

Theories of development

Jon Matthews

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Rational

This discussion paper is an exploration of the relationships between theories of international economic development and that of rural community development. The term 'development' implies a continuum perhaps towards a goal or in a certain direction. International development tends to look at industrialisation, mechanisation, increasing economic activity of the agrarian countries, with the industrialised west seen as the desired state (whether this is in fact the case is not discussed here).

In terms of community development such lines of development are not so evident. While the desired outcomes such as; participation on decision making process of all the community, ability to engage with local authorities, being able to identify problems and create solutions, may be recognised the process or stages of development to reach this are not clear.

As there is considerable modelling that has been undertaken to study and explain international economic development it was felt that there may be some similarities between the two types of development and that some lessons could be learnt that could aid community development.

The paper briefly describe some of the more popular model and reflects on how these theories are reflected in community development. These models are:

- Linear Stage Theory
- Structural-change models
- International dependence revolution
- Neoclassical conterrevolution
- New Growth theory

Linear Stage Theory

Early models of economic growth arose after the second world war as interest in the poor nations arose but economists had no means to analyse the progress of such countries. Linear stage theory was based upon injection of capital to modernize the economies in much the same way European countries had after the second world war. Significant within these this theory is the Rostow's Stages of Growth theory. Walt, W Rostow suggested that societies fit within one of five categories; traditional society, preconditions to take off into self sustaining growth, the take off, the drive to maturity and the age of mass consumption. These stages are based on observations of the sequences of modern development. The model suggests that in order to progress, investment was needed to accelerate economic growth. The Harrod-Domar Growth model describes the economic mechanisms by which investment leads to economic growth. In essence his economic model suggests that the rate of growth (GDP) is determined by the national savings ratio and the capital output ratio (this is the units of output needed to generate a unit of output over time). In other words the more an economy can save (invest) the greater growth it will see

Perhaps the main criticism of this theory is that while saving and investment are a necessary condition for economic growth they are not a sufficient condition to be the sole determining factors.

Structural Change models

These models focus on the structures of economies changing from agriculture to industrially diverse manufacturing. The model suggests development is an identifiable process of growth and change and recognises constraints such as resource endowment, population, government policies and objectives. The features in Hollis' development model include:

- Shift in employment away from agriculture
- Accumulation of capital
- Change in consumer demands and services
- Growth of towns and cities
- Decline in family size and population growth

International dependence revolution

These models take the view of the less developed countries are beset by institutional, political and economic rigidity and bound up with a dominant relationship with rich countries. There are three core themes to this thought; Neocolonial dependence model, False Paradigm and Dualistic Development Thesis.

The *Neocolonial dependence model* attributes underdevelopment to exploitation of the poor countries either intentionally or through unintentional neglect. This results in an unequal power relationship with developed nations in the centre and poorer ones on the periphery. This situation is reinforced by elite groups within poor countries who are in a favoured position (Landowner, government, military for example) and benefit from or rewarded by the existing relationship so have no desire for change.

The second model; *False Paradigm*, attributes lack of development to inappropriate / poor advice from rich nations / experts. Information and policies suggested are based upon inappropriate models from rich nations whose economic, political and social structures are very different.

The final model; *Dualistic Development Thesis* takes the view that within all countries there is inequality that is not temporary. The divergence between 'superior' and 'inferior' is increasing and that relationships between superior and inferior does not necessarily pull up the inferior and in fact may well push it down further.

Neoclassical counterrevolution

Unlike the earlier models which focused upon resource allocation these models look at political institutions and the balance of power between countries. Overbearing state intervention leading to incorrect pricing and limiting development, there is a need to promote free markets, privatisations and free trade.

New Growth

New Growth Theory is based upon human creativity leading to technical progress and development. The theory emphasises that economic growth is a results from the increasing returns that are associated with new knowledge. New growth recognise the importance of institutions and societies. Institutions as they shape the environment in which new knowledge is employed; society, as this needs to generate ideas and adapt to use new technologies. The model also suggests that technologies developed in one area can enhance other areas if the technologies are passed on.

So are these theories relevant to community development? If they are what can be learnt from them? While it is recognised that there are significant differences between scale, and that models

are based upon assumptions that are not always correct, the following section attempts to draw out some of the issues raised by the models and how they may be relevant to community development.

Linear stages

The idea that an injection of capital into an area to rejuvenate / stimulate development is one that can be seen in community development. Direct investment in communities has been undertaken and with some success, for instance the Wales Development Agency's Market Town Initiative, however while some towns have seen successful regeneration others have not and the benefits between the towns differ widely, there must therefore be other factors to development other than an injection of cash. The failure to recognise that it is not necessarily the lack of investment that is needed must be addressed concentrating perhaps upon ways of working and how money is distributed.

If the linear stages model is followed, other means of generating capital to invest in the community need to be identified. So, by what means can a community develop their own savings? And would this lead to economic development? Initiative like, Credit Unions, encouraging of local spending, (increase multiplier effect of each pound spent) all help to retain money locally. Town council could raise local precepts to create a fund for Community development. Could Local Community funds be established? This could be established with money raised from communities for community use, even contributed to by local / national government.

If, instead of financial saving, we replace saving to be development of human capital; what changes could be made to a community to stimulate growth. This could be an entrepreneur, new community member, someone with drive, passion, experience from elsewhere. Longer term, this may be investment in people through training, awareness raising and developing local networks.

Structural change

Structural changes can be seen with rural communities, for instance a shift from farming to other industries, particularly service industries. The impact this has on community development is unclear.

Change can be seen in the social structure of communities, smaller families, change in demographics, increasing number of incomers to communities. All these factors will have some impacts upon a community; bringing in new ideas, decreasing number of young people, change in services needed / available. It perhaps could be argued that communities were stronger when they were less economically developed. Farming being more central to communities, bringing people together of common purpose, where as now there are more diverse focuses of attention.

However, although these structural changes have taken place, what implications is there for community development? What impacts are there upon community development in a community that consists on 'locals' opposed to a community consisting of a large proportion of incomers?

International Development Revolution

In the same way that international development policies and relationships effect development, the relationships within communities have the potential to both hinder and enhance development. Applying the development revolution theory to communities enables a criticism to be placed on those with power, whether this is government, local authorities, councils or 'local elite'. Why

would any of these groups withhold power from communities or how have they unwittingly done so.

Perhaps not groups of 'elite' as such but there certainly can be seen to be elements in a community who for their own gain / self interest may hinder / prevent development. The NIMBY being a prime example, those moving to rural locations for peace and quite wanting it to remain so and oppose development that may bring in new jobs to an area. Corruption in planning controls, who you know not what you know to get planning permission, may be another example.

So there are clearly opportunities within a community for 'elite' to exist who for their own gain will prevent development.

Other examples of development being hindered could include: local authorities (whether this is town, or local councils) who fail to consult effectively with the community; perhaps through a lack of skills to be able to engage effectively with communities. Of more concern would be if authorities do not want communities to gain power / actively participate in decision-making process, perhaps due to a reluctance to hand power / control to other. It could be seen then that the reluctance to share control is hindering development.

Turning to the false paradigm model, has false advice given to communities leading to poor development? There certainly are some examples of, inappropriate policies such as application of urban models to rural areas which have led to miss-understanding of rural issues and resources being miss-directed or groups being excluded from help / support.

In relation to the dualistic model there are differences within communities in terms of economic wealth but also social participation. The likelihood of the economic parity would be idiosyncratic and somewhat unrealistic however whether the same can be said for levels of participation is less clear. There certainly is a lot that can be done to raise levels and opportunities for greater and wider participation within a community.

Neoclassical Counterrevolution

In the context of community development this model would suggest that attempts to regenerate communities through top down policies is inappropriate and that the communities themselves are best placed. The 'free hand' of community development, being able to develop as it wishes, not through controlled or imposed methods from government. The community strategy is perhaps an example of this, although the process itself has been initiated by government it is trying, and not just lip service, to genuinely include communities in their future planning.

As recognised in the linear stages theory, resources are not the sole answer / solution to development. As this model suggests it is the allocation of the existing resources that is important. If better or more appropriate use of resources can be made within a community then development can be enhanced.

New Growth

The use of exemplar project in community development to demonstrate best practice from which others can learn could be seen as an example of new growth. The 'new technologies' are being shared to enable others to learn and develop. However while sharing best practice can help others it is not always enough to help other communities develop. Differences within each community such as resources (time and financial) may cause limitations as will the geography of the community and its proximity to access other resources / and people.

Conclusion

This paper has shown that there are a number of comparisons can be drawn with community development and economic development models. This includes:

- Inputting resources into a community can bring about positive changes but other factors are also important
- 'Experts' have and do interact with communities and this can be detrimental to the community
- Communities undergo structural change (social and economic change) which can bring about developmental benefits
- 'Bottom up' community development allows communities to develop as they want

Further research:

This paper has raised issues that could be further explored:

A model community? From these models can a "model community" be defined? Can there in fact be a model community, is there a vision of what a 'developed' community would look like? (whose view would it be and how would the community differ)

Can a model for community development be created from these economic development models? Is there sufficient information able to be drawn from these models to identify the factors that a community needs to effective development.

Can a community be placed along a development continuum? If as with international development developmental stages are identified (although terminology may be disputed) first, second and third world countries are identified, can communities be given the same classification. Even if communities could be classed in a way similar to countries, would this have a value or merely stigmatise communities further? One advantage of being able to do this would be if this helped identify the help, support or resources a community that a community needed at any one time. (we already have the Communities First areas where additional resources are being applies)