user of making an informed quality assessment.

Separation of indicator development from basic data collection at country level- Insufficient attention is given to improving the quality and comprehensiveness of basic data from which indicators are derived.

Overburdening of national statistical systems- Competing demands and poor overlap¹ of internationally formulated indicator sets increase the reporting burden of national statistical agencies. Ad hoc requests by international agencies lead to ad hoc data collection, crowding out limited financial and human resources and, thus, interfering with regular national statistical programmes.

Inefficient use of statistical resources- At present agencies does not share information coming from the country level optimally. There are potential efficiency gains by organizing better the flow of information.



Review Questions

- i) *Differentiate between economic growth and economic development*
- ii) *Distinguish between GDP and GNP*
- iii) *Discuss the limitations of GDP as measure of economic wellbeing*
- iv) *Describe the GPI as a measure of development*
- v) *Assume the following parameter were taken from the National Bureau of Statistics of Kenya in the year 2004:*
 - a) *Life expectancy- 50.7 years*
 - b) *Adult literacy rate- 47.8%*
 - c) *Combined gross enrolment ratio- 50.2*
 - d) *GDP per capita- 792 USD (PPP)*

Using the UNDP goal post for the year in question (refer to the chapter), calculate

Kenya's HDI

- vi) *Describe the main problems of development indicators*
- vii) *What are the presumed benefits of genuine progress indicator over gross domestic product as measures of development*
- viii) *Describe the following methods of measuring GDP*
 - a) *Expenditure Method*
 - b) *Income Method*

CHAPTER THREE

DEVELOPMENT STRATEGIES



Learning Objectives

By the end of this chapter the learner should be able to:

- i) Discuss the role of science and technology in development*
- ii) Differentiate between industrialization and modernization as development approaches*
- iii) Discuss the concept of participatory development*
- iv) Describe various national sustainable development strategies*
- v) Explain the role of co-operatives in development*
- vi) Explain the role of regional integration in development*

Industrialization

In its broadest sense, industry is any work that is undertaken for economic gain and that promotes employment. The word may be applied to a wide range of activities, from farming to manufacturing to tourism. It encompasses production at any scale, from the local—sometimes known as cottage industry—to the multinational or transnational.

In a more restricted sense, industry refers to the production of goods, especially when that production is accomplished with machines. It is this limited definition of industry that is embodied by the notion of industrialization: the transition to an economy based on the large-scale, machine-assisted production of goods by a concentrated, usually urban, population of workers. Manufacturing, which literally means "making by hand", has come to describe mechanical production in factories, mills, and other industrial plants

Classifying Industry

An industry is usually classified as belonging to one of the following four groups:

- i) Primarily*
- ii) Secondary*
- iii) Tertiary*
- iv) Quaternary.*

Primary industries, which collect or extract raw materials, are located where the resources are found.

Secondary industries are those that process or convert the raw materials into finished products. Some of these manufacturing industries must be situated close to the raw materials they use, others are tied to their largest markets, and still others—independent of both resources and markets—are often located wherever it is cheapest at the time.

Tertiary industries are the service industries. These include retailing, wholesaling, transport, public administration, and the professions, such as law.

Quaternary industries comprise activities that provide expertise and information. Consultancy services and research organizations belong to this category. These are generally market oriented, but since electronic communication permits swift contact and the easy transmission of data, they may be located almost anywhere.

Industrial Transition

Changes to the industrial structure of a country can be measured using either the value of manufactured output or alterations to the employment structure. For the established industrial nations, there has been a clear shift in the relative importance of different types of industry, and this has been accompanied by a change in employment. Since the mid-19th century, the proportion of the US workforce employed in primary industry has declined from about 70 per cent to its present level of just 3 per cent. Employment in secondary industry reached a peak of 30 per cent in the 1950s, after which it dropped back to 23 per cent. Tertiary and quaternary industries now employ 74 per cent of the workforce.

The corresponding figures for the UK are nearly identical: primary industry has just 2 per cent, secondary 23 per cent, and tertiary and quaternary 75 per cent of the workforce. In Germany, the distribution is 3 per cent in primary industry, 37 per cent in secondary, and 60 per cent in tertiary and quaternary.

These figures stand in marked contrast to those of the Emerging and Less Developed Countries (ELDCs). In India, for example, 65 per cent of the workforce is engaged in primary industry, 19 per cent in secondary, and 11 per cent in tertiary. Not all ELDCs display similar figures, however—much depends on their history and their links with the rest of the world. In

Nigeria and South Africa, for example, approximately 44 per cent and 50 per cent of the workforce respectively is engaged in tertiary activity.

De-industrialization

De-industrialization describes the decline in the contribution made by manufacturing industry to a nation's overall economic prosperity. The process might better be termed re-industrialization, because the shift is not away from industry altogether, but from secondary to tertiary and quaternary industry. In other words, a de-industrializing economy moves away from the manufacture of goods and towards the provision of services.

Those countries to industrialize first—the UK, France, and the United States—are now undergoing de-industrialization. The ascendancy of the service economy in the context of the post-industrial society is characterized by a number of apparently negative features, such as a decline in manufacturing employment and a dependence on imports across a wide range of sectors.

Although the loss of the manufacturing base is likely to create unemployment at first, it may not be an adverse development in the long term. Ironically, de-industrialization in the three countries mentioned above has been accompanied by a growth in the high-tech industries in areas such as the Côte d'Azur in France; Silicon Valley in California; and along the M4 motorway, around Cambridge, and in central Scotland—the so-called Silicon Glen—in the UK. The long-term impact of de-industrialization has yet to be felt. It may be the speed of the process, rather than the process itself, that needs careful management.

Transnational Corporations

Probably the most significant industrial development since the 1960s has been the rise of the multinational or transnational company. Examples of these companies, which operate in many countries, are Ford, General Motors, IBM, Siemens, and Matsushita Electrical. United Nations (UN) estimates that investment by transnational companies has risen by 13 per cent per year over the last 20 years, largely because more and more governments are accepting these firms into their countries.

Nevertheless, the growth of multinational corporations has raised a number of concerns. An enormous amount of production power is concentrated in the hands of a few controllers,

which means that the countries involved become directly susceptible to economic changes in other parts of the world. The transfer of assets from one country to another may be difficult for governments to manage or prevent, and there are likely to be disparities in the treatment of different countries.

Manufacturing countries experiencing the decline of home-based industry, such as the UK, have proved attractive targets for multinationals. So have countries in Asia and South America, where energy and labour are relatively inexpensive. By contrast, few African countries have benefited from investment by transnational corporations because of the general lack of skilled workforce and adequate infrastructure. Not all transnational have their origins in the developed nations. The development of such companies is encouraged in the NICs as a means of securing expanding export markets.

Consequences of Industrialization

Most countries regard industrialization as a positive development capable of generating rapid wealth, revitalizing run-down areas, and conferring influence in world affairs. Most also now recognize the need for a diversified industrial base to safeguard their economies from fluctuations in the market price for their own specialized product.

Industrialization schemes commonly require a parallel development of energy sources. In the case of hydroelectric plants, there is social dislocation, since large areas may be flooded to create the necessary water reserves behind the so-called super-dams.

Environmental safeguards may be overlooked, leading to serious problems of air, land, and water pollution. One of the worst incidents occurred in Minamata, Japan, where mercury residues from nearby chemical plants contaminated the water of Minamata Bay, were ingested by fish, and then entered the human food chain to cause death and illness for up to 30 years after the event. Another notorious example was Bhopal, India, where a leak of poisonous gas killed thousands of people and blinded or otherwise injured many others.

In Europe, the North Sea is suffering from the effects of industrial waste, thermal pollution from power stations, atmospheric fallout containing high levels of lead, oil spilled from ships, and radioactive materials from nuclear power stations. Increasing industrialization means that pressures to conserve resources are rising.

Urbanization and associated problems such as housing, crime unemployment etc

The Future of Industry

Several trends are likely in the global pattern of industrialization. *First*, only certain countries, and not the world as a whole, may experience a post-industrial future.

A *second trend* will be the efficient and careful use of resources and the growth in recycling as the concept of sustainability becomes better established. Recycling industries are a growth area themselves, and established manufacturers are increasingly operating product-recycling schemes.

A *final trend* will be the growing need for alternative technologies to reduce the consumption of resources for industrial production and to protect the natural environment. Worldwide cooperation will be necessary if all nations are to gain from the potential benefits of industry.

Modernization

Modernization is a concept used in sociology and politics. It is the view that a standard, teleological (the explanation of phenomena by the purpose they serve rather than by postulated causes) evolutionary pattern, as described in the social evolutionism theories, exists as a template for all nations and peoples

According to theories of modernization, each society would evolve inexorably from barbarism to ever greater levels of development and civilization. The more modern states would be wealthier and more powerful, and their citizens freer and having a higher standard of living. According to the Social theorist Peter Wagner, modernization can be seen as processes, and as offensives.

The former view suggests that it is developments, such as new data technology or dated laws, which make modernization necessary or preferable. This view makes critique of modernization difficult, since it implies that it is these developments which control the limits of human interaction, and not vice versa.

The latter view of modernization as offensives argues that both the developments and the altered opportunities made available by these developments are shaped and controlled by human agents. The view of modernization as offensives therefore sees it as a product of human planning and action, an active process capable of being both changed and criticized. This was the standard view in the social sciences for many decades. It was also viewed as a

"development of the rational and universal mind towards self-consciousness and freedom." This theory stressed the importance of societies being open to change and saw reactionary forces as restricting development. Maintaining tradition for tradition's sake was thought to be harmful to progress and development.

This approach has been heavily criticized, mainly because it conflated modernization with westernization. In this model, the modernization of a society required the destruction of the indigenous culture and its replacement by a more westernized one. Technically *modernity* simply refers to the present, and any society still in existence is therefore modern.

Proponents of modernization typically view only Western society as being truly modern arguing that others are primitive or '*unevolved*' by comparison. This view sees '*unmodernized*' societies as inferior even if they have the same standard of living as western societies.

Opponents of this view argue that modernity is independent of culture and can be adapted to any society. Japan is cited as an example by both sides. Some see it as proof that a thoroughly modern way of life can exist in a non-western society. Others argue that Japan has become distinctly more western as a result of its modernization. In addition, this view is accused of being Eurocentric, as modernization began in Europe with the industrial revolution.

Science and Technology and Development

Science is the intellectual and practical activity encompassing the systematic study of the structure and behavior of the physical and natural world through observation and experiment, while technology is the application of scientific knowledge for practical purposes

Over the past 150 years, progress in science and technology has been a key driver of human and societal development, vastly expanding the horizons of human potential and enabling radical transformations in the quality of life enjoyed by millions of people. The harnessing of modern sources of energy counts among the major accomplishments of past scientific and technological progress. And expanding access to modern forms of energy is itself essential to create the conditions for further progress. All available forecasts point to continued rapid growth in global demand for energy to fuel economic growth and meet the needs of a still-expanding world population.

It is useful to distinguish between several generally accepted phases of technological evolution, beginning with basic scientific research and followed by development

and demonstration, RD&D. When all goes well, RD&D is followed by a ‘third D’—the deployment phase— wherein demonstrated technologies cross the threshold to commercial viability and gain acceptance in the marketplace. Typically, government’s role is most pronounced in the early *research* and *development* phases of this progression while the private sector plays a larger role in the *demonstration* and *deployment* phases. Nevertheless, government can also make an important contribution in the demonstration and early deployment phases, for example, by funding demonstration projects, providing financial incentives to overcome early deployment hurdles, and helping to create a market for new technologies through purchasing and other policies.

Many demonstrated technologies encounter significant market hurdles as they approach the deployment phase; for some—hybrid vehicles, hydrogen as a transport fuel, solar energy, coal-based integrated gasification combined cycle (IGCC), and fuel cells— cost rather than technological feasibility becomes the central issue. Established private-sector stakeholders can be expected to resist, or even actively undermine, the deployment of new technologies, thus necessitating additional policy interventions.

Participatory Development

The meaning of “participation” is often a rendition of the organizational culture defining it. Participation has been variously described as a means and an end, as essential within agencies as it is in the field and as an educational and empowering process necessary to correct power imbalances between rich and poor. It has been broadly conceived to embrace the idea that all “stakeholders” should take part in decision making and it has been more narrowly described as the extraction of local knowledge to design programs off site. Differences in definitions and methods aside, there is some common agreement concerning what constitutes authentic “participation”.

Participation is involvement by a local population and, at times, additional stakeholders in the creation, content and conduct of a program or policy designed to change their lives. Built on a belief that citizens can be trusted to shape their own future, participatory development uses local decision making and capacities to steer and define the nature of an intervention. Participation requires recognition and use of local capacities and avoids the imposition of

priorities from the outside. It increases the odds that a program will be on target and its results will more likely be sustainable.

Ultimately, participatory development is driven by a belief in the importance of entrusting citizens with the responsibility to shape their own future, systems and as resources, from salaries to food parcels and reconstruction materials are delivered. With no awareness of social or political context it is never certain if an intervention is warranted at all. And when there is blind engagement, ignorance of context makes each choice a round of roulette, potentially explosive and liable to overrun the self-development potential of the target population while undermining the effectiveness of assistance delivery in the first place. At worst, we aid and abet the violence and become accomplices to adversity. Participatory methodologies, as part of political development programs or not, increase awareness of the social and political context and better the odds this will be avoided.

Four separate studies of participatory programming have found that such methods often cost less in the long run and are consistently more effective at getting assistance where it needs to go. Such methods were also found to be unmatched in fostering sustainability, strengthening local self-help capacities and in improving the status of women and youth. Finally, by establishing platforms where organizations may access and involve citizens in their programs, participatory development methods often extended the reach of traditional development approaches by leveraging local resources with national and foreign assets.

Benefits of Participatory Development

Coverage- to reach and involve on a wider scale the disadvantaged rural people through institution building that is the creation of adequate "receiving" systems at grassroots level as well as of corresponding "delivery" systems

Efficiency- to obtain a cost-efficient design and implementation of a project. The beneficiaries will contribute more in project planning and implementation by providing ideas, manpower, labour and/or other resources (cost-sharing). Consequently project resources are used more efficiently

Effectiveness- the people involved obtain a say in the determination of objectives and actions, and assist in various operations like project administration, monitoring and evaluation. They obtain also more opportunities to contribute their indigenous knowledge of the local conditions

to the project and thus facilitate the diagnosis of environmental, social and institutional constraints as well as the search for viable solutions;

Adoption of innovations- the beneficiaries can develop greater responsiveness to new methods of production, technologies as well as services offered;

Production- higher production levels can be achieved while ensuring more equitable distribution of benefits;

Successful results- more and better outputs and impact are obtained in a project and thus longer-term viability and more solid sustainability. By stressing decentralization, democratic processes of decision-making and self-help, various key problems can be better solved, including recurrent costs, cost-sharing with beneficiaries as well as operation and maintenance;

Self-reliance- this broad, ultimate objective embraces all the positive effects of genuine participation by rural people. Self-reliance demolishes their over-dependency attitudes, enhances awareness, confidence and self-initiative. It also increases people's control over resources and development efforts, enables them to plan and implement and also to participate in development efforts at levels beyond their community

Supporting institutions like government agencies and NGOs can fulfill better their mandates

National Sustainable Development Strategies

National development strategies over the last few years have identified strategic management as a new pattern of governance and policy making. Being strategic entails developing an underlying vision through consensual, effective and iterative process; and going on to set objectives, identify the means of achieving them, and then monitor the achievement as a guide to the next round of this learning process.

It also entails shifting grand planning schemes to adaptive strategy processes, from authorities to competencies, from pure hierarchies to a combination of hierarchies and networks, from control to monitoring, evaluation and feedback, and from knowing to learning are promising steps in the right direction.

The success of this shift is typically a function of process aspects such as leadership, planning, implementation, and monitoring and review. The latter represent some of the fundamental tenets of strategic management.

The continuous improvement approach to managing development strategies



Leadership – “developing an underlying vision through consensual, effective and iterative process; and going on to set objectives”. Leadership is perhaps the most critical aspect of strategic management. Through a consultative process, it provides the vision for development activities and services. At its foundation, leadership must be grounded in the fundamental principles of sustainable development, that is, it must represent both existing and future generations, and it must understand the interdependency among economic, social and environmental systems. It requires identification of:

- i) Type of strategy approach
- ii) Demonstrating commitment and focus
- iii) Incorporating the inter-generational SD principle
- iv) Incorporating the interdependency SD principle

Some of the characteristics of leadership include the following:

- i) people-centered approach;
- ii) strong political commitment;
- iii) consensus and long-term vision;
- iv) sound leadership and good governance;

- v) comprehensive and integrated (economic, social, and environmental; inter-generational consideration);
- vi) shared strategic and pragmatic vision;
- vii) comprehensive and reliable analysis;
- viii) linking short-term to medium and long-term;
- ix) country led and nationally owned;
- x) effective participation; and
- xi) Realistic and flexible targets.

Planning – identifying the means of achieving objectives (institutional mechanisms, programmatic structures and specific policy initiatives). It requires identification of:

- i) Legal basis
- ii) Institutional basis
- iii) Policy assessment

Implementation – employing and financing a mix of policy initiatives

Monitoring, learning and adapting – development, monitoring and reporting of indicators to measure:

- i) Progress in implementing policy initiatives
- ii) The economic, social and environmental state of the nation.
- iii) Also includes formal and informal feedback mechanisms to ensure that monitoring results continually inform the adaptation of leadership, planning and implementation.

Approaches for the Strategy Process

Comprehensive, multi-dimensional SD strategy

A single document and process that incorporates economic, social and environmental dimensions of SD. This approach is most commonly associated with the term National Sustainable Development Strategy. The national strategy provides a long-term perspective of the key SD challenges facing the country, and presents options for addressing priority issue areas. The strategy is described as a catalyst for change, and provides a framework to guide policy development and decision making.

Cross-Sectoral SD strategies relating to specific dimensions of SD

A strategy that spans multiple sectors and covers one or two dimensions of sustainable development, e.g., national environmental management plans or poverty reduction strategy papers (PRSPs). PRSPs describe a country's macroeconomic, structural, and social policies in support of growth and poverty reduction, as well as associated external financing needs and major sources of financing.

Sectoral SD strategies

A strategy that incorporates economic, social and environmental dimensions of SD, but that is focused on a specific sector. Rather than create a single, national strategy for the government, responsibility for sustainable development to individual government departments and agencies (e.g., SD strategy for a ministry of transportation).

Guiding Principles of Sustainable Development Strategies

- i) Primacy of Developing Full Human Potential;
- ii) Holistic Science and Appropriate Technology;
- iii) Cultural, Moral and Spiritual Sensitivity;
- iv) Self-Determination;
- v) National Sovereignty
- vi) Gender Sensitivity;
- vii) Peace, Order and National Unity;
- viii) Social Justice, Inter-, Intra-Generational and
- ix) Spatial Equity;
- x) Participatory Democracy;
- xi) Institutional Viability;
- xii) Viable, Sound and Broad-Based Economic Development;
- xiii) Sustainable Population;
- xiv) Ecological Soundness;
- xv) Bio-geographical Equity and Community- Based Resource Management; and
- xvi) Global Cooperation.

Regional Integration

Regional integration refers to the process by which states within a particular region increase their level of interaction with regard to economic, security, political, and also social and cultural issues. Regional integration arrangements are mainly the outcome of necessity felt by nation-states to integrate their economies in order to achieve rapid economic development, decrease conflict, and build mutual trusts between the integrated units

Closer integration of neighboring economies is seen as a first step in creating a larger regional market for trade and investment. This works as a spur to greater efficiency, productivity gain and competitiveness, not just by lowering border barriers, but by reducing other costs and risks of trade and investment. Bilateral and sub-regional trading arrangements are advocated as development tools as they encourage a shift towards greater market openness. Such agreements can also reduce the risk of reversion towards protectionism, locking in reforms already made and encouraging further structural adjustment.

Functions of Regional Integration

- i) the strengthening of trade integration in the region
- ii) the creation of an appropriate enabling environment for private sector development
- iii) the development of infrastructure programmes in support of economic growth and regional integration
- iv) the development of strong public sector institutions and good governance;
- v) the reduction of social exclusion and the development of an inclusive civil society
- vi) contribution to peace and security in the region
- vii) the building of environment programmes at the regional level
- viii) the strengthening of the region's interaction with other regions of the world

Co-operatives and Development

Cooperatives are voluntary organizations that are democratically controlled by members. Cooperatives are also patronized and controlled by their owners and hence the term “owner user” and ‘owner controller’. The concept of cooperatives has sometimes been misunderstood to the extent that cooperatives have been associated with socialism, communism as a result some governments have not allowed cooperatives to function properly.

It's vital to note that Cooperatives provide organizational framework which enables the members of the community to handle tasks that enhance production and productivity, marketing and value addition, employment creation thus enhancing incomes and meeting social needs.

For cooperatives to succeed and also benefit the owners, the value of self help must be fully embraced. However, More often than not, one hears a question like what has a cooperative done to assist its members, and yet the valid question would have been how the members have utilized the cooperatives to enhance the socio economic status? Cooperatives differ from other forms of businesses in that they are member centered as contrasted to companies where capital is at the centre in order to earn profits.

Contribution of Cooperatives to Development

Through their varied activities, Cooperatives are in many countries significant social and economic actors in national economies, thus making not only personal development a reality but, contributing to the well being of the entire humanity at the national level.

Production and productivity enhancement: Cooperatives play an important role in delivery of agricultural inputs so that they are easily accessed by the producers. Such inputs are required by farmers to increase productivity and produce good quality, increase farm income and become more competitive. i.e. they form a link between farmers and input dealers. Since they are organized, they can readily afford hiring of agricultural extension services all aimed at production and productivity improvement.

Infrastructure development: Through pooling resources members are able to put up infrastructure for production, agro-processing and marketing e.g. establishment of ginneries processing plants e.g. coffee hullers, dairy products processing, storage facilities market information, agro processing and value addition.

Employment creation: where there is a well functioning cooperative organization at least 2 people are employed directly and many others indirectly through various trades facilitated by a cooperative.

Investment opportunities: by investing shares into a well performing and genuine cooperative returns are generated on shares and depending on how one has economically patronized the organization, patronage bonus is always paid

Financial intermediation: Availability of financial services helps farmers in a number of ways.

Farmers can be able to get in puts in time through the available credit services. Secondly when farmers products are bulked in the stores while awaiting better markets, farmers can borrow from their own SACCOs to cater for their pressing needs as they wait for marketing of their products.

Social services provision: These include among others health, housing, utilities e.g. rain water harvesting, solar power scheme, and transport-bodaboda.

Human resources development: All round training is always provided to membership, staff and leaders of any genuine and well performing cooperative organization

Social Impact of Co-operatives

By putting cooperative principles and values and ethos in practice, they promote solidarity, tolerance and accountability; while as schools of democracy, they promote the rights of each individual-women and men. Cooperatives are socially conscious responding to the needs of their members whether it is to provide literacy or technical training. Through partnership building they are able to tackle social issues like HIV/AIDS pandemic, environmental conservation among other things.

Through their varied activities, cooperatives are in many countries significant social and economic actors in national economies, thus making not only personal development a reality but, contributing to the well being of the entire humanity at the national level.

Natural Resources and Development

Natural resources are distinguished by their renewability and ownership regimes. Renewable resources include forests, fisheries and wildlife. Exhaustible resources include minerals that can only be replenished over geologic time. Ownership regimes frequently dictate the rate at which natural resources are degraded, with open-access regimes often leading to the highest levels of degradation.

The use of natural resources also poses difficult social and distributive questions. Poverty can lead to unsustainable use and environmental degradation, and threatens fragile

ecosystems. The poor suffer disproportionately from over-exploitation and degradation of resources, yet they lack sufficient political or economic representation.

Disputes over natural resources could therefore arise for a number of reasons: Actions of one group may intentionally or unintentionally impinge upon the ecological well-being of others. Those with greater access to power also tend to control natural resource use and distribution. As well, rapid environmental change, unequal distribution of power, and changing consumption patterns exacerbate natural resource scarcity. This can lead to fierce competition between groups impacting on development negatively. Finally, people define natural resources in ideological, social, and political terms. Thus, land, forests, and waterways not only represent material resources that people struggle over, but are often culturally and symbolically important.

Because natural resource conflicts are complex, pluralistic approaches are more effective in identifying barriers to progress and peace building strategies. Multi-stakeholder analysis, in particular, offers researchers and policymakers an effective means of understanding the different interests and power relations among those involved. Various research methods can further enhance this approach. They include participatory rural appraisal, participatory action research, gender analysis, and the analysis of differences in class interests and power relations. Greater opportunities for change emerge when local stakeholders are involved in analyzing the causes and alternatives to conflict.

However, conflict-resolution strategies have limitations. Collaborative approaches such as conciliation, negotiation and mediation based on western experiences with alternative dispute resolution (ADR) may not work in conflicts involving natural resources.

ADR techniques require both cultural and legal conditions, such as a willingness to publicly acknowledge conflict, the voluntary participation of all relevant actors, and administrative and financial support. Such conditions may prove elusive in many contexts in both North and South. Moreover, ADR may lead to greater frustration if the causes of conflict remain beyond the stakeholders' understanding and control. At the same time, Western traditions of conflict management must be balanced with the study of local practices,

insights, and resources. Even more important, they note, conflict itself may be a catalyst for positive social change in certain circumstances, but only if violence can be avoided.



Review Questions

- i) *As a development approach, is modernization the same as industrialization? Justify your answer*
- ii) *What is the role of science and technology in development?*
- iii) *What the rationale of participatory development as a development strategy?*
- iv) *Describe the following national sustainable development strategies*
 - a) *Comprehensive, multi-dimensional SD strategy*
 - b) *Cross-Sectoral SD strategies relating to specific dimensions of SD*
- v) *What are the guiding principles of sustainable development strategies?*
- vi) *Explain the contribution of co-operatives in development*
- vii) *Explain the functions of regional integration in development*
- viii) *What are the main causes of disputes over natural resources?*
- ix) *Describe the negative impacts of industrialization*
- x) *Describe the continuous improvement approach to the management of development strategies*

CHAPTER FOUR

POPULATION AND DEVELOPMENT



Learning Objectives

By the end of this chapter the learner should be able to:

- i) Discuss the impact of demographics on development*
- ii) Describe the various concepts of poverty and its measurement*
- iii) Calculate the Gini coefficient of inequality*
- iv) Explain the factors precipitating rural-urban migration*

Population

Before the industrial revolution population growth was held in check by high mortality rates, which were accompanying high birth rates. The source of high mortality rates in a classical Malthusian perspective could have been the limitation in the amount of available agricultural resources, either continuously, leading to poor nutrition (and therefore to higher morbidity and premature deaths), or episodically, through famines. But there were also other forces at play.

First of all very high rates of child mortality, either through systematic infanticide (itself probably a function of available resources), especially of females, or as a consequences of neglect and of poor living, childbearing, and childrearing conditions

Second, possible neglect of the elders, the disabled and the infirm and the spread of epidemic diseases (which was favored by overcrowding and poor living conditions in the cities of agricultural societies),

Third endemic warfare, between tribes, nations or individuals, leading to direct deaths as well as to the misdirection and destruction of the resources otherwise available for survival. Still, following the improvements of agricultural technology in particular, there was some population growth at a very slow pace, slightly accelerating in time.

Later on, especially since the half of the nineteenth century, the decrease in mortality rates (a true “mortality revolution” “which has resulted in doubling or more of average life expectancy at birth” and has been the direct consequence of the diffusion of medical knowledge and discoveries that has followed with some delay the Industrial Revolution) has

led to a much faster population growth, while the demographic consequences of two world wars and related upheavals are shown in a temporary decrease of growth rates.

The post World War II period has seen an unprecedented population explosion, with some signs of abating however following increasing living standards and progresses in the technology of birth control, In Malthus' own words: "The positive checks to population are extremely various, and include every cause, whether arising from vice or misery, which in any degree contributes to shorten the natural duration of human life. Under this head, therefore, may be enumerated all unwholesome occupations, severe labour and exposure to the seasons, extreme poverty, bad nursing of children, great towns, excesses of all kinds, the whole train of common diseases and epidemics, wars, plague, and famine."

According to Ember (1978) about 60% of the societies of hunter gatherers of which there is documentation were recorded to be at war at least once every two years. As to pre-industrial civilizations it is enough to recall world and European history (for instance, considering European history immediately preceding the Industrial Revolution, in the 16th century 95% of the time there were wars involving the major European powers, 94% in the 17th and 78% in the 18th century. The table below shows the trend in human population growth in the course of history.

Human population in the course of history (in millions)

8000 BC	5
1000 BC	50
500 BC	100
1 AD	231
1000	268
1500	438
1600	556
1700	603
1750	790
1800	980
1820	1,041
1870	1,271
1913	1,791
1950	2,535
1960	3,032
1970	3,699
1980	4,451
1990	5,295
1995	5,719
2001	6,148
2005	6,515
2008	6,641, the 1/1/2008, as projected according to the World population clock

Poverty

The concept of poverty is plagued by a conceptual complexity that can be best described as a series of fault lines. These are:

Individual or household measures- Early measurement of poverty (e.g. by Rowntree) was at the household level, and much still is. Other analysis disaggregates to the individual level, so as to capture intra-household factors and different types and causes of deprivation affecting men, women, children, old people, etc.

Private consumption only or private consumption plus publicly provided goods- Poverty can be defined in terms of private income or consumption (usually consumption rather than income, in order to allow for consumption smoothing over time, e.g. by managing savings), or to include the value of goods and services provided publicly, the social wage

Monetary or monetary plus non-monetary components of poverty- So-called money-metric measures are often used, because they are either regarded as sufficient on their own or seen as an adequate proxy for poverty. However, there is a clear fault line between definitions of poverty which are restricted to income (or consumption) and those which incorporate such factors as autonomy, self-esteem or participation.

In Maslow's hierarchy of needs, these were seen as higher needs, which would become more important as basic needs for food, shelter, housing and safety were met. However, many current definitions deliberately blur the distinction between higher and lower needs.

Snapshot or timeline- Many surveys and poverty assessments report the incidence of poverty at a point in time. However, there is a long history of thinking about poverty in terms of life cycle experience (e.g. Chayanov's pioneering work in the 1920s on the peasant household), seasonal stress, and shocks (illness, drought, war). In both North and South, there has been increasing attention to understanding movement in and out of poverty, what Jenkins calls 'bottom-end churning'. Panel surveys, which track a fixed group of individuals over time, provide data.

Actual or potential poverty- Some analysts include as poor those who are highly sensitive to shocks, or not resilient. Small-scale pastoralists exposed to the risk of drought are a common example: current income may be adequate, but vulnerability is high. Planning for these groups means understanding both short-term coping strategies, and also long-term adaptation to livelihood stress.

Stock or flow measures of poverty- The definition of poverty as income focuses on the flow of material goods and services. An alternative is to examine the stock of resources a household controls. This may be measured in terms of physical or monetary assets (land, jewellery, cash), or in terms of social capital (social contacts, networks, reciprocal relationships, community membership).

Sen analyzed the commodity bundles to which an individual was ‘entitled’: as Swift has emphasized, entitlements may derive not just from current income, but also from past investments, stores or social claims on others (including the State).

Input or output measures- Sen has reminded us that poverty measured as a shortfall in income essentially captures an input to an individual’s capability and functioning rather than a direct measure of well-being. Writing about poverty has often assumed, wrongly, an automatic link between income and participation, or functioning, in the life of a community.

Absolute or relative poverty- The World Bank currently uses a figure of \$US1 per day for absolute extreme poverty and \$US2 for poverty. The alternative has been to define poverty as relative deprivation, for example as half mean income, or as exclusion from participation in society. Thus the European Union has decided that ‘the poor shall be taken to mean persons, families and groups of persons whose resources (material, cultural, social) are so limited as to exclude them from the minimum acceptable way of life in the member state in which they live’.

Objective or subjective perceptions of poverty- The use of participatory methods has greatly encouraged an epistemology of poverty which relies on local understanding and perceptions. For example, exposure to domestic violence may be seen as important in one community, dependency on traditional structures in another.

Is There a Right Answer to the Definition of Poverty?

Is there a single right definition of poverty? The answer is certainly ‘no’, but current thinking does allow some simplification.

First, there is no philosophical disagreement with the statement that poverty needs to be understood first and foremost as a problem at the individual rather than the household level, though an understanding of an individual’s position within the household is essential to understanding the dimensions as well as the causes of disadvantage.

Second, most observers would include income obtained from common property and state provided commodities, particularly social welfare payments, though not always health and education provision.

Third, there is again little dissent from the view that people move in and out of poverty, and that seasonal, cyclical or stochastic shocks are important. For example, the distinction between chronic and transitory food security is mirrored in writing about poverty.

Fourth, relative poverty and relative deprivation are accepted as relevant, at least in theory. In developing countries, most definitions of poverty still rely on calculation of the cost of a basket of basic needs, but distribution data are normally provided.

Beyond these areas of agreement, there are different views on whether assets, including social claims, should be counted in a poverty matrix, on the importance of vulnerability, and on the relative prioritization of monetary and non-monetary variables. The most radical proponents of a participatory approach would deny the validity of standardized, so-called objective measures of poverty, whether based on income or wealth. Chambers, for example, has argued that these approaches are reductionist.

This can be problematic. Baulch has pointed out that there is an important trade-off between being able to identify the poor using local indicators, and being able to aggregate the results into meaningful, national or international figures: objective measures of poverty present numerous problems in terms of identifying the poor, but succeed in providing the aggregate statistics policy maker's desire.

Indicators of Poverty

There is nothing inherently wrong with setting targets and measuring progress towards them; nor with developing indicators useful for resource allocation. However, different models of poverty imply different indicators.

- i)* Money metric models require information on income or consumption;
- ii)* vulnerability models use indicators of wealth and exposure to risk, as well as income;
- iii)* models concerned with capability and functioning present indicators of life expectancy or educational achievement;

- iv) Models of well-being or social exclusion will include measures like the degree of social support.

It is frequent practice, however, to present a wider set of indicators than is immediately required. For example, World Bank poverty assessments, concentrating on money metric measures, will also provide evidence on health, education, physical isolation, and other so-called correlates of poverty. Some indicators are inherently more quantifiable than others, and more decomposable, in the sense that they can be subjected to statistical manipulation. Other measures of poverty are more qualitative and/or more location-specific, and cannot so easily be aggregated.

Inequality

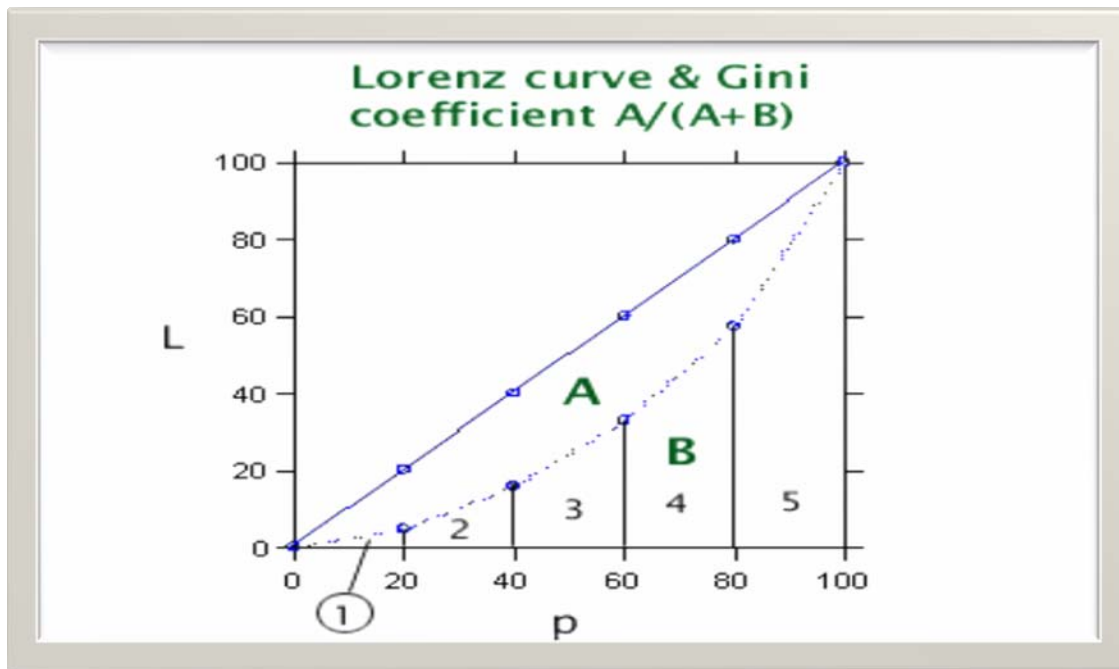
While a considerable share of the world population still lives in poverty, world income and wealth are very unequally distributed. Recent research shows the extent of world inequality in the distribution of personal wealth: The 24 richer OECD countries own 83% of world private wealth. The 64 poorest countries with 40% of world population own 2% of world personal wealth. In 2000 the 1% richest adults owned the 40% of overall private wealth the richest 10%, 85%; the poorest 50%, 1%.

The Gini Coefficient and Lorenz curve

One common measure of inequality is the *Gini coefficient*. To calculate the gini coefficient, imagine that all income-receiving units (IRUs) such as households are ranked by income from the smallest to the largest, and calculate the cumulative share of income accruing to each category of the populations from poorest to richest, as in the following table of the 1983 U.S. family income distribution.

Income Category	Share of Total Income (%)	p = Cumulative Share of Population (%)	L = Cumulative Share of Income (%)
Top 20%	42.7	100	100.0
4th 20%	24.4	80	57.3
3rd 20%	17.1	60	32.9
2nd 20%	11.1	40	15.8
Lowest 20%	4.7	20	4.7
Total	100		

The Lorenz curve is the plot of the cumulative income share L against the cumulative population share p as shown in the figure below.



The Gini coefficient (or "Gini index" or "Gini ratio") G is calculated from the Lorenz curve as the ratio $G = \text{Area A} / (\text{Area A} + \text{Area B})$. Note that $(\text{Area A} + \text{Area B})$ is the area of a triangle, given by $100 \times 100 / 2 = 5000$.

The Gini coefficient for the 1983 U.S. family income distribution is given by the following calculations.

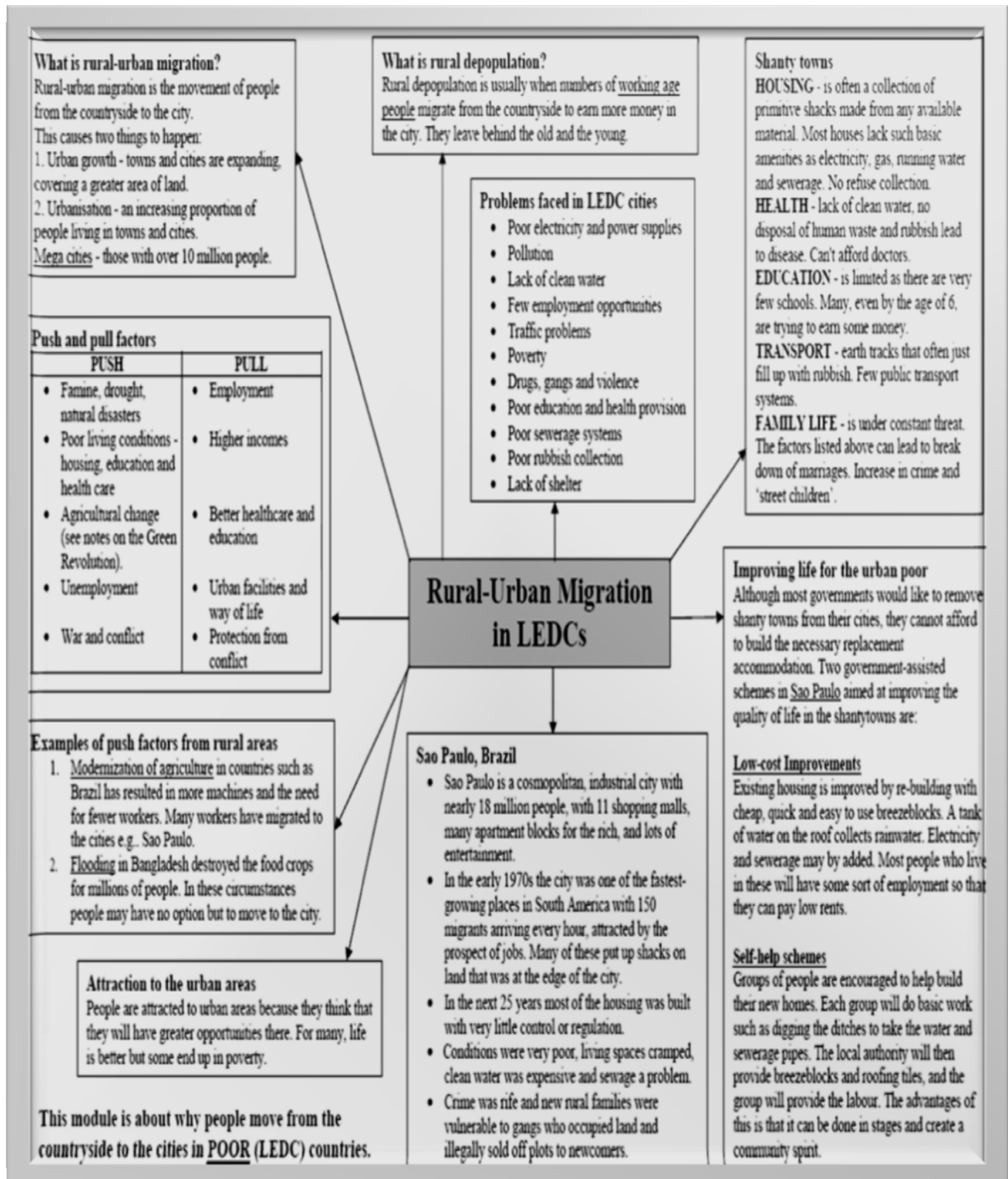
Calculation of Gini Coefficient

Area A + Area B	$100 \times 100 / 2 =$	5000
Area 1	$20 \times 4.7 / 2 =$	47
Area 2	$20 \times (4.7 + 15.8) / 2 =$	205
Area 3	$20 \times (15.8 + 32.9) / 2 =$	487
Area 4	$20 \times (32.9 + 57.3) / 2 =$	902
Area 5	$20 \times (57.3 + 100) / 2 =$	1573
Total Area B		3214
Area A	$5000 - 3214 =$	1786
Gini Coefficient	$1786 / 5000 =$	0.36 or 36%

Thus the Gini coefficient in this example is $1786/5000 = 0.36$ or 36%. In the Lorenz curve the 45 degrees line represents a situation of perfect equality. In general, the closer the Lorenz curve is to the line of perfect equality, the less the inequality and the smaller the Gini coefficient.

The Gini index of inequality of overall world wealth distribution (calculated using current exchange rates) is given as 89. Income is distributed less unequally than wealth, but still in a markedly unequal way. According to most estimates the Gini coefficient of world income distribution is around 65% in the contemporary world. To make a comparison, the Gini index of the distribution of family incomes of Italy is reported as 36, that of the USA 45, that of Sweden 25.

Rural Urban Migration





Review Questions

- i) *The post world war II period has seen an unprecedented explosion in human population. What factors have precipitated this phenomenon and what is its impact on development if any?*
- ii) *Describe some of the divergent views on the definition of poverty and its measurement*
- iii) *Assume the following figures were obtained from the National Bureau of Statistics of Switzerland in the year 2008*

Income Category	Share of Total Income (%)
Top 10%	22.8
9 th 10%	19.9
8 th 10%	14.3
7 th 10%	10.1
6 th 10%	9.1
5 th 10%	8.0
4 th 10%	6.8
3 rd 10%	4.3
2 nd 10%	3.5
Lowest 10%	1.2

Calculate Switzerland's Gini coefficient of inequality and interpret it

- iv) *Explain the factors precipitating rural-urban migration*
- v) *Discuss the challenges faced by the urban poor and the approaches adopted by some governments to address these challenges*
- vi) *Discuss the challenges of population growth to development in Africa*

CHAPTER FIVE

GENDER AND DEVELOPMENT



Learning Objectives

By the end of this chapter the learner should be able to:

- i) Define the various concepts of gender*
- ii) Explain the rationale for gender mainstreaming*
- iii) Explain the concept of affirmative action*
- iv) Discuss the justifications for affirmative action*

Concepts of Gender

Culture-The distinctive patterns of ideas, beliefs, and norms which characterize the way of life and relations of a society or group within a society

Gender Analysis- The systematic gathering and examination of information on gender differences and social relations in order to identify understand and redress inequities based on gender

Gender Discrimination- The systematic, unfavorable treatment of individuals on the basis of their gender, which denies them rights, opportunities or resources

Gender Division of Labour- The socially determined ideas and practices which define what roles and activities are deemed appropriate for women and men

Gender Equality and Equity- Gender equality denotes women having the same opportunities in life as men, including the ability to participate in the public sphere. Gender equity denotes the equivalence in life outcomes for women and men, recognizing their different needs and interests, and requiring a redistribution of power and resources

Gender Needs- Shared and prioritized needs identified by women that arise from their common experiences as a gender

Gender Planning- The technical and political processes and procedures necessary to implement gender-sensitive policy

Gender Relations- Hierarchical relations of power between women and men that tend to disadvantage women

Gender Training- A facilitated process of developing awareness and capacity on gender issues, to bring about personal or organizational change for gender equality

Gender Violence- Any act or threat by men or male-dominated institutions, which inflicts physical, sexual, or psychological harm on a woman or girl because of their gender

Intra-household Resource Distribution- The dynamics of how different resources that are generated within or which come into the household are accessed and controlled by its members

National Machineries for Women- Agencies with a mandate for the advancement of women established within and by governments for integrating gender concerns in development policy and planning

Patriarchy- Systemic societal structures that institutionalize male physical, social and economic power over women

Sex and Gender- Sex refers to the biological characteristics that categorize someone as either female or male; whereas gender refers to the socially determined ideas and practices of what it is to be female or male

Social Justice- Fairness and equity as a right for all in the outcomes of development, through processes of social transformation

WID/GAD- The WID (or Women in Development) approach calls for greater attention to women in development policy and practice, and emphasizes the need to integrate them into the development process. In contrast, the GAD (or Gender and Development) approach focuses on the socially constructed basis of differences between men and women and emphasizes the need to challenge existing gender roles and relations

Women's Empowerment- A 'bottom-up' process of transforming gender power relations, through individuals or groups developing awareness of women's subordination and building their capacity to challenge it

Women's Human Rights- The recognition that women's rights are human rights and that women experience injustices solely because of their gender

Gender Mainstreaming

Gender mainstreaming is an organizational strategy to bring a gender perspective to all aspects of an institution's policy and activities, through building gender capacity and

accountability. The 1970s strategies of integrating women into development by establishing separate women's units or programmes within state and development institutions had made slow progress by the mid- 1980s (*See National Machineryes for Women*). In light of this, the need was identified for broader institutional change if pervasive male advantage was to be challenged.

Adding women- specific activities at the margin was no longer seen as sufficient. Most major development organizations and many governments have now embraced 'gender mainstreaming' as a strategy for moving towards gender equality.

With a mainstreaming strategy, gender concerns are seen as important to all aspects of development; for all sectors and areas of activity, and a fundamental part of the planning process.

Responsibility for the implementation of gender policy is diffused across the organizational structure, rather than concentrated in a small central unit.

Such a process of mainstreaming has been seen to take one of two forms. The agenda-setting approach to mainstreaming seeks to transform the development agenda itself whilst prioritizing gender concerns.

The more politically acceptable integrationist approach brings women's and gender concerns into all of the existing policies and programmes, focusing on adapting institutional procedures to achieve this. In both cases, political as well as technical skills are essential to a mainstreaming strategy.

Any approach to mainstreaming requires sufficient resources, as well as high-level commitment and authority. A combined strategy can be particularly powerful. This involves the synergy of a catalytic central gender unit with a cross-sectoral policy oversight and monitoring role, combined with a web of gender specialists across the institution. The building of alliances both within the institution and with outside constituencies, such as women's organizations, is crucial for success. Mainstreaming tools include gender training, introducing incentive structures which reward efforts on gender, and the development of gender-specific operational tools such as checklists and guidelines.

Rationale for Mainstreaming Gender

- i)* Recognition that development policies impact female and male differently hence the need to ensure that the needs of both are taken on board during policy development, implementation, monitoring and evaluation
- ii)* The need of collective process of articulating a shared vision of sustainable human development and translating it into reality (through policy, programmes and budgets) hence the need for the effective participation of both women and men.
- iii)* Recognition of the need for a combined strategy to address women empowerment issues including selected focus of channeling assistance to women, as a target group, to a more mainstreaming approach of promoting gender equality as a development goal.
- iv)* It is a commitment to ensure concerns and experiences of both women and men are integral to the design, implementation, monitoring and evaluation of all legislation, policies and programmes
- v)* It concerns the staffing, procedures, programmes and culture of development organizations
- vi)* Recognizes gender equality as critical to the achievement of other development goals including poverty reduction.

The affirmative Action

Affirmative action began as corrective for past governmental and social injustices against demographic groups that have been subjected to prejudice. Such groups are characterized most commonly by race, sex or gender, or ethnicity. Affirmative action seeks to increase the representation of these demographic groups in schools, in work place, and in society in general.

A certain group or gender may be less proportionately represented in an area, often employment or education, due predominantly, in the view of proponents, to past or ongoing discrimination against members of the group.

Rationale for Affirmative action

The theory is that a simple adoption of meritocratic principles along the lines of race-blindness or gender-blindness would not suffice to change the situation for several reasons:

- i) Discrimination practices of the past preclude the acquisition of 'merit' by limiting access to educational opportunities and job experiences.
- ii) Ostensible measures of 'merit' might well be biased toward the same groups who were already empowered.
- iii) Regardless of overt principles, people already in positions of power will be likely to hire people they already knew, and/or people from similar backgrounds.

In such a circumstance, proponents believe government action giving members of the group preferential treatment is necessary in order to achieve a proportionate distribution.

From its outset, affirmative action was seen as a transitional strategy, with the intent that over some period of time- variously estimated from a generation to a century- the effects of past discrimination would be sufficiently countered that such a strategy would no longer be necessary: the power elite would reflect the demographics of society at large.

Affirmative action in Kenya in has mainly been on gender and earlier on for marginalized areas. Affirmative action in South Africa is designed to correct the systemic effects of discrimination created by Apartheid. Though affirmative action in the U.S. is primarily associated with racial issues, the American civil rights movement originally gave as its purpose the correction of a history of oppression against all working-class and low-income people, and women have figured as prominently as ethnic minorities among its beneficiaries.



Review Questions

- i) *Define the following concepts of gender and provide specific examples from the Kenyan setting*
 - a) *National Machineries for Women*
 - b) *Gender Relations*
 - c) *Gender Needs*
 - d) *Gender Discrimination*
 - e) *Gender Equality and Equity*

- ii) *What is gender mainstreaming?*
- iii) *Explain the rationale for gender mainstreaming in development policies*
- iv) *Explain the concept of affirmative action and provide specific example from Kenya, South Africa and USA*
- v) *Discuss the justifications for affirmative action*

CHAPTER SIX

ECONOMIC LIBERALIZATION



Learning Objectives

By the end of this chapter the learner should be able to:

- i) Define the term economic liberalization*
- ii) Define the term structural adjustment*
- iii) State the measures taken to liberalize the Kenyan economy in the 80s and 90s*
- iv) Discuss the effects of structural adjustment programs had on Kenya*
- v) Define the role of foreign direct investments for developing countries*

Structural Adjustment Programmes

Structural adjustment is a term used to describe the policy changes implemented by the International Monetary Fund (IMF) and the World Bank. Structural Adjustment Programs generally implement "free market" programs and policy. These programs include internal changes (notably privatization and deregulation) as well as external ones, especially the reduction of trade barriers.

Structural adjustment in Kenya started as early as the mid 1970s. However, initially the adjustments undertaken were not of much significance, since they mainly involved tinkering with the economy without changing it much. Thus up to the end of 1980 Kenya's economy continued to have a plethora of chocking regulations and controls on most markets and economic activities. This resulted in economic stagnation and called for major structural adjustments to the economy. Bold adjustment measures were taken towards the end of 1980 and involved, inter alia:

Decontrol of prices in the economy- Today almost all prices in Kenya have been decontrolled. This has been part of a comprehensive economic liberalization process implemented by the Government with the support of the IMF and the World Bank.

Removal of subsidies- The Government removed subsidies on fertilizers, transport and fuels. Those on education, health care and other social services were lowered. As subsidies on

most social services were lowered they were replaced with user charges under cost sharing schemes.

Devaluation and later floating of the Kenya Shilling- This was accompanied by the removal of almost all foreign exchange controls and restrictions. Kenya is now pursuing a liberal foreign exchange policy. Immediately after this the Shilling depreciated sharply, a process similar to devaluation.

Divestiture of the Government from the private sector- The Government has embarked on a momentous programme of divesting itself from economic activities which are best undertaken by the private sector. For example, it disposed of its shares in the Kenya Airways, Uchumi Supermarkets, HFCK, Kenya Commercial Bank and others to the general public.

Retrenchment in the civil service- The Government has been laying off civil servants and other workers in state corporations. The main objective of doing this has been to reduce the wage bill and hence recurrent expenditure in order to release such resources for development expenditure. Although those laid off were compensated with 'golden handshakes', many of them squandered this money, thus and ended up poor and desperate.

Reduction in the budget deficit- The Government had been borrowing heavily from money markets in order to finance the shortfall between revenue and expenditure. This deficit had exploded over time to unacceptable levels as proportions of national income. Such borrowing crowded out the private sector from the money markets. As a result private investors had limited access to loanable funds. Since the private sector is more efficient than the public sector in the use of scarce resources such as loanable funds, this denied the society the opportunity to make the best use of its resources.

The Government tried to reduce budget deficits through sharp reductions in public expenditure coupled with concerted efforts to increase revenue through better taxation policies and enhanced efficiency in the collection of revenues. Although all sectors were affected by the reduction in public expenditure, the axe fell more heavily on the social services such as education and health care. This is mainly because these two sectors have historically accounted for the lion's share of the country's budgetary resources.

Effects of Structural Adjustment Programmes

Adjustment has 'social effects', which are those extending beyond individual households to the whole society. For example, in the short run macro-economic adjustment reduces the overall level of income in the economy, which translates to lower incomes for most households. Structural adjustment programmes have both direct and indirect effects on the political structures of an adjusting country. This is because they change the political attitudes and behavior of those who gain or lose as a result of the adjustment processes.

Adjustment programmes often have adverse administrative effects. This is because a cost-recovery programme in a country like Kenya where public sector incomes and wages are very low tends to encourage mis-appropriation of funds, bribery and general corruption. SAPs also increase the debt burden of a country in terms of local currency. Therefore in order to service such debts funds have to be diverted from pressing administrative needs such as the police force, judiciary, courts, and so on. This reduces the capacity of the society to fight and manage crime.

In summary, structural adjustment programmes can have serious adverse social effects. They lead to increased poverty, insecurity, crime and violence. As the poor become more desperate and destitute, they easily resort to such criminal activities as looting when riots break out. This is because the poor increasingly ascribe their plight to 'exploitation' by the rich, especially Asians. These adverse social effects are more profound among the urban poor and the underclass.

Foreign Direct Investments

Aid and loans in the 1960s and 70s created "aid dependency" and the debt crisis in the 1980s and 90s. FDI is the best source of development finance, on the grounds, among other, that it is self-liquidating since foreign investors have to show profits for the host country as well as for themselves; and it does not lead to debt overhang. A more qualified proposition is made that "properly regulated" FDI can bring growth, jobs, technology, skills, market access and development; that its negative effects must be balanced with its good effects; or that FDI must be "sequenced", or be subject to some kind of Tax. FDI is neither good nor bad; it all depends on how you deal with it. This view is now becoming popular in many circles, including some reformed neo-liberal economists, especially after the East Asian and Argentina crises of 1997 – 2001



Review Questions

- i) *Define the term economic liberalization*
- ii) *Define the term structural adjustment*
- iii) *State the measures taken to liberalize the Kenyan economy in the 80s and 90s*
- iv) *Discuss the effects of Structural adjustment programs in Kenya*
- v) *What are the presumed benefits of foreign direct investments in developing countries*

CHAPTER SEVEN

ETHICS AND CULTURAL VALUES IN DEVELOPMENT



Learning Objectives

By the end of this chapter the learner should be able to:

- i) Define development ethics*
- ii) Describe the sources of development ethics*
- iii) Discuss the areas of disagreements in development ethics*
- iv) Define culture and its role in development*
- v) Discuss the various models of development and cultural change*

Development Ethics

Ethics may be defined as the branch of knowledge concerned with moral principles. It deals with the principles of right and wrong behavior and the goodness or badness of human character, the adherence to the code of behavior that is considered right or acceptable.

Development philosophers and other ethicists formulate ethical principles relevant to social change in poor countries, analyze and assess the moral dimensions of development theories and seek to resolve the moral quandaries raised in development policies and practice:

- i) In what direction and by what means should a society 'develop'?*
- ii) Who is morally responsible for beneficial change?*
- iii) What are the obligations, if any, of rich societies (and their citizens) to poor societies?*

Sources of Development Ethics

There are several sources for moral assessment of the theory and practice of development. First, beginning in the 1940s, activists and social critics—such as Gandhi in India, Raúl Prébisch in Latin America, and Frantz Fanon in Africa—criticized colonial and/or orthodox economic development.

Second, since the early 1960s, American Denis Goulet, has argued that 'development' needs to be redefined, demystified, and thrust into the arena of moral debate. Goulet was a pioneer in addressing 'the ethical and value questions posed by development theory, planning,

and practice. One of the most important lessons taught by Goulet, is that so-called 'development', owing to its costs in human suffering and loss of meaning, can amount to 'anti-development'.

A third source of development ethics is the effort of Anglo-American moral philosophers to deepen and broaden philosophical debate about famine relief and food aid in the 1970s. Many philosophers debated whether affluent nations (or their citizens) have moral obligations to aid starving people in poor countries and, if they do, what are the nature, bases and extent of those obligations. By the early eighties, however, moral philosophers had come to agree with those development specialists who for many years had believed that famine relief and food aid were only one part of the solution to the problems of hunger, poverty, underdevelopment and international injustice. What is needed, argued these philosophers, is not merely an ethics of aid but a more comprehensive, empirically informed, and policy relevant 'ethics of Third World development'.

A fourth source of development ethics is the work of Paul Streeten and Amartya Sen. Both economists have addressed the causes of global economic inequality, hunger and underdevelopment and attacked these problems with, among other things, a conception of development explicitly formulated in terms of ethical principles. Building on Streeten's 'basic human needs' strategy, Sen argues that development should be understood ultimately not as economic growth, industrialization or modernization, which are at best means (and sometimes not very good means), but as the expansion of people's 'valuable capabilities and functioning': 'what people can or cannot do, e.g., whether they can live long, escape avoidable morbidity, be well nourished, be able to read and write and communicate, take part in literary and scientific pursuits, and so forth.

Areas of Consensus in Development Ethics

Although they differ on a number of matters, development ethicists exhibit a wide consensus about the commitments that inform their enterprise, the questions they are posing and the unreasonableness of certain answers. Development ethicists typically ask the following related questions:

- i) What should count as (good) development?

- ii)* What should be a society's basic economic, political and cultural goals and strategies, and what principles should inform their selection?
- iii)* What moral issues emerge in development policymaking and practice and how should they be resolved?
- iv)* How should the burdens and benefits of development be conceived and distributed?
- v)* Who or what should be responsible for bringing about development? A nation's government, civil society or the market? What role—if any— should more affluent states, international institutions, and nongovernmental associations and individuals have in the self-development of poor countries?
- vi)* What are the most serious local, national and international impediments to good development?
- vii)* To what extent, if any, do moral skepticism, moral relativism, national sovereignty and political realism pose a challenge to this boundary-crossing ethical inquiry?
- viii)* Who should decide these questions and by what methods?

In addition to accepting the importance of these questions, most development ethicists share ideas about their field and the general parameters for ethically based development:

First, development ethicists contend that development practices and theories have ethical and value dimensions and can benefit from explicit ethical analysis and criticism.

Second, development ethicists tend to see development as a multidisciplinary field that has both theoretical and practical components that intertwine in various ways. Hence, development ethicists aim not merely to understand development, conceived generally as desirable social change, but also to argue for and promote specific conceptions of such change.

Third, although they may understand the terms in somewhat different ways, development ethicists are committed to understanding and reducing human deprivation and misery in poor countries.

Fourth, a consensus exists that development projects and aid givers should seek strategies in which both human well-being and a healthy environment jointly exist and are mutually reinforcing

Fifth, these ethicists are aware that what is frequently called 'development'— for instance, economic growth—has created as many problems as it has solved. 'Development' can be used both descriptively and normatively. In the descriptive sense, 'development' is usually identified as the processes of economic growth, industrialization, and modernization that result in a society's achieving a high (per capita) gross domestic product. So conceived, a 'developed' society may be either celebrated or criticized. In the normative sense, a developed society, ranging from villages to national and regional societies, is one whose established institutions realize or approximate (what the proponent believes to be) worthwhile goals—most centrally, the overcoming of economic and social deprivation. In order to avoid confusion, when a normative sense of 'development' is meant, the noun is often preceded by a positive adjective such as 'good' or 'ethically justified'.

A sixth area of agreement is that development ethics must be conducted at various levels of generality and specificity. Just as development debates occur at various levels of abstraction, so development ethics should assess:

- i)* Basic ethical principles,
- ii)* Development goals and models such as 'economic growth', 'growth with equity', 'basic needs' and, in the nineties, 'sustainable development', 'structural adjustment' and 'human development' (United Nations Development Programme), and
- iii)* Specific institutions and strategies.

Seventh, most development ethicists believe their enterprise should be international in the triple sense that the ethicists engaged in it come from many nations, including poor ones; that they are seeking to forge an international consensus; and that this consensus emphasizes a commitment to alleviating worldwide deprivation.

Eighth, although many development ethicists contend that at least some development principles or procedures are relevant for any poor country; most agree that development strategies must be contextually sensitive. What constitutes the best means—for instance, state provisioning, market mechanisms, civil society and their hybrids—will depend on a society's history and stage of social change as well as on regional and global forces.

Areas of Disagreements in Development Ethics

A first unresolved issue concerns the scope of development ethics. Development ethics originated as the 'ethics of Third World Development' there is no consensus, however, on whether or not development ethics should extend beyond its central concern of assessing the development ends and means of poor societies.

Some argue that development ethicists should criticize human deprivation wherever it exists and that rich countries, since they too have problems of poverty, powerlessness, and alienation, are 'underdeveloped' and, hence, fall properly within the scope of development ethics. Others contend that since development ethicists address questions of rich country responsibility and global distributive justice, they should not restrict themselves to official development assistance but also should treat international trade, capital flows, migration, environmental pacts, military intervention, and responses to human rights violations committed by prior regimes.

The chief argument against extending the boundaries in these ways is that development ethics would thereby become too ambitious and diffuse. If development ethics grew to be identical with all social ethics or all international ethics, the result might be that insufficient attention would be paid to alleviating poverty and powerlessness in poor countries.

Development ethicists also are divided on the status of the moral norms that they seek to justify and apply. Three positions have emerged. Universalists, argue that development goals and principles are valid for all societies. Particularists, reply that universalism masks ethnocentrism and (Northern) cultural imperialism.

A third approach tries to avoid the standoff between the first two positions. On this view, development ethics should forge a cross-cultural consensus in which a society's own freedom to make development choices is one among a plurality of fundamental norms and in which these norms are of sufficient generality so as not only to permit but also to require sensitivity to societal differences.

Development ethicists also differ with respect to whether (good) societal development should have—as an ultimate goal—the promotion of values other than the present and future human good. Some development ethicists ascribe intrinsic value, equal to or even superior to the good of individual human beings, to human communities of various kinds, for instance, family, nation or cultural group.

Others argue that nonhuman individuals and species, as well as ecological communities, have equal and even superior value to human individuals. Those committed to 'eco-development' or 'sustainable development' do not yet agree on what should be sustained as an end in itself and what should be maintained as an indispensable or merely helpful means. Nor do they agree on how to surmount conflicts among intrinsic values.

Culture and Development

Culture is defined broadly to include every aspect of the day-to-day life of a group of human beings that is transmitted from one generation to another. Economic transactions, social customs and relationships, political ideologies, artistic expression, language, and religious practices reflect cultural values and behaviors. Cultural sustainable development implies development that is shaped by - and takes into account its impact on - the shared ideas, beliefs, and values as well as the intellectual, moral, and aesthetic standards of a community

An increased sensitivity to cultural aspects within mainstream development theory can be attributed to the decline and disintegration of those cultures subjected to the forces of "westernization." The shortcomings of past development efforts have challenged development practitioners to broaden their focus to include culture. Besides the lessons of history, two broad forces have influenced the emerging awareness of culture in development thinking: postmodernism and cultural pluralism.

In postmodern philosophy the focus is no longer on discovering absolutes, but on exploring the relationship between probabilities. Relativity rather than exclusive absolutism has become normative. Postmodern philosophy has pointed out that scientists (and others) are biased not only by their convictions about preferred theories and methods, but also by their metaphysical worldviews.

The cultural plurality of our global community has not always been affirmed. History is full of examples of cultural elitism in which one group made exclusive claims for itself and condemned others. Recent history has shaped the demand for a recognition and acceptance of pluralism. The world wars in the first half of this century resulted in a greater consciousness of the right of differing cultures and people groups to exist.

More recently the struggle for justice of aboriginal peoples everywhere has made us poignantly aware of the power of solidarity in language and spirituality, and of the resilience of

culture. Formal recognition of aboriginal peoples and their right to self-determination has supported the notion of cultural plurality.

Models of Development and Cultural Change

Central to the concept of cultural sustainability is an understanding of the process of change. Cultures evolve; and change is inherent in the life process. Cultural change often results from an introduction of new ideas or technology or from ecological or economic change. Cultures, like other systems, tend to seek regularity and equilibrium, but also are faced with contradictions and conflicts. To resolve these, change takes place. Over the last five decades, the highly increased pace of change in most cultures around the world underscores the need to understand the change process. Cultural change can result from many development approaches. The table below shows models of development that is invariably associated with some form of cultural change.

Table 1. Models of Development and Cultural Change			
Model	Type of Change	Example	Implications for Cultural Sustainability
Imperialism	change is imposed or forced	colonialism, conditional aid, militaristic peacemaking	coerced acculturation, cultural homogeneity, loss/extermination of indigenous values and social organization
Charity	change is a "given" because of things given	relief and humanitarian assistance	loss/destruction of indigenous adaptation strategies and increasing reliance on externally-dependent coping mechanisms
Modernization	change is planned for others for their supposed benefit	mega-projects, multinationalism, basic needs development projects	notions of progress as material well-being and individualism, problems of elitism and equitable distribution of benefits, culture is given secondary status
Institutional	change is controlled by participants but guided by western ideologies and values	local organizational development, partnership strategies	cultural transformation via transferral of worldviews and values through institution building
Indigenous	change from within, little interaction with the developed world	indigenous NGOs, bridging organizations, people movements	cultural preservation is valued, cultural change is indigenous, isolation from other cultures



Review Questions

- i) *Define development ethics*
- ii) *Define culture and its explain its influence on development activities*
- iii) *Describe the sources of development ethics*
- iv) *State the key questions posed by development ethicists in the development of ethics in development*
- v) *Discuss the areas of disagreements in development ethics*
- vi) *Define culture and discuss its role in development*
- vii) *Explain the implication of the institutional model of development on cultural Sustainability*

SAMPLE QUESTION PAPERS

1



DEPARTMENT OF BUSINESS AND SOCIAL STUDIES

End of Semester Examination - Aug - Dec, 2009

BBM121/UCU 002: DEVELOPMENT STUDIES

Time: 2 Hrs

Instructions to Candidates: *Answer question 1 (Compulsory) and any other TWO questions.*

QUESTION 1

- a) Discuss the tenets of dependency theories of development (12mks)
- b) Discuss the root causes of Africa underdevelopment(9mks)
- c) Explain the rationale of gender mainstreaming in development policies(9mks)

QUESTION 2

- a) Discuss the benefits of participatory development(12mks)
- b) Explain the implications of imperialism model of development on cultural sustainability (8mks)

QUESTION 3

- a) Explain the key principles of sustainable development strategies(12mks)
- b) Discuss four challenges of population growth to development in Africa(8mks)

QUESTION 4

- a) Discuss the functions of regional integration(12mks)
- b) With appropriate examples distinguish between the concepts of gender equity and equality(8mks)

QUESTION 5

- a) Explain the push and pull factors that promote rural urban migration (12mks)
- b) Highlight the problems of development indicators(8mks)



DEPARTMENT OF BUSINESS AND SOCIAL STUDIES
End of Semester Examination - Oct - Jan, 2009 (Evening Class)
BBM121/UCU002: DEVELOPMENT STUDIES

Time: 2 Hrs

Instructions to Candidates: *Answer question 1 (Compulsory) and any other TWO questions.*

QUESTION 1

- (a) Discuss the limitations of GDP as a measure of economic health (7mks)
- (b) Describe the merits of participatory development (6mks)
- (c) Discuss the role played by co-operatives in economic development (6mks)
- (d) Explain the reasons why disputes arise over natural resources (6mks)
- (e) State the key functions of regional integration (5mks)

QUESTION 2

- (a) Discuss the consequences of industrialization (8)
- (b) Discuss the tenets of strategy theories of development (12mks)

QUESTION 3

- (a) Describe the main areas of consensus for development ethicists (12mks)
- (b) De-industrialization describes the decline in the contribution made by manufacturing industry to a nation's overall economic prosperity. With appropriate examples explain why this process should rather be referred to re-industrialization (8mks)

QUESTION 4

- (a) Discuss the presumed benefits of genuine progress indicator over gross domestic product as indicators of development (12mks)
- (b) Discuss the criticisms leveled against modernization as a model of development (8mks)

QUESTION 5

- (a) Discuss the consequences of population growth to development in Africa (10mks)
- (b) Explain the concept of gender planning (10mks)



DEPARTMENT OF BUSINESS AND SOCIAL STUDIES

Supplementary/Special Examination - Oct- Jan, 2009

BBM121/UCU002: DEVELOPMENT STUDIES

Time: 2 Hrs

Instructions to Candidates: *Answer question 1 (Compulsory) and any other TWO questions.*

QUESTION 1

- (a) Describe the continuous improvement approach to the management of development strategies (6mks)
- (b) Explain the rationale behind affirmative action (5mks)
- (c) Discuss the main problems of development indicators (6mks)
- (d) Describe the approaches to sustainable development strategies (6mks)
- (e) State the key questions posed by development ethicists in the development of ethics in development (7mks)

QUESTION 2

- (a) Explain the implication of the institutional model of development on cultural Sustainability (12mks)
- (b) Describe the justification for gender mainstreaming in development policies (8mks)

QUESTION 3

- (a) Describe the role that the government can play to promote research and development (8mks)
- (b) Discuss the key issues that confront cities in developing countries due the problem of rural-urban migration (12mks)

QUESTION 4

- (a) State the measures that the Kenyan government instituted under the structural adjustment program in the 1990s (8mks)
- (b) Discuss the root causes of Africa underdevelopment (12mks)

QUESTION 5

- (a) Describe the negative impacts of industrialization (8mks)
- (b) Discuss the basic tenets dualism theories of development (12mks)