

UNDERSTANDING PHENOMENA

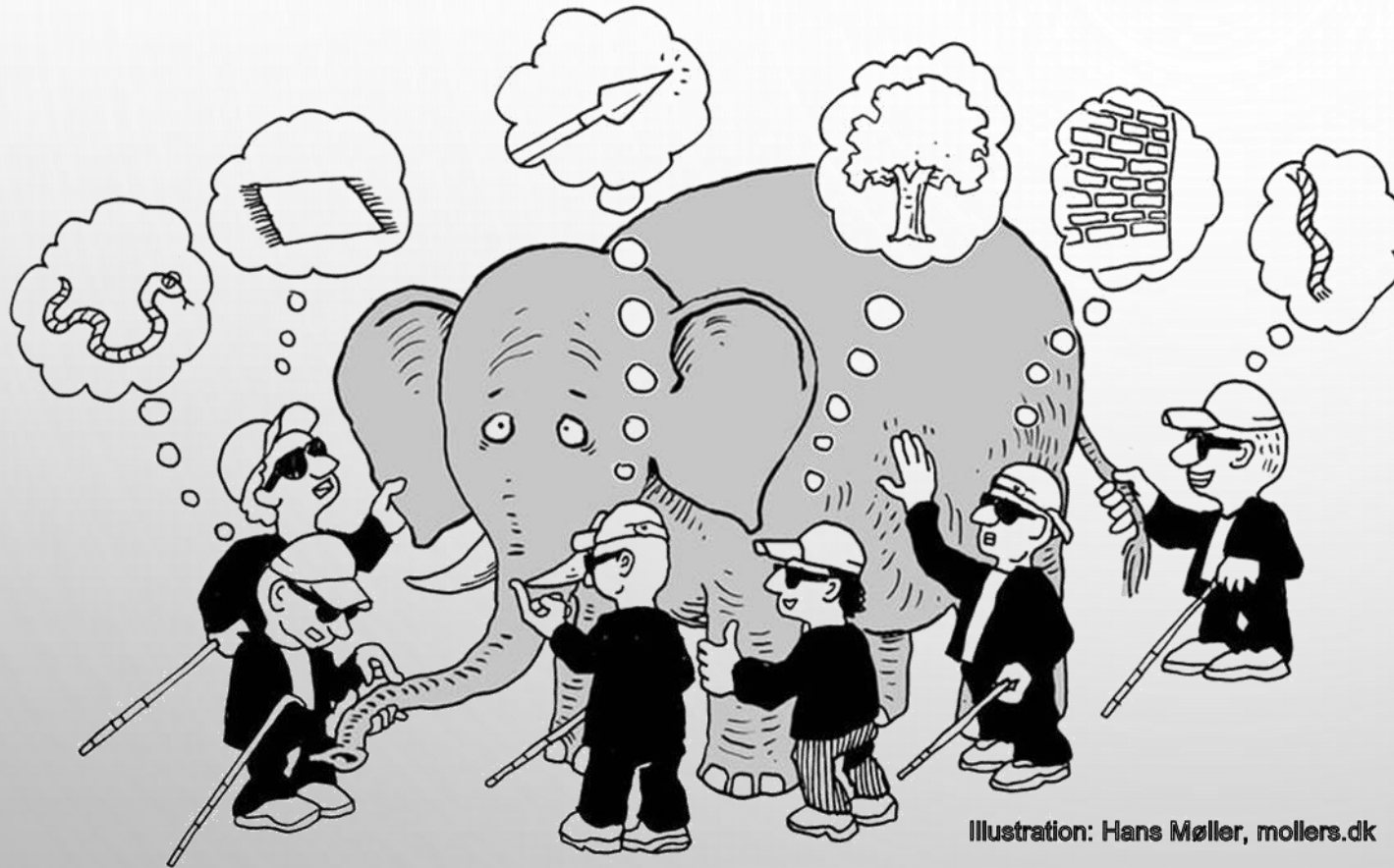
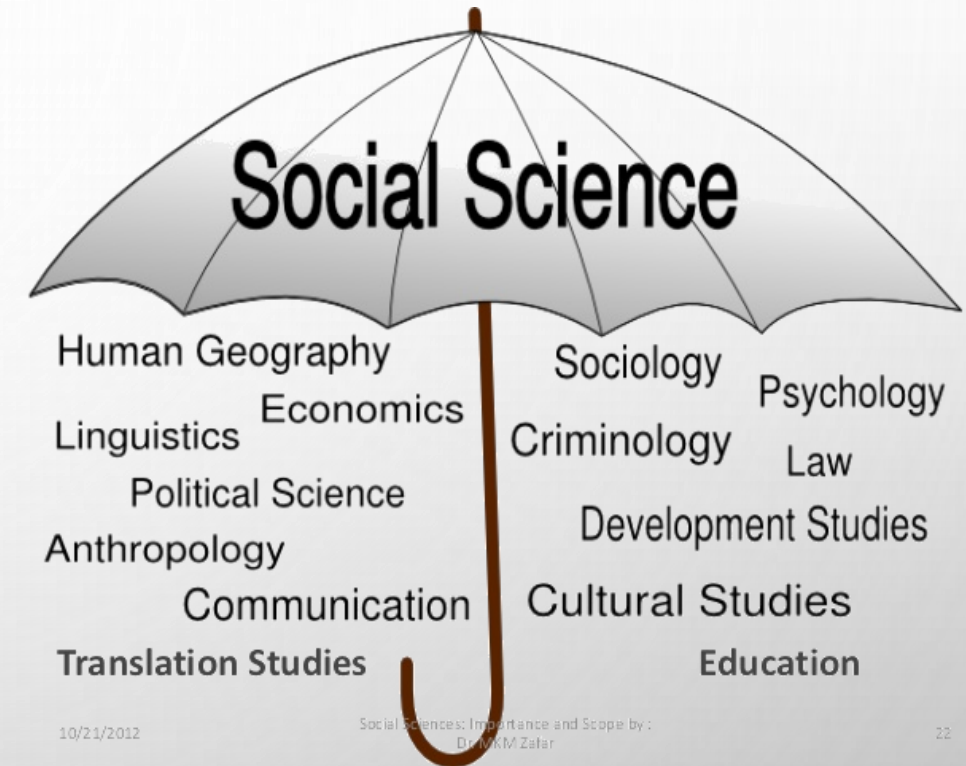


Illustration: Hans Møller, mollers.dk



10/21/2012

Social sciences: Importance and Scope by :
Dr. NKM Zafar

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PARADIGM

- **PARADIGMS ARE A WAY OF FRAMING WHAT WE KNOW, WHAT WE CAN KNOW, AND HOW WE CAN KNOW IT.**
 - PARADIGMS SHAPE OUR EVERYDAY VIEW OF THE WORLD.
- 

THE WORLD ACCORDING TO AMERICANS 2012

from Yanko Tsvetkov's Atlas of Prejudice
www.alphadesigner.com



SIAM ACCORDING TO BANGKOKIAN



ONTOLOGY (ภววิทยา)
VERSUS
EPISTEMOLOGY (ญาณวิทยา)

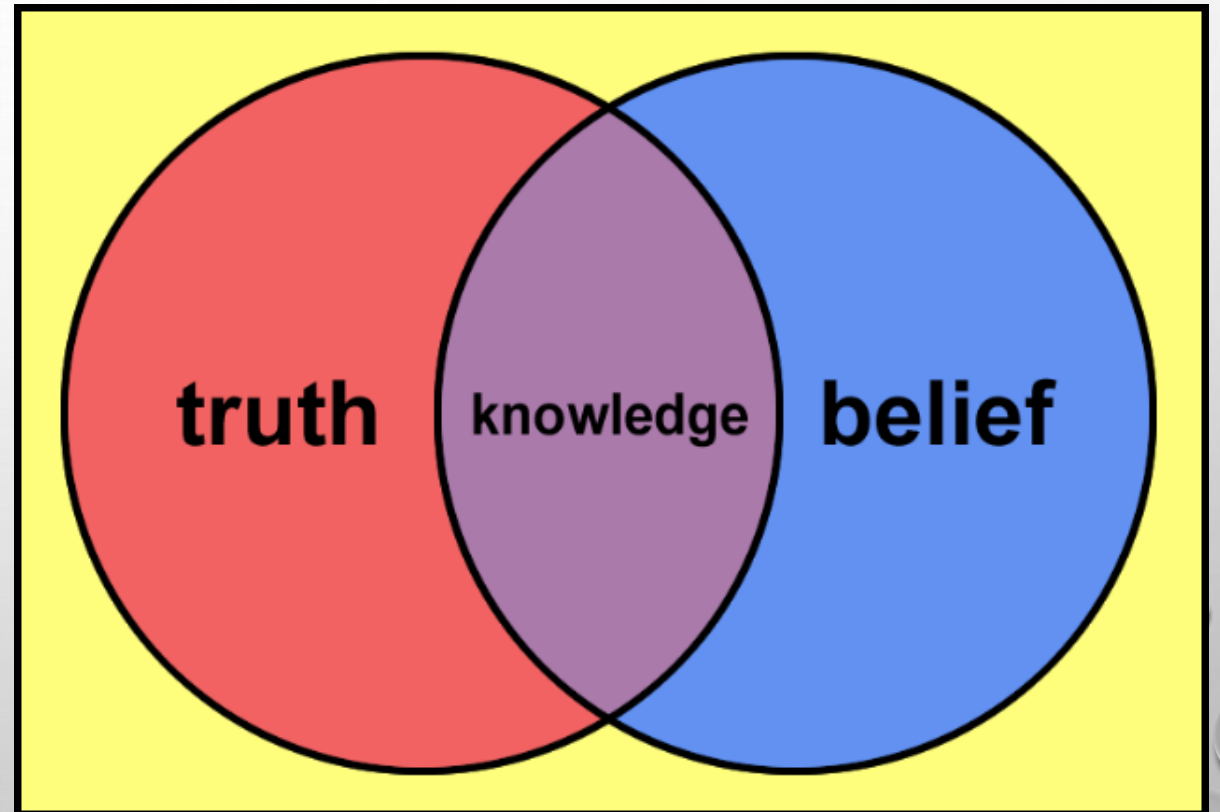
Ontology is concerned with what is true or real, and the nature of reality

Asks questions like
“*What is existence?*”
and “*What is the nature of existence?*”

Epistemology is concerned with the nature of knowledge and different methods of gaining knowledge

Asks questions like
“*What do you know?*” and “*How do you know it?*”

Pediaa.com



PARADIGM

- FOUR OF THE MOST COMMON SOCIAL SCIENTIFIC PARADIGMS

- **POSITIVISM**

- The positivist framework operates from the assumption that society can and should be studied empirically and scientifically.
- Positivism is guided by the principles of objectivity, knowability, and deductive logic.
- **“Reality exists ‘out there’ and is driven by immutable natural laws and mechanisms.**
- Knowledge of these entities, laws, and mechanisms is conventionally summarized in the form of **time- and context-free generalizations”** (guba, 1990, p. 20)

PARADIGM

- FOUR OF THE MOST COMMON SOCIAL SCIENTIFIC PARADIGMS

- **SOCIAL CONSTRUCTIONISM**

- Social context and interaction frame our realities.
- The social constructionist framework posits that **“truth” is a varying, socially constructed, and ever-changing notion.**
- We create reality ourselves (as opposed to it simply existing and us working to discover it) through our interactions and our interpretations of those interactions.
- Interest in how people come to socially agree, or disagree, about what is real and true.
- It would be a mistake to think of the social constructionist perspective as only individualistic. While individuals may construct their own realities, groups—from a small one such as a married couple to large ones such as nations—often agree on notions of what is true and what “is.”
- In other words, the meanings that we construct have power beyond the individual people who create them. Therefore, the ways that people work to change such meanings is of as much interest to social constructionists as how they were created in the first place.

PARADIGM

- **THE CRITICAL PARADIGM**

- Unlike the positivist paradigm, the critical paradigm posits that social science can never be truly objective or value-free.
- Further, this paradigm operates from the perspective that scientific investigation should be conducted with **the express goal of social change in mind.**

PARADIGM

- **POSTMODERNISM**

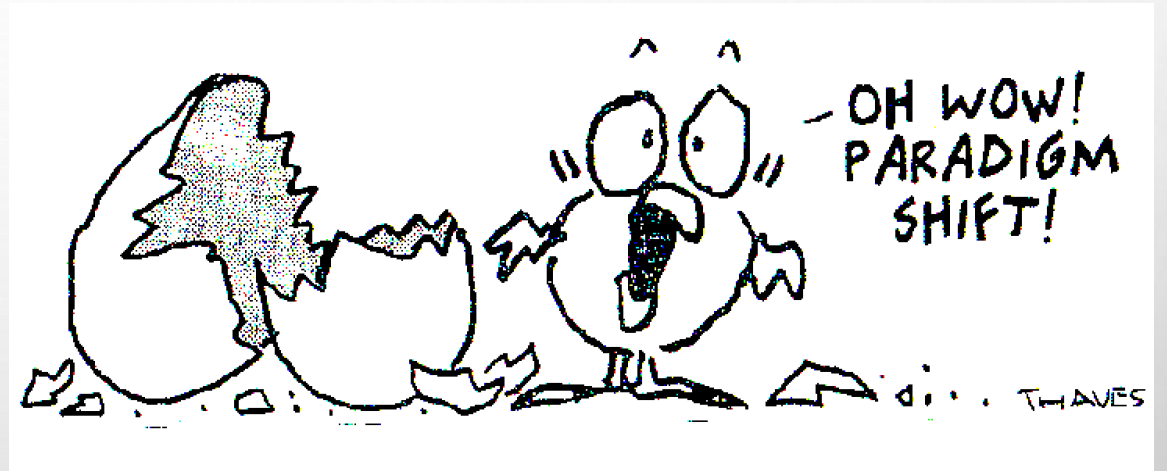
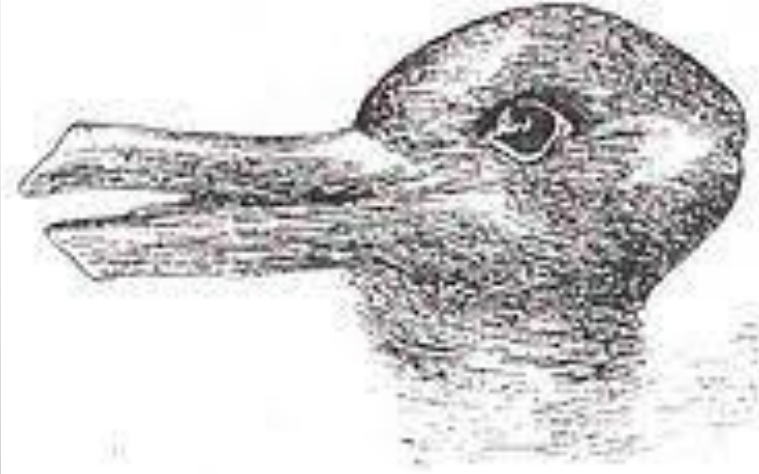
- While positivists claim that there is an objective, knowable truth, postmodernists would say that there is not.
- While social constructionists may argue that truth is in the eye of the beholder (or in the eye of the group that agrees on it), postmodernists may claim that we can never really know such truth because, in the studying and reporting of others' truths, the researcher stamps her or his own truth on the investigation.
- Finally, while the critical paradigm may argue that power, inequality, and change shape reality and truth, a postmodernist may in turn ask, whose power, whose inequality, whose change, whose reality, and whose truth?
- How does one study something that may or may not be real or that is only real in your current and unique experience of it?

The Major Paradigms

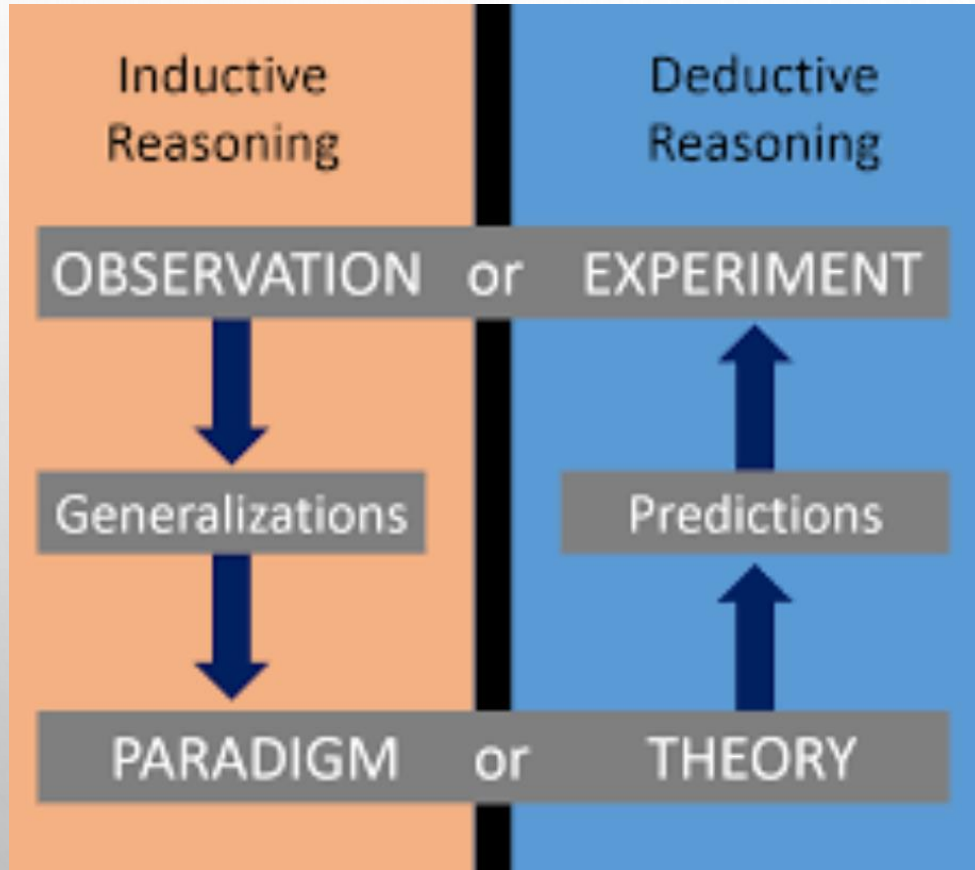
Descriptive	Positivism	Post-Positivism	Interpretivism	Critical Theory	Pragmatism
Synonym	Verify	Predict	Understand/ Interpret	Emancipate	Dialectic
Ontology What is Real?	Objectivist; findings=truth, realism	Modified objectivist; findings probably true, transcendental realism	Local, relative, co-constructed realities, subjective objectivity, relativism	Historical/virtual realism shaped by outside forces, material subjectivity	Constructed, based on world we live in and explanations that produce the best desired outcomes
Epistemology What is True?	the only knowledge is scientific knowledge – which is truth, reality is apprehensible	Findings approximate truth, reality is never fully apprehended	Co-created multiple realities and truths	Findings are based on values, local examples of truth	Objective and subjective points of view
Methodology How do I examine what is real?	Quantitative – Primarily Experimental, quasi- experimental	Usually Quantitative – Experimental with threats to validity, Qualitative (e.g., Case study)	Often Qualitative and/or Quantitative	Usually Qualitative, but also quantitative	Qualitative & Quantitative

Milman, 2010

PARADIGM SHIFT



REASONING



Inductive reasoning (การให้เหตุผลแบบอุปนัย)

- Inductive reasoning makes broad generalizations from specific observations.
- Basically, there is data, then conclusions are drawn from the data. This is called inductive logic.

Deductive reasoning (การให้เหตุผลแบบนิรนัย)

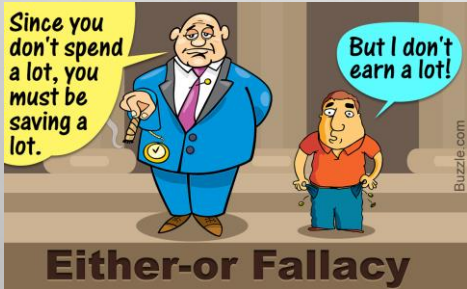
- Deductive reasoning, or deduction, starts out with a general statement, or hypothesis, and examines the possibilities to reach a specific, logical conclusion.
- The scientific method uses deduction to test hypotheses and theories. "In deductive inference, we hold a theory and based on it we make a prediction of its consequences. That is, we predict what the observations should be if the theory were correct.

WHAT CAN WE LEARN FROM THE CASES?

- Why people disagree?
- A **positive statement** is one that is objective and can be backed up by evidence.
- A **normative statement** is a value judgement and states what someone thinks 'ought to be'.
- Normative statements are subjective and influenced by personal biases, background, personal politics.

FALLACY

A **fallacy** is the use of invalid or otherwise faulty reasoning, or "wrong moves" in the construction of an argument.



TODAY: **THE STRAWMAN**
MISREPRESENTING SOMEONE'S ARGUMENT TO MAKE IT EASIER TO REFUTE

...AND GIVEN MY CONTRIBUTIONS TO THIS PAPER, I THINK THAT I DESERVE TO SHARE CREDIT WITH THE FIRST AUTHOR.

SO FAME IS MORE IMPORTANT TO YOU THAN SCIENCE, HUH? THAT'S SAD.

WHAT? I DIDN'T SAY THAT.

OH, SO NOW I'M SENILE TOO!

TODAY: **AD HOMINEM**
ATTACKING A PERSON'S CHARACTER TO UNDERMINE THEIR ARGUMENT INSTEAD OF COUNTERING IT LOGICALLY

BASED ON THE DATA, I SUGGEST THAT WE CLONE THE SECOND RECEPTOR SUBTYPE.

I DISAGREE. I THINK WE'RE OVERLOOKING A CRITICAL FACTOR HERE.

ARE YOU REFERRING TO THE ERROR BARS ON THE THIRD DATASET AND THE ASSYMETRICAL DISTRIBUTION OF POINTS?

YES, BUT MOSTLY TO THE FACT THAT YOU'RE A USELESS IDIOT.

TODAY: **SLIPPERY SLOPE**
REJECTING A POSITION OR CLAIM ON THE BASIS THAT IT WILL INEVITABLY LEAD TO AN EXTREME RESULT

OPEN SCIENCE WILL REDUCE DATA QUALITY, DESTROY RESEARCH, AND SEND US BACK TO THE STONE AGE!

THAT IS COMPLETELY RIDICULOUS PARANOIA, AND DOESN'T EVEN WARRANT A RESPONSE!

HUH.

TODAY: **FALSE CAUSE**
PRESUMING THAT CORRELATION MEANS CAUSATION, THUS CREATING A FALSE RELATIONSHIP BETWEEN UNRELATED FACTORS.

I KNOW WHAT'S WRONG! WHENEVER I DO THIS EXPERIMENT, IT FAILS! I AM THE PROBLEM!

DON'T BE ABSURD. YOUR DILUTIONS ARE PROBAB-

TODAY: **APPEAL TO AUTHORITY**
ASSUMING A CLAIM IS TRUE BECAUSE AN AUTHORITY SAYS IT IS.

...BUT WHY SHOULD WE SWITCH TO THIS BUFFER SOLUTION?

BECAUSE I'M THE LAB HEAD AND I SAID SO!

...SO WHY ARE WE SWITCHING TO THIS BUFFER SOLUTION?

BECAUSE I'M THE POSTDOC AND I SAID SO!

TODAY: **THE BANDWAGON**
ASSUMING A CLAIM IS TRUE BECAUSE MANY OR MOST OTHERS BELIEVE IT.

I'M SORRY, BUT MOST PEOPLE DON'T BELIEVE THAT DRUG EFFECT ACTUALLY EXISTS!

WELL, MY DATA SHOWS THAT IT DOES! SHOULD I JUST BOW TO POPULAR OPINION? THIS IS SCIENCE!

NO-ONE IN YOUR TENURE COMMITTEE BELIEVES THAT DRUG EFFECT EXISTS.

YOU KNOW, THIS DATA DOES LOOK A LITTLE SHAKY.

TODAY: **THE GAMBLER'S FALLACY**
ASSUMING THAT PAST FREQUENCY AFFECTS FUTURE OUTCOMES IN STATISTICALLY INDEPENDENT PHENOMENA

THIS EXPERIMENT HAS FAILED THREE HUNDRED AND SEVENTY-SIX TIMES BEFORE, SO IT'S CERTAIN TO WORK THIS TIME!

YOUR GRANT COMMITTEE CALLED LIKE THIRTY TIMES. THEY SOUNDED PRETTY MAD.

IT'S OKAY! THIS IS MY LUCKY BLOTTING KIT!

TODAY: **TU QUOQUE**
RESPONDING TO CRITICISM BY ACCUSING THE OTHER PERSON OF THE SAME ERROR

I TOLD YOU TO TURN THE AUTOCLAVE OFF LAST NIGHT, BUT YOU DIDN'T!

YEAH, WELL, YOU FORGOT TO TURN IT OFF TWO NIGHTS AGO!

WAIT A MINUTE. IF YOU DIDN'T TURN IT OFF, AND I DIDN'T TURN IT OFF..

UH-OH.

TODAY: **LOADED QUESTION**
ASKING A QUESTION THAT CONTAINS A PRESUMPTION, SO THAT IT IS IMPOSSIBLE TO ANSWER WITHOUT ACCEPTING IT (AND APPEARING GUILTY).

HEY, WHERE DID YOU MISPLACE MY PIPETTE?

WHAT? I DIDN'T MISPLACE IT ANYWHERE!

OH, SO YOU'RE STILL USING IT WITHOUT ASKING?

NO, BUT IF YOU FIND IT, I COULD STAB YOU WITH IT.

What is Development?

Cultural Hegemony

IS THE IDEA THAT THE ***DOMINANT IDEOLOGY*** OF SOCIETY —THE BELIEFS, EXPLANATIONS, PERCEPTIONS, VALUES, AND MORALS—REFLECTS THAT OF THE RULING CLASS.

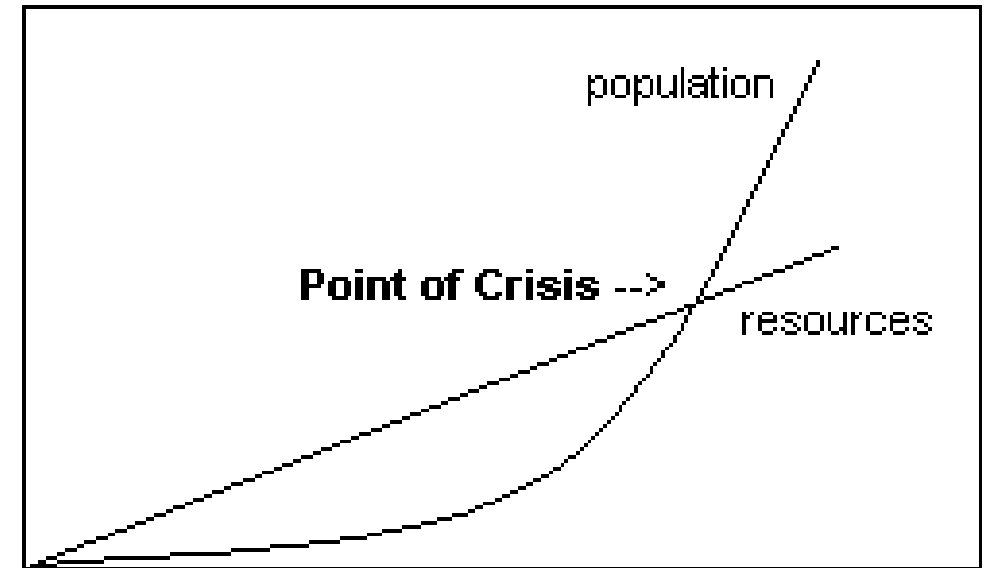
THE DOMINANT IDEOLOGY JUSTIFIES THE SOCIAL, POLITICAL, AND ECONOMIC STATUS QUO AS ***NATURAL, INEVITABLE, PERPETUAL*** AND ***BENEFICIAL*** FOR EVERYONE, RATHER THAN AS ARTIFICIAL SOCIAL CONSTRUCTS THAT BENEFIT ONLY THE RULING CLASS.

Antonio Gramsci (1891-1937)- Foundational Theorist for the Sociology of Culture.



I. The Economic Growth-and-Modernization Era (the 1950s-1960s)

- **THOMAS ROBERT MALTHUS (1766-1834)**
- Malthus thought that the dangers of population growth would preclude endless progress towards a utopian society:
- "the power of population is indefinitely greater than the power in the earth to produce subsistence for man"

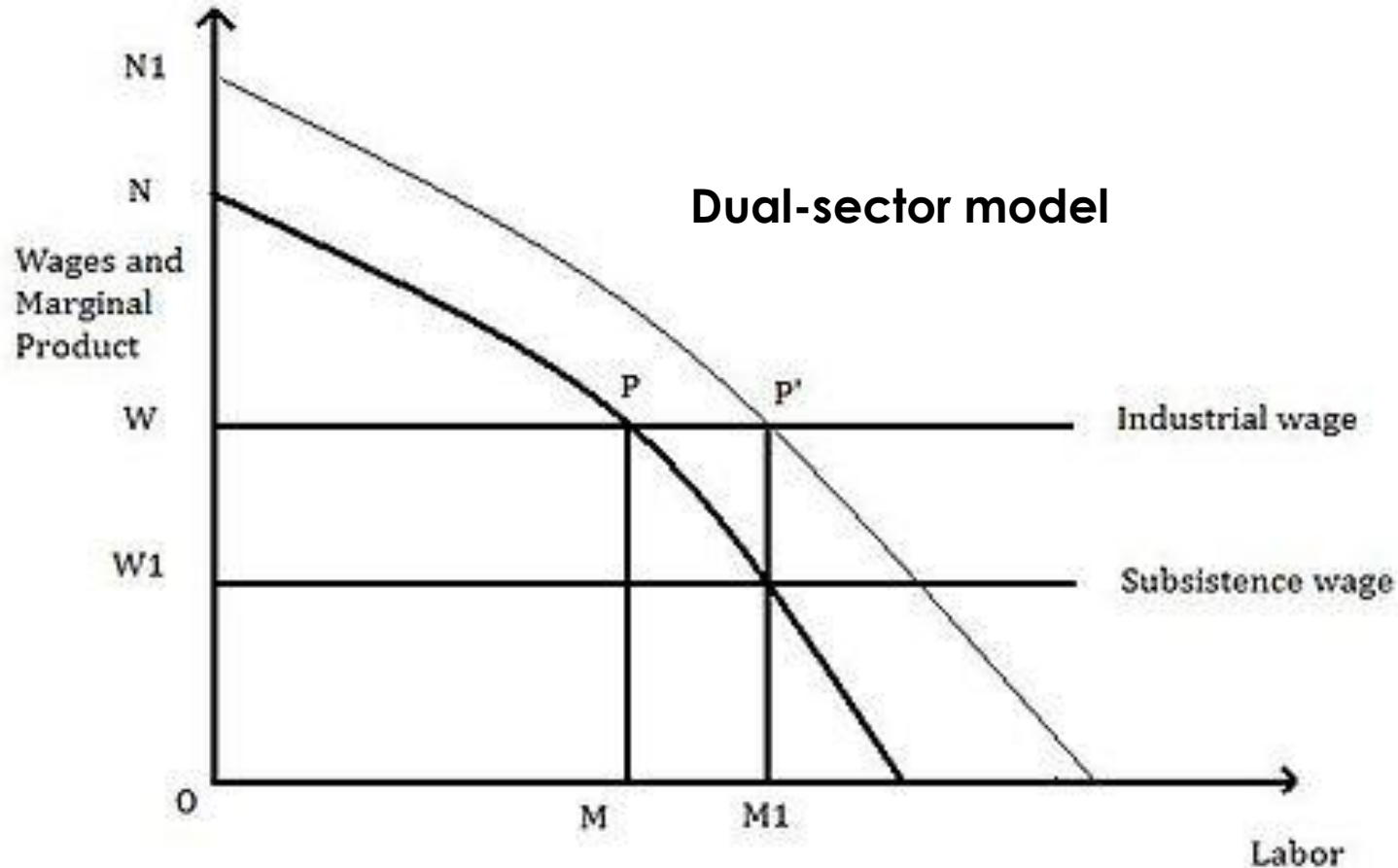


Malthus' Basic Theory

I. The Economic Growth-and-Modernization Era (the 1950s-1960s)

- Most western development economists of the 1950s: Development = structural transformation of the economy
- **Sir Arthur Lewis** (1954): “economic development with unlimited supplies of labor”
- **Two-sector economy:**
 - ‘a modern capitalist exchange sector’ and
 - ‘an indigenous non-capitalist sector’ (subsistence farming; low wage; abundant labors; low productivity)
- When the capitalist sector expands, it extracts or draws labour from the subsistence sector
- Assumption: the supply of unskilled labour to the capitalist sector is unlimited

I. The Economic Growth-and-Modernization Era (the 1950s-1960s)



- The agricultural sector has a limited amount of land to cultivate the marginal product of an additional farmer is assumed to be zero as the law of diminishing marginal returns has run its course due to the fixed input, land.
- Surplus labors could be moved to another sector with no effect on agricultural output and the general welfares would be improved

I. The Economic Growth-and-Modernization Era (the 1950s-1960s)

Dual-sector model

- Total agricultural product will remain unchanged while total industrial product increases due to the addition of labour but the additional labour also drives down marginal productivity and wages in the manufacturing sector.
- Eventually, the wage rates of the agricultural and manufacturing sectors will equalize the agricultural marginal product of labour equals the manufacturing marginal product of labour, no further manufacturing sector enlargement takes place as workers no longer have a monetary incentive to transition.
- When all the surplus labor is exhausted, the supply of labor to the industrial sector becomes less than perfectly elastic.
- It is now in the interests of producers in the subsistence sector to compete for labor as the agricultural sector has become fully commercialized

I. The Economic Growth-and-Modernization Era (the 1950s-1960s)

Dual-sector model: Criticism

- There are positive opportunity costs, e.g. loss of crops in times of peak harvesting season, labor transfer will reduce agricultural output.
- In fact, given the urban-rural wage differential in most poor countries, large scale unemployment is now seen in both the urban and rural sectors.
- If industrial development involves more intensive use of capital than labor, then the flow of labor from agriculture to industry will simply create more unemployment.
- Ignored the balanced growth between agriculture and industry
- Industry requires different types of labor.

I. The Economic Growth-and-Modernization Era (the 1950s-1960s)

- Transfer of 'surplus labor' → short-run economic development strategies
- Structural transformation → long-run economic development strategies
- **Albert Hirschman**: "The Strategy of Economic Development" (1958)
- The concept of "**linkages**": agriculture also has the income-generating activities that could be re-invested, but would lead to less rapid economic growth than investment in the industrial sector.

I. The Economic Growth-and-Modernization Era (the 1950s-1960s)

- Isabelle Tsakok (2011)
 - Two polar views against agriculture
 1. “Pro-agriculture” view
 2. “Anti-agriculture” view

Common view

- Agriculture can generate the surplus needed by industry in its early stages

Disagreement

- Importance of agricultural investments to generate such surplus

“Pro-agriculture” view

- Agricultural development is “necessary” for the overall economic transformation
- 5 potential contributions: Food, fiber, raw materials, labor, and financial surplus (foreign exchange) + Supplying markets for domestically produced industrial goods
- Agriculture is the “passive” sector with weak link to non-agriculture (Lewis model)

“Anti-agriculture” view

- Economies can bypass this process of agricultural development
- Instead, the ‘industrial base’ should better be focused and invested → esp. , “Import substitution industrialization” (ISI)
- Investing in agri.sector => ‘Bad development strategies’!! → ‘squeeze agriculture’ development strategy (around the 1950s)
- “...resources devoted to slow growing agriculture as wasted...”

II. The Growth-With-Equity Era (the 1970s)

- **Robert McNamara:** the 1973 World Bank annual meeting
- Development failings of the 1950s and the 1960s
 - Slower overall growth rates
 - Food supplies per capita rose little or not at all, and related well-being of the poor could not be enhanced
 - Employment growth rate seemed to lag the population growth
 - Small concentration of growth and basic services in the urban areas

II. The Growth-With-Equity Era (the 1970s)

- Influences of development practice
 - Western agricultural advisers assumed that they could directly transfer agricultural technology and models of agricultural extension from high-income to low-income countries
 - Tech. + Community development programs + food aids → to help the rural poor
 - “U.S. Marshallian plan”: rebuilding postwar Western Europe
- **Diffusion model of agricultural development**
 - Farmers could substantially increase their agricultural productivity by allocating existing resources more efficiently/ by adopting agricultural practices and technologies from developing countries

II. The Growth-With-Equity Era (the 1970s)

- **DIFFUSION MODEL: SUCCESSES?**

- New model: 'investment in agricultural research and human capital'
- IRRI (*international rice research institute*) and the CIMMYT (*international maize and wheat improvement center*) success in developing high-yielding varieties of rice and wheat → rapidly adopted in Asia during the 1960s and 1970s, **"the Green Revolution"**

Green revolution

- Intensification of agricultural production based on high-yielding cereal varieties & mechanization
- Offer the opportunity to provide productive employment for the growing rural labor force
- Solve the **"Ricardian food bottleneck"** problems: Chronic food shortages drive up wages and, thus, reducing investment in industry

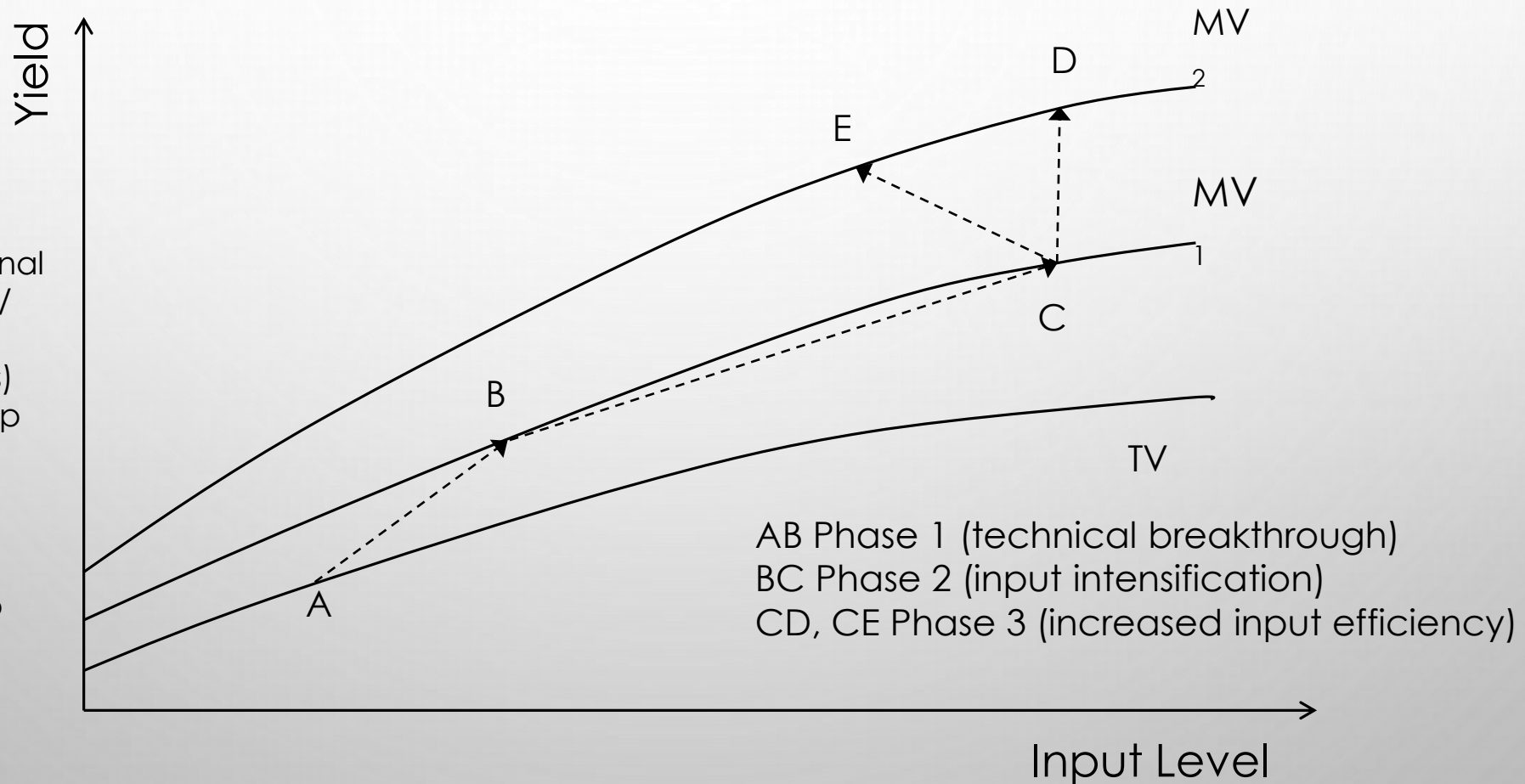
II. The Growth-With-Equity Era (the 1970s)

STAGES OF TECHNICAL CHANGES

Varietal changes

•**Type A:** when the original MVs developed by IRRI/ CIMMYT first replaced traditional varieties (TVs) → leading to sharp jump in productivity

•**Type B:** newer MVs replaces older MVs → allowing productivity to sustain or extend over period



II. The Growth-With-Equity Era (the 1970s)

- **GREEN REVOLUTION: CRITICS**

- MVs: needs complementary inputs, esp. fertilizers
- Benefited mainly landlords and larger farmers and tenants, while 'impoverished small farmers' by inducing lower grain price and land losses
- Still faced the structural barriers: export taxes for agricultural products/ industrial protection
- Conventional wisdom that Agri. was unresponsive to price incentives, taxes were used to finance state-led industrialization

- **DIFFUSION MODEL: FAILURES**

- Many agricultural extension programs failed to achieve rapid increases in agricultural outputs in many countries
- Why?
 - Structural barriers: concentrated political power and asset ownership, low levels of investment in agricultural researches , policies that taxed and undervalued agriculture
 - Farmers were "marginal thinkers" and not irrational in comparing different agricultural techniques: farmers were "efficient (with the existing technology), but poor"

II. The Growth-With-Equity Era (the 1970s)

- Income gaps between the rich and the poor was widening; and contributed to social turmoil in many countries (Pakistan, Nigeria and Iran)
- Western development economists: give greater attention to employment and the distribution of real income

- The 'basic needs' approach was introduced by the **International Labour Organization's World Employment Conference in 1976.**
- It proposed the satisfaction of basic human needs as the overriding objective of national and international development policy.

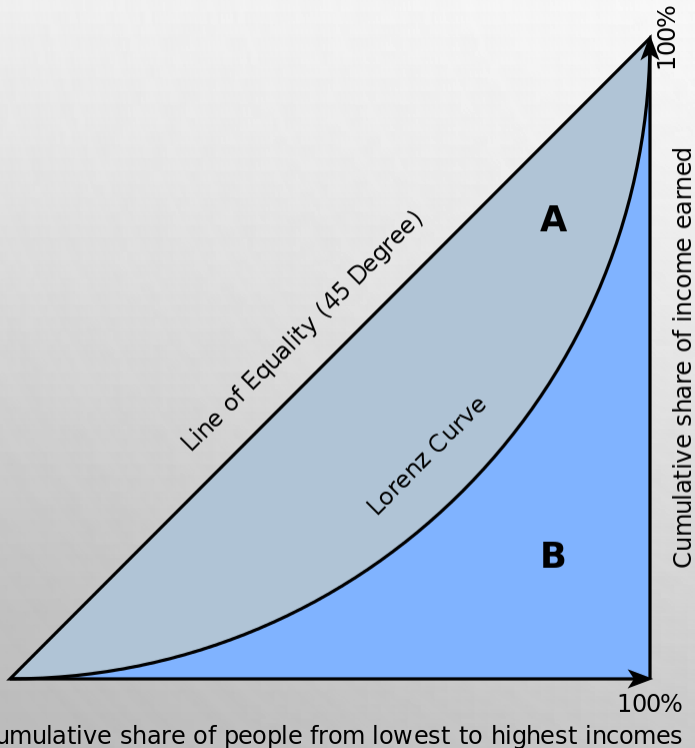
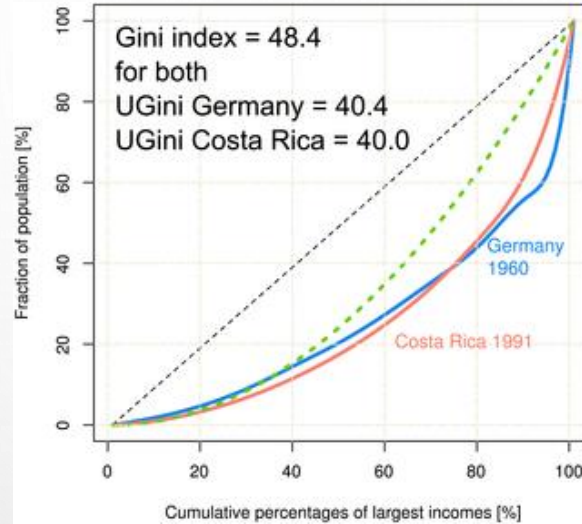


Max O. Lorenz
(1876-1959)



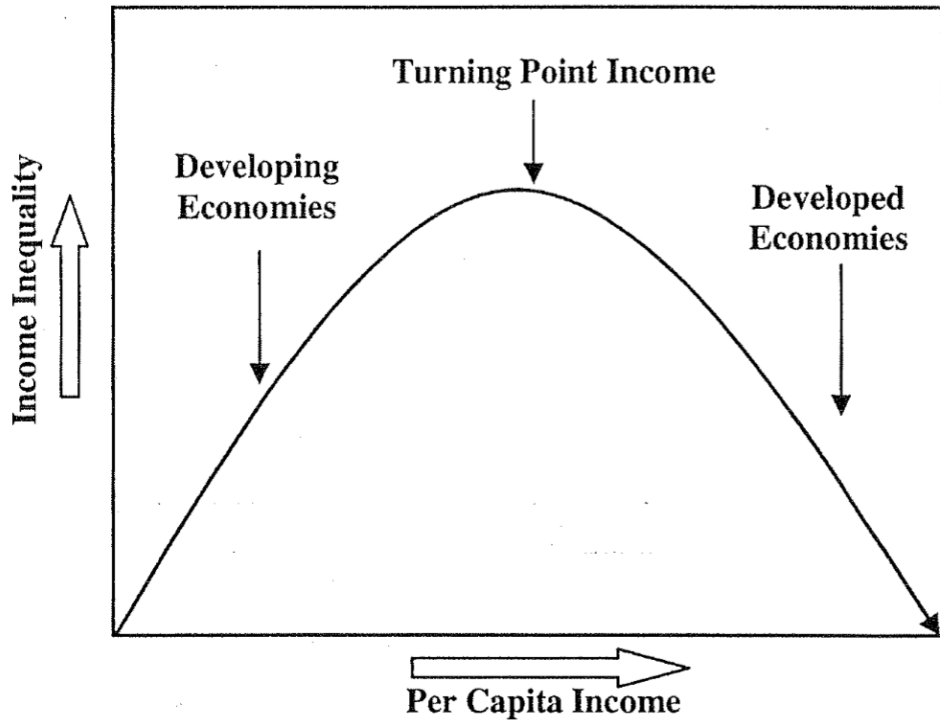
Corrado Gini
(1884-1965)

MEASUREMENT OF ECONOMIC INEQUALITY



- In economics, the **Lorenz curve** is a graphical representation of the distribution of income or of wealth. It was developed by **Max O. Lorenz** in 1905 for representing **inequality of the wealth distribution**.
- It shows for the bottom x% of households, what percentage (y%) of the total income they have.
- The percentage of households is plotted on the x-axis, the percentage of income on the y-axis.
- **The Gini coefficient** measures the inequality among values of a frequency distribution (for example, levels of income).
- A Gini coefficient of zero expresses perfect equality, where all values are the same (for example, where everyone has the same income).

MEASUREMENT OF ECONOMIC INEQUALITY



Simon Kuznets

- Traditionally, economists used to study inequity but stopped mid 20th century and fell in love with abstract math.
- **'Kuznets Curve' Hypothesis:** The hypothesis was first advanced by economist **Simon Kuznets** in the 1950s and '60s.
- As an economy develops, market forces first increase and then decrease economic inequality.

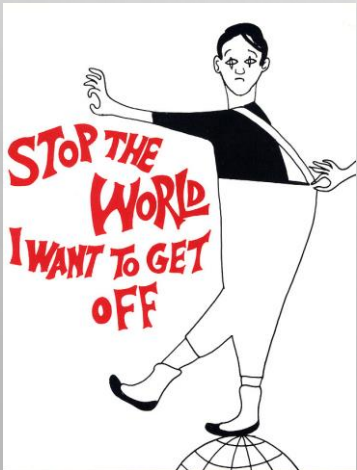
II. The Growth-With-Equity Era (the 1970s)

- Radical political economy & dependency theory
 - Marxist Analysis
 - “**Underdevelopment**” is not a stage of development but the result of the world capitalist system
 - “**Dependency**”: a situation in which the economy of certain countries is conditioned by the development and expansion of another economy

GLOBAL DIVERGENCE



- Growing divide between **haves** and **have-nots** has left increasing numbers in the third world in dire poverty
- Neither has globalization succeeded in ensuring stability
- Western countries have pushed poorer countries to eliminate trade barriers
- Environment has been destroyed

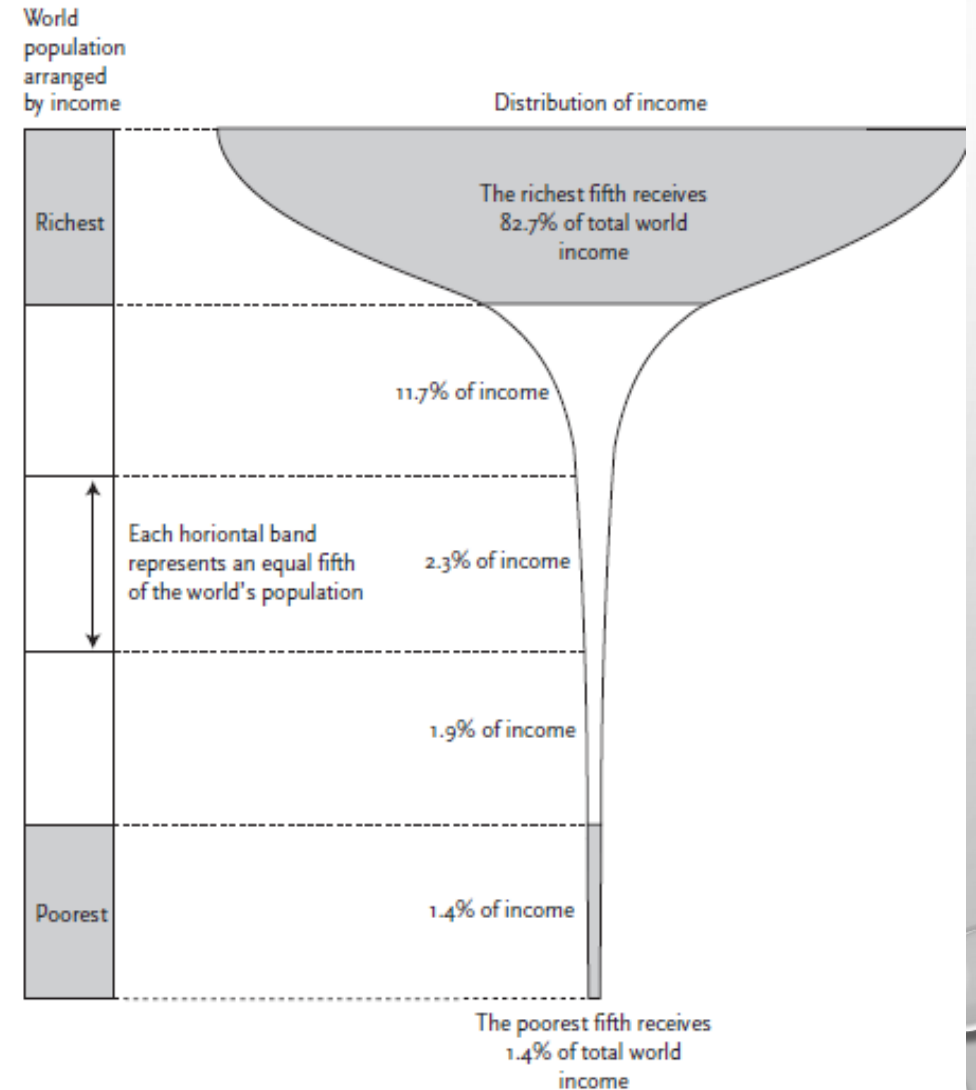


GLOBAL DIVERGENCE

GLOBAL NORTH- GLOBAL SOUTH



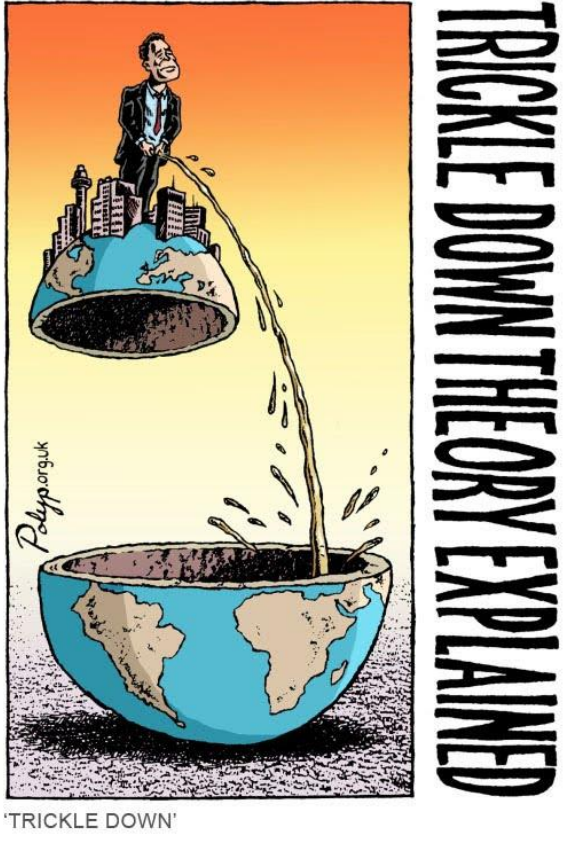
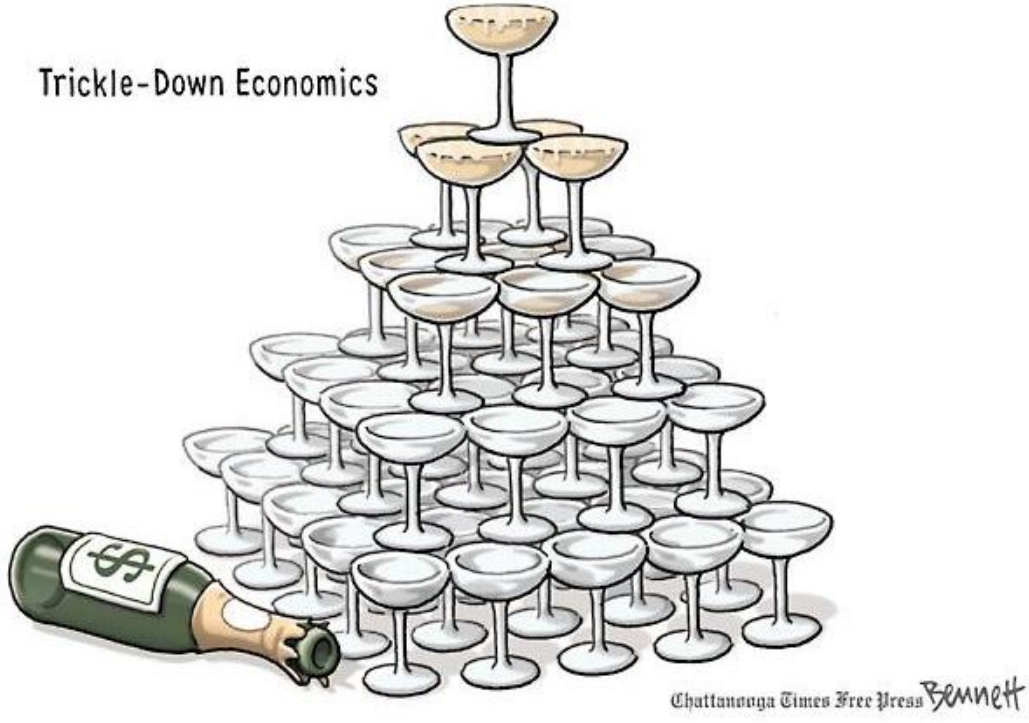
Disparities among countries



Source: United Nations Development Programme, *Human Development Report 1992* (New York: Oxford University Press, 1992).

II. The Growth-With-Equity Era (the 1970s)

- Former critiques: “TRICKLE-DOWN EFFECTS”



GLOBAL DIVERGENCE

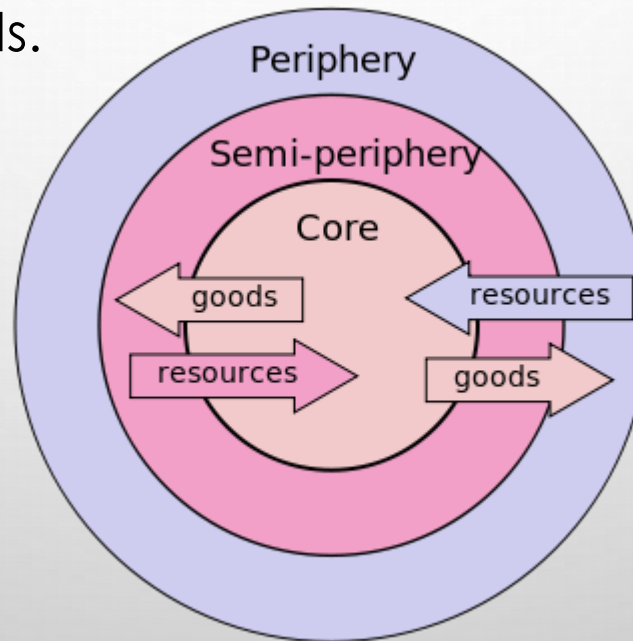
DEPENDENCY THEORY

- **Wallerstein's World System Theory**

i. **The core/developed nations** – these control world trade and monopolise manufactured goods.

ii. **The semi-peripheral zone** e.g. Brazil, South Africa, Asian Tigers, urban areas like the core but large areas of rural poverty like the periphery.

iii. **The peripheral countries** e.g. Most of Africa – they provide primary products for both the semi periphery and the core.



- Development is “externally conditioned”
- ‘**Core**’ dominates ‘**periphery**’
Expected outcomes for periphery
- Economic
 - Results in continued **underdevelopment, i.e. Poverty**
- Social
 - Produces **inequality** (“transnational kernel”) **and conflict**
- Political
 - Reinforces **authoritarian** government

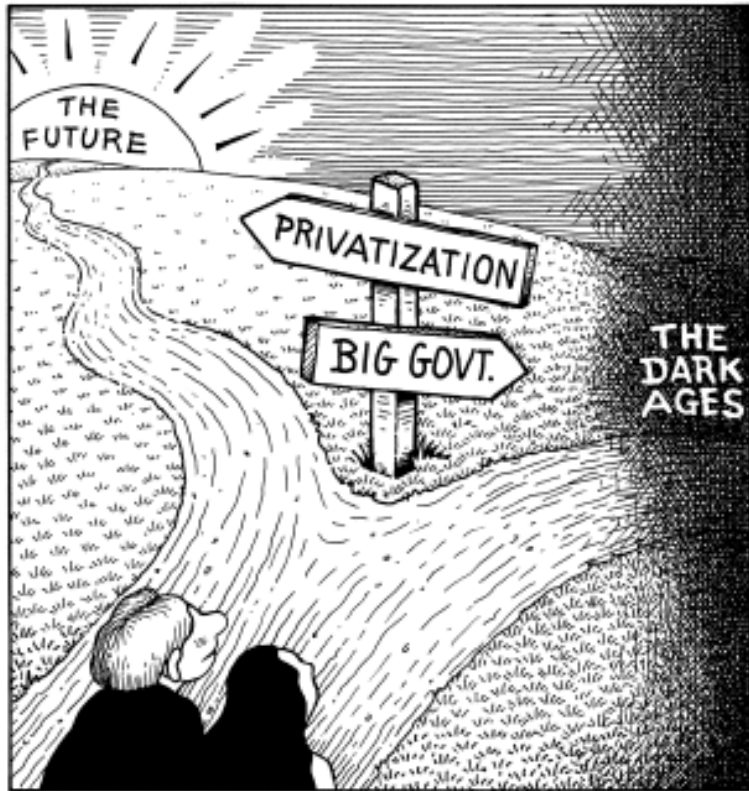
II. The Growth-With-Equity Era (the 1970s)

- **Radical political economy & dependency theory**
 - Rural poverty in developing countries resulted from the functioning of the global capitalist economy, not only due to lack of agricultural technologies
 - **Objectives of development:** not only to raise the per capita GNP but also to restructure institutional and political relationship
- **Critics:**
 - Lack of solid micro foundation
 - Lack of attention to the biological/locational specificity of agricultural production
 - Inadequate attention to the need for technical change

III. Macroeconomic and Institutional Reform Era (1980s and 1990s)

- End of the Cold War:
 - Economic restructuring throughout the world: IMF, World Bank, Bilateral donors
 - Unleashed economic growth in many countries (SEAs),
 - More outward-oriented strategies > Import substitution strategies
 - Reduction in global and regional trade barriers: NAFTA, ASEAN, GATT → WTO
 - stimulated rapid agricultural and agribusiness growth
 - but many were still being left behind in poverty (Africa)
- Market liberalization: “get prices right!!”
- **Debates:** Openness vs. Risks
 - More vulnerable economy:
 - Currency devaluation/ crisis (seas in the late 1990s) → recession
 - High vs. Low food-price trade-offs (production incentives vs. Basic needs school)

WASHINGTON CONSENSUS



- By early 1990s, left-leaning critics of market reform in the **global South** had imbued 'neoliberalism' with pejorative meanings associated with the '**Washington Consensus**' – a set of economic institutions and policies alleged to have been designed by the **United States** to globalize American capitalism and its associated cultural system.
- It was described as the 'lowest common denominator of policy advice' directed at mostly Latin American countries by **the IMF, the World Bank, and other Washington-based international economic institutions and think tanks.**
- It confronted countries of the global South with the new rules and conditions for their economic development.

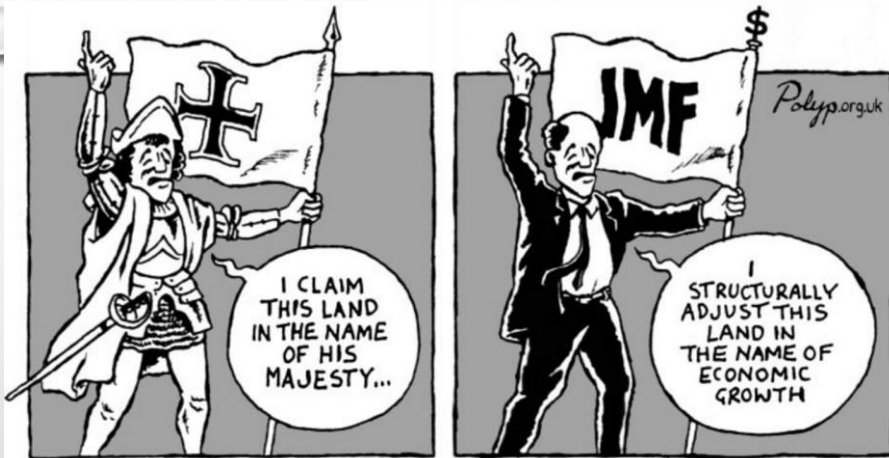
BRETTONWOOD ECONOMIC INSTITUTIONS



Keynes led the British delegation at the 1944 **Bretton Woods Conference** in the United States, which established the post-war international economic order and its international economic institutions.

- **The International Monetary Fund (IMF)** was created to administer the international monetary system.
- **The International Bank for Reconstruction and Development**, later known as the **World Bank**, was initially designed to provide loans for Europe's postwar reconstruction. During the 1950s, however, its purpose was expanded to fund various industrial projects in developing countries around the world.
- Finally, **the General Agreement on Tariffs and Trade (GATT)** was established in 1947 as a global trade organization charged with fashioning and enforcing multilateral trade agreements. In 1995, **the World Trade Organization (WTO)** was founded as the successor organization to GATT and subsequently became the focal point of intense public controversy over its neoliberal design of free trade agreements.

WASHINGTON CONSENSUS



'PROGRESS'

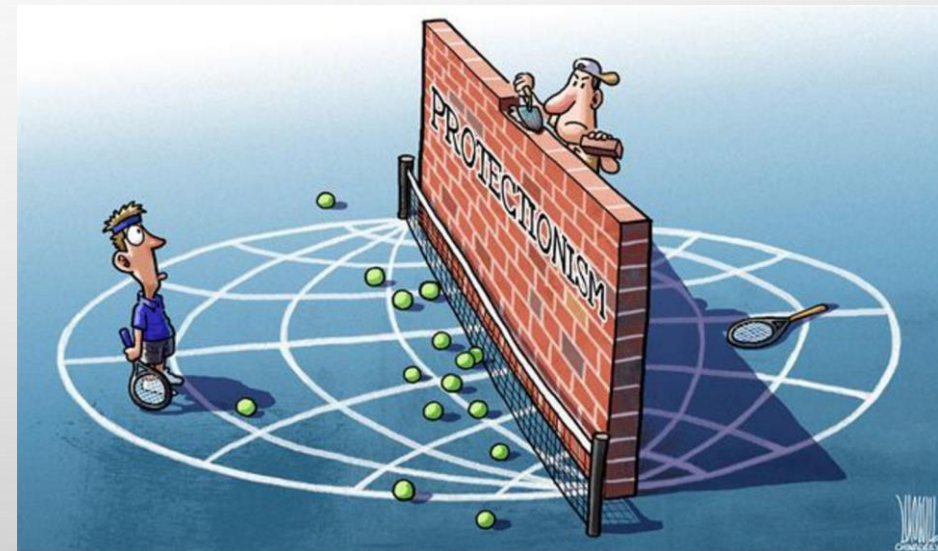
- A global neoliberal development agenda based primarily on so-called '**structural adjustment programmes**' and **international free-trade agreements**.
- Powerful economic institutions like **the International Monetary Fund** and **the World Bank** imposed their neoliberal agenda on heavily indebted developing countries in return for much needed loans.
- In the 1990s, it became the global framework for 'proper' economic development.
- In exchange for much-needed loans and debt-restructuring schemes, governments in the global South were required to adhere to the Washington Consensus by following its **ten-point programme**.



WASHINGTON CONSENSUS

1. A guarantee of fiscal discipline, and a curb to budget deficit
2. A reduction of public expenditure, particularly in the military and public administration
3. Tax reform, aiming at the creation of a system with a broad base and with effective enforcement
4. Financial liberalization, with interest rates determined by the market
5. Competitive exchange rates, to assist export-led growth
6. Trade liberalization, coupled with the abolition of import licensing and a reduction of tariffs
7. Promotion of foreign direct investment
8. Privatization of state enterprises, leading to efficient management and improved performance
9. Deregulation of the economy
10. Protection of property rights

- Neoliberalism manifests itself as a concrete set of public policies called **the 'D-L-P Formula'**:
 - (1) **deregulation** (of the economy);
 - (2) **liberalization** (of trade and industry);
 - (3) **privatization** (of state-owned enterprises)



WASHINGTON CONSENSUS

- Related policy measures include;
 - Massive tax cuts (especially for businesses and high-income earners);
 - Reduction of social services and welfare programmes;
 - Replacing welfare with 'workfare';
 - The downsizing of government;
 - Tax havens for domestic and foreign corporations willing to invest in designated economic zones;
 - New commercial urban spaces shaped by market imperatives;
 - Anti-unionization drives in the name of enhancing productivity and 'labour flexibility';
 - Regional and global integration of national economies;
 - The creation of new political institutions, think tanks, and practices designed to reproduce the neoliberal paradigm

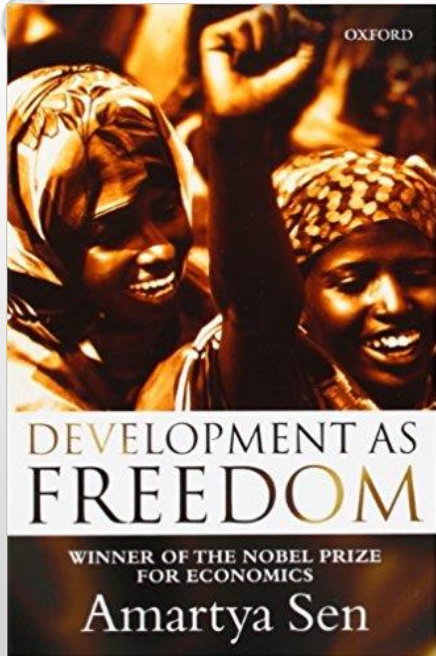


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III. Macroeconomic and Institutional Reform Era (1980s and 1990s)

- How small farmers can benefit from trade (international demands)?
 - “Reforms in supply side”
 - Breaking structural constraints (lack of technology, roads, vehicles)
 - Responsive agricultural institutions

AMARTYA SEN



- Amartya Sen received the Nobel Prize “for his contributions to welfare economics” in 1998.
- Professor at Harvard University from 1989 to 1997. He is now Master of Trinity College at Cambridge University

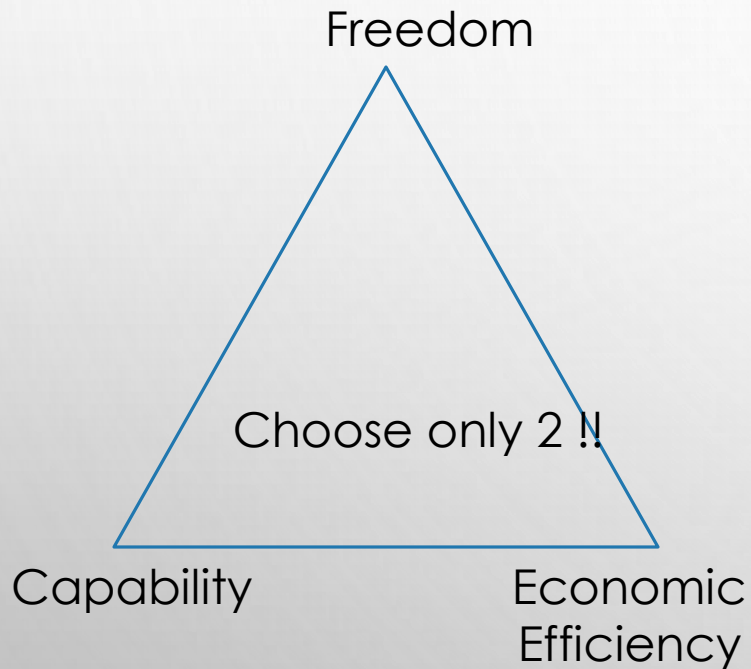
- **Sen** pointed out that the standard measure of poverty in a society, the proportion of people who are below **a poverty line**, leaves out an important datum: **the degree of poverty among the poor**.
- He came up with a more complicated index to measure not only poverty but also its degree.
- Sen studied **famines** in various parts of the world and pointed out that they sometimes occurred even when there was no decline in food output.
- Some famines occurred when **the real income** of specific groups fell so that these groups could no longer afford to buy food.
- In such cases, most economists would advocate giving **money** to such people so that they could buy food and make their own trade-offs between food and other things.

DEVELOPMENT AS FREEDOM



- **Development** can be seen as a process of expanding **the freedoms** that people enjoy.
- If **freedom** is what development is about then it makes sense to concentrate on that rather than on some of **the means** or **instruments** of achieving it.
- The usefulness of **wealth** lies in the things it allows us **to do** – the substantive **freedoms** it helps us **to achieve**.
- This relation is neither exclusive (there are other influences on us than wealth) nor uniform (since the impact of wealth on our lives varies with other influences).
- Freedoms depend also on other determinants e.g. social and economic arrangements (e.g. education and health facilities), political and civil rights.
- Freedoms are not only the primary **ends** of development, they are also among its principal **means**. The increase in real freedoms should be both the **ends** and the **means** of development

Capability approach



The **liberal paradox**, also **Sen paradox** or **Sen's paradox**, is a logical **paradox** proposed by **Amartya Sen** which purports to show that no social system can simultaneously

1. be committed to a minimal sense of freedom,
2. always result in a type of economic efficiency known as **Pareto efficiency**, and
3. be capable of functioning in any society whatsoever.

Capability approach



Capability approach':

- The main focus of poverty eradication is no longer a single issue of income
- Poverty defined as multi-dimensional: low income; low quality of life, the denial of choices and opportunities for a tolerable life (as capability deprivation).
- Even an individual has income exceed the 'poverty line', they still face social problems which make them living as if they have insufficient income.
- **Life deprivation:** Individual or collective inability to fulfil his/her social needs

AMARTYA SEN

- The approach emphasizes functional capabilities ("substantive freedoms", such as the ability to live to old age, engage in economic transactions, or participate in political activities); these are construed in terms of the substantive freedoms people have reason to value, instead of utility (happiness, desire-fulfillment or choice) or access to resources (income, commodities, assets).
- Poverty is understood as capability-deprivation. It is noteworthy that the emphasis is not only on how humans actually function but also on their having the capability, which is a practical choice, "to achieve outcomes that they value and have reason to value".
- Everyone could be deprived of such capabilities in many ways, e.g. by ignorance, government oppression, lack of financial resources, or false consciousness.

AMARTYA SEN

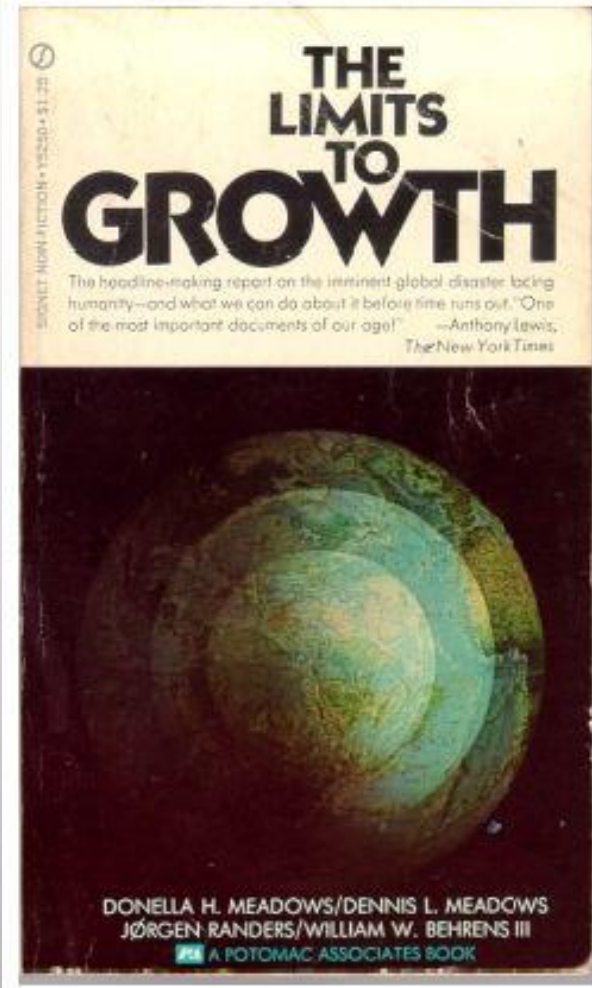
Sen argued for five components in assessing capability:

1. The importance of real freedoms in the assessment of a person's advantage
2. Individual differences in the ability to transform resources into valuable activities
3. The multi-variate nature of activities giving rise to happiness
4. A balance of materialistic and nonmaterialistic factors in evaluating human welfare
5. Concern for the distribution of opportunities within society



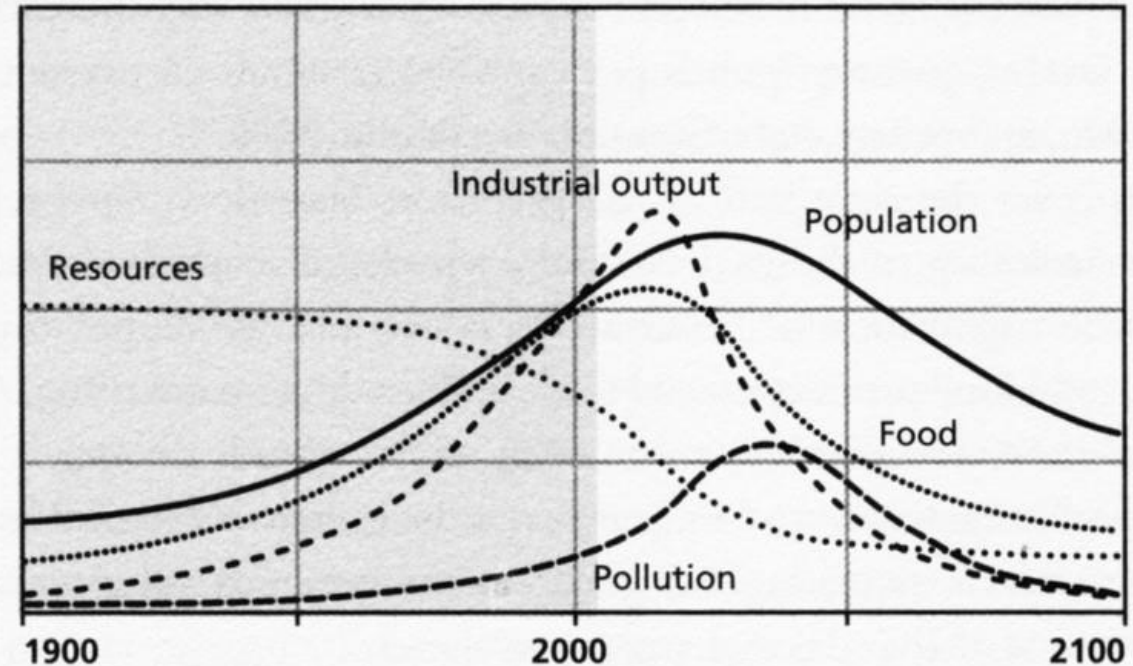
Sustainable Development

1972 “Limits To Growth” By Club of Rome



- about the computer simulation of exponential economic and population growth with finite resource supplies

State of the World



Sustainable Development

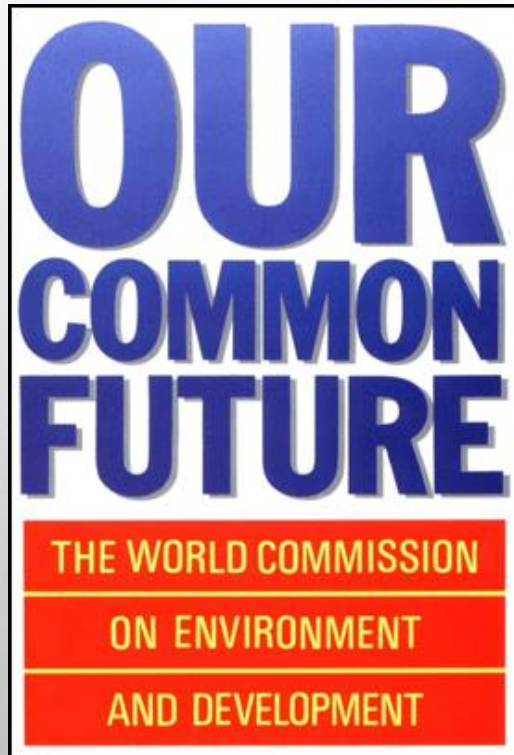
1972 UN CONFERENCE ON THE HUMAN ENVIRONMENT IN STOCKHOLM

- The first global conference focus on "stimulating and providing guidelines for action by national government and international organizations" facing environmental issues



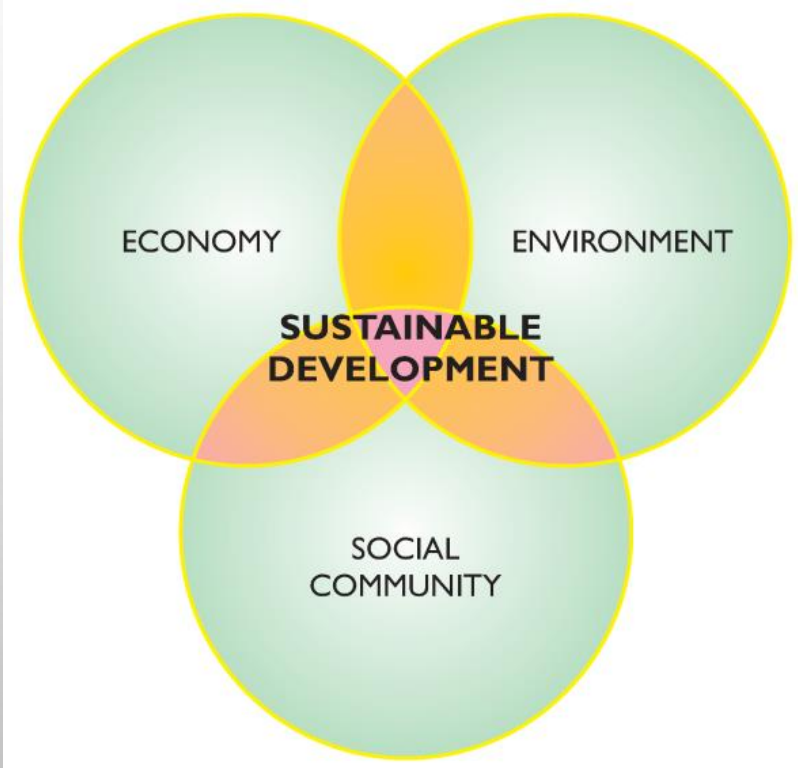
Sustainable Development

1987 BRUNDTLAND COMMISSION REPORT : "OUR COMMON FUTURE"



- The UN General Assembly realized that there was a heavy deterioration of the human environment and natural resources
- Gro Harlem Brundtland was the former Prime Minister of Norway and was chosen due to her strong background in the sciences and public health
- Releasing Our Common Future, also known as the Brundtland Report, in October 1987, a document which coined, and defined the meaning of the term "**Sustainable Development**"

Sustainable Development



"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs"

Ref. : [Our Common Future](#). World Commission on Environment and Development (WCED), 1987. p.43.

MILLENNIUM DEVELOPMENT GOALS: 2000-2015



SUSTAINABLE DEVELOPMENT GOALS

2015-2030

