POLS 103 A
Comparative Politics

Classes 8 & 9:

Development, inequality, and exclusion

What is development?

Developments

- Land use:
  - Property / real estate development
  - Land development

- Computer science / IT:
  - Software development
  - Web development

- Biology:
  - Development of organisms, including human development (prenatal, child, youth development)

- Social sciences

Developments

- ~~Land use:~~
  - ~~Construction~~
  - ~~Land development~~
- ~~Computer science/IT:~~
  - ~~Software development~~
  - ~~Web development~~
- ~~Biology:~~
  - ~~Development of organisms, including human development (prenatal, child, youth development)~~
- Social sciences

Development in social science

- Economic development
- Political development
- Social development / change
- Community development
- Rural development
- International development
- Sustainable development
- Human development

The concept of development

- Multiple meanings
- Complex
- Contested
- Ambiguous
- Elusive

The concept of development (according to Myrdal)

- "By **development** I mean **the movement upward of the entire social system**, and I believe this is the only logically tenable definition. This social system encloses, besides the so-called economic factors, all noneconomic factors, including all sorts of consumption by various groups of people; consumption provided collectively; educational and health facilities and levels; the distribution of power in society; and more generally economic, social, and political stratification; broadly speaking, institutions and attitudes. […]
  This social system may stay stagnant, or it may move upward or downward."

  - From Myrdal, Gunnar. 1974. "What Is Development?." *Journal Of Economic Issues* 8 (4): 729-730.
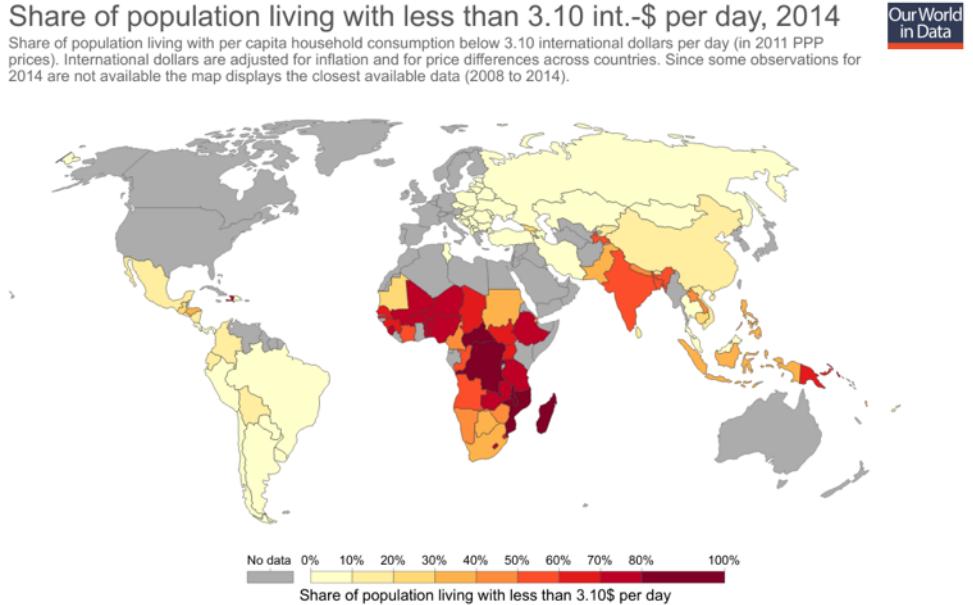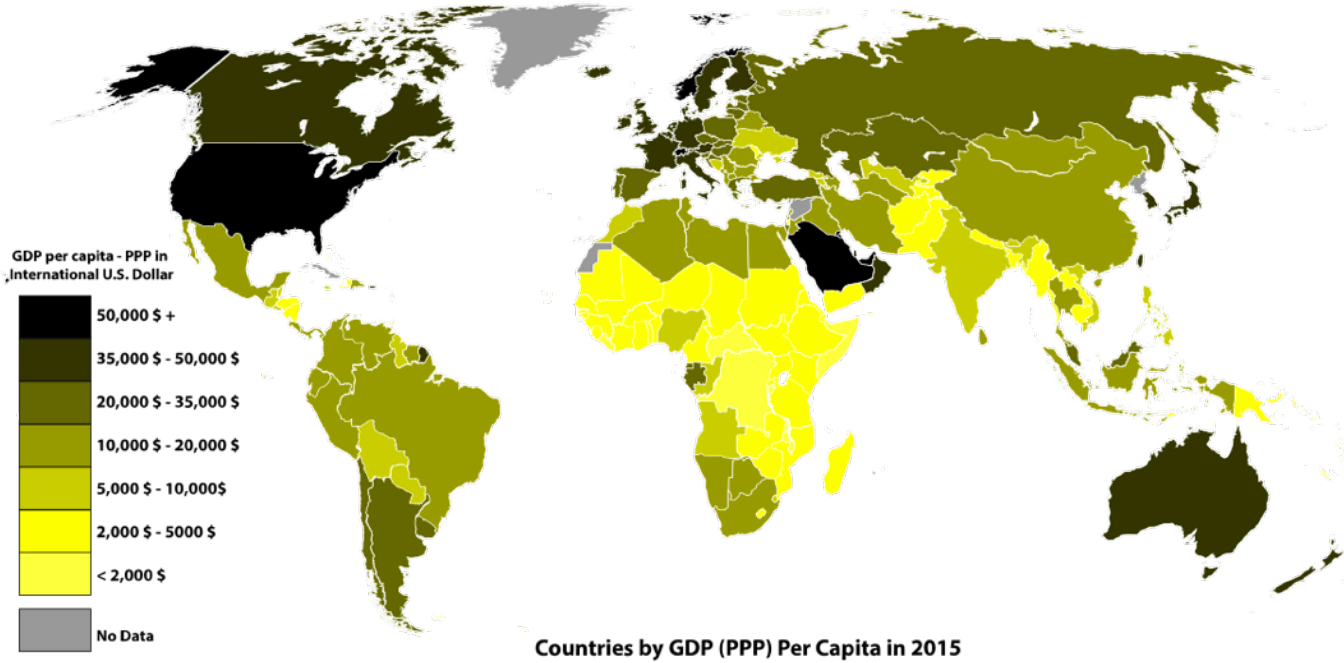
The concept of development (according to Myrdal)

- Economic factors

- Noneconomic factors:
  - Consumption
  - Education
  - Health
  - Distribution of power
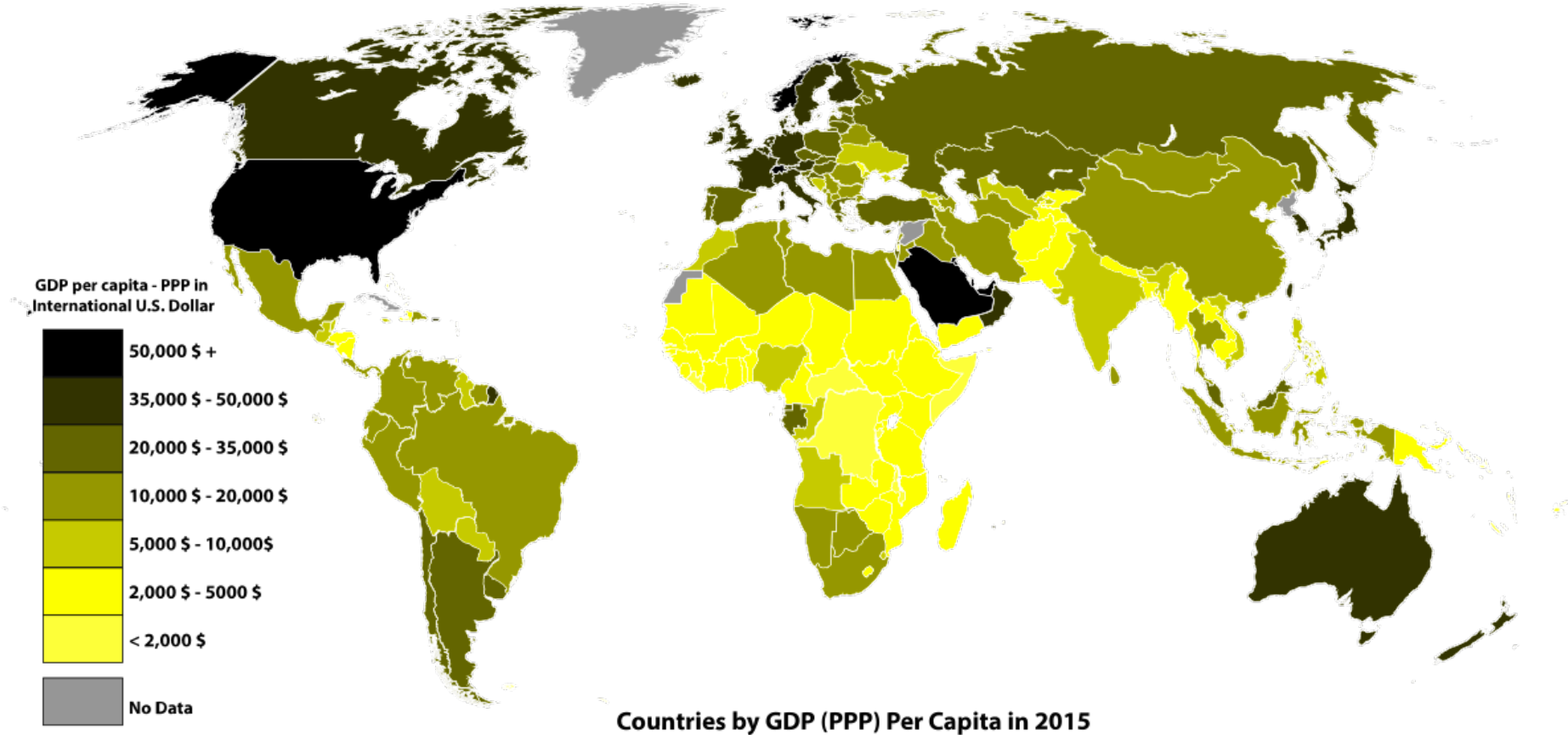 - Economic, social, and political stratification
  - Institutions

How can development be measured?

Development as the lack of poverty

GDP per capita - PPP in International U.S. Dollar

50,000 $ +
35,000 $ - 50,000 $
20,000 $ - 35,000 $
10,000 $ - 20,000 $
5,000 $ - 10,000$
2,000 $ - 5000 $
< 2,000 $
No Data

Countries by GDP (PPP) Per Capita in 2015

Share of population living with less than 3.10 int.-$ per day, 2014

Share of population living with per capita household consumption below 3.10 international dollars per day (in 2011 PPP prices). International dollars are adjusted for inflation and for price differences across countries. Since some observations for 2014 are not available the map displays the closest available data (2008 to 2014).

Our World in Data

No data   0%   10%   20%   30%   40%   50%   60%   70%   80%   100%
Share of population living with less than 3.10$ per day

Source: Poverty - WORLD BANK (WDI - 2017/02)
Note: Consumption per capita is the preferred welfare indicator for the World Bank's analysis of global poverty. However, for about 25% of the countries, estimates correspond to income, rather than consumption.

OurWorldInData.org/extreme-poverty/ • CC BY-SA

Development as economic growth

GDP per capita - PPP in International U.S. Dollar

- 50,000 $ +
- 35,000 $ - 50,000 $
- 20,000 $ - 35,000 $
- 10,000 $ - 20,000 $
- 5,000 $ - 10,000$
- 2,000 $ - 5000 $
- < 2,000 $
- No Data

Countries by GDP (PPP) Per Capita in 2015

What are the disadvantages of focusing on the economic aspect of development?

Human development

- Mushtaq Khan: development as he process of widening people's choices and the level of wellbeing they achieve

- Human Development Index:
  - Life expectancy
  - Educational attainment
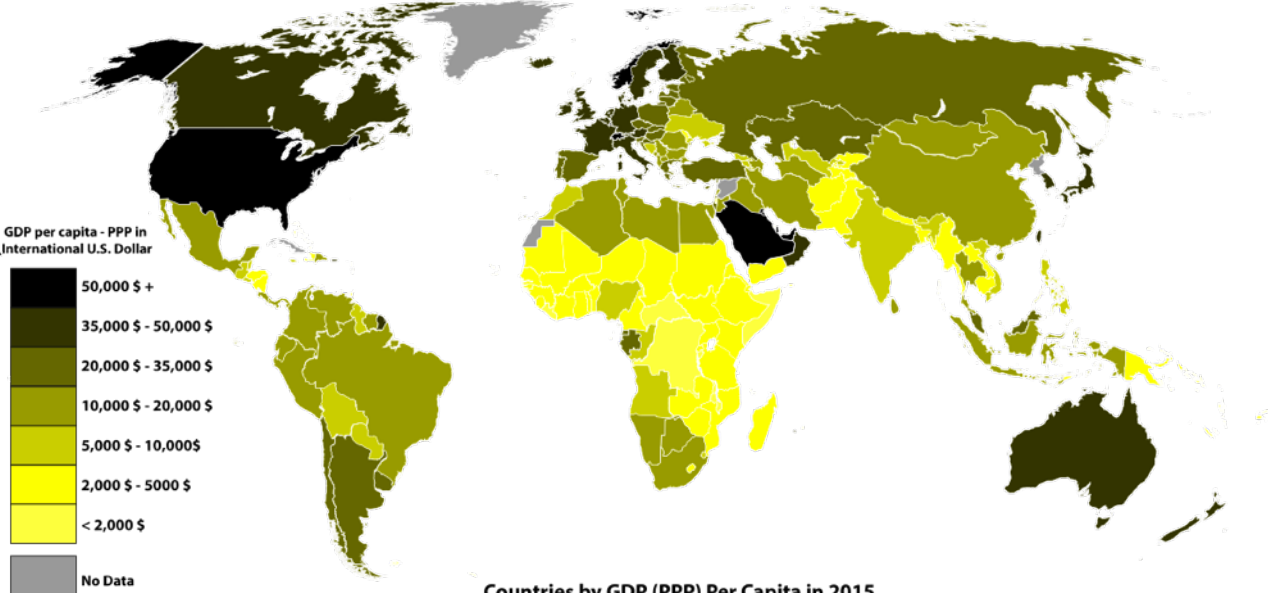 - Real GDP per capita

Mahbub ul Haq

Human Development Index, 2014

The Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and having a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions.

Our World in Data

No data   0   0.1 0.2 0.3 0.4 0.5 0.6 0.7 0.8 0.9   1
Human Development Index (UNDP)
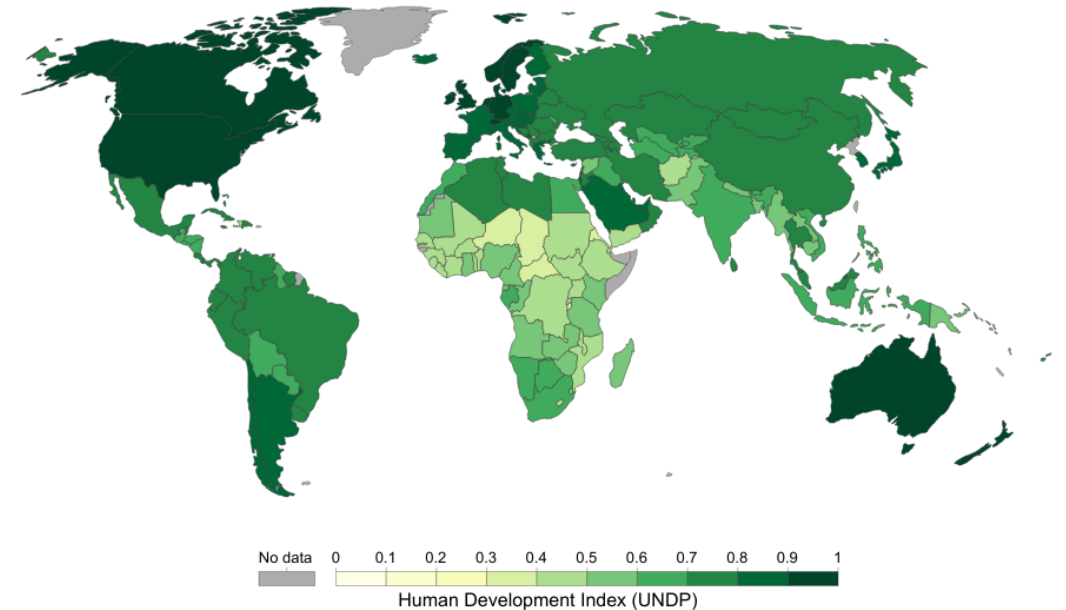
Source: Human Development Index (UNDP)

OurWorldInData.org/human-development-index/ • CC BY-SA

What do these measures of development miss?

Politics of development

- Political development: "Change over time in political institutions"

  - Fukuyama, Francis. 2014. *Political Order and Political Decay*. New York: Farrar, Straus, and Giroux.

What are institutions?

Institutions

- "Stable, valued, recurring patterns of behavior"
  - Huntington, Samuel. 1968. *Political Order in Changing Societies*. New Haven, Connecticut, United States: Yale University Press.
- "Humanly devised constraints that structure political, economic, and social interaction"
  - North, Douglass. 1990. *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press.
- "*First*, an institution is a set of rules that structure social interactions in particular ways. *Second*, for a set of rules to be an institution, knowledge of these rules must be shared by the members of the relevant community or society."
  - Knight, Jack. 1992. *Institutions and Social Conflict*. Cambridge: Cambridge University Press.

Why does development matter?

Correlates of development

Human Development Index, 2014
The Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and having a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions.
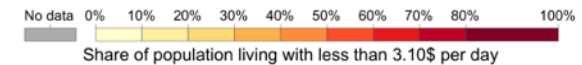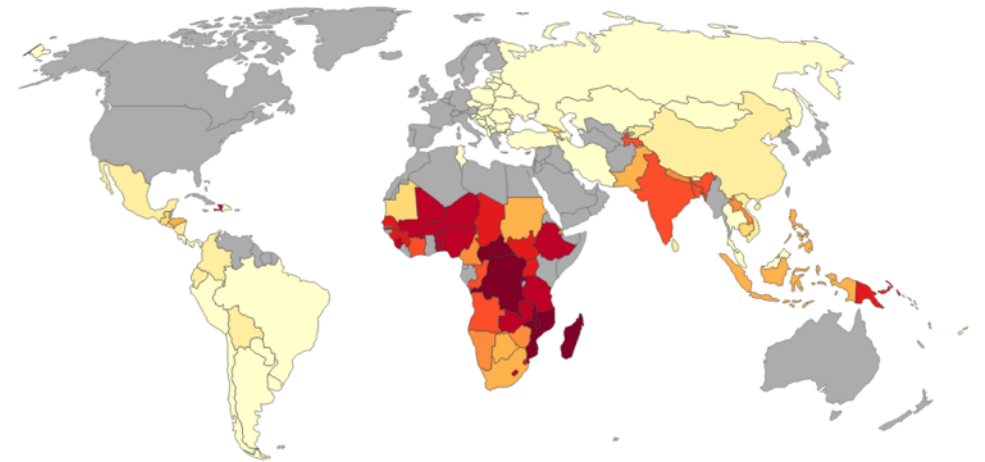
Our World in Data

No data 0 0.1 0.2 0.3 0.4 0.5 0.6 0.7 0.8 0.9 1
Human Development Index (UNDP)

Source: Human Development Index (UNDP)

OurWorldInData.org/human-development-index/ • CC BY-SA

GDP per capita - PPP in International U.S. Dollar

50,000 $ +
35,000 $ - 50,000 $
20,000 $ - 35,000 $
10,000 $ - 20,000 $
5,000 $ - 10,000$
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< 2,000 $

No Data
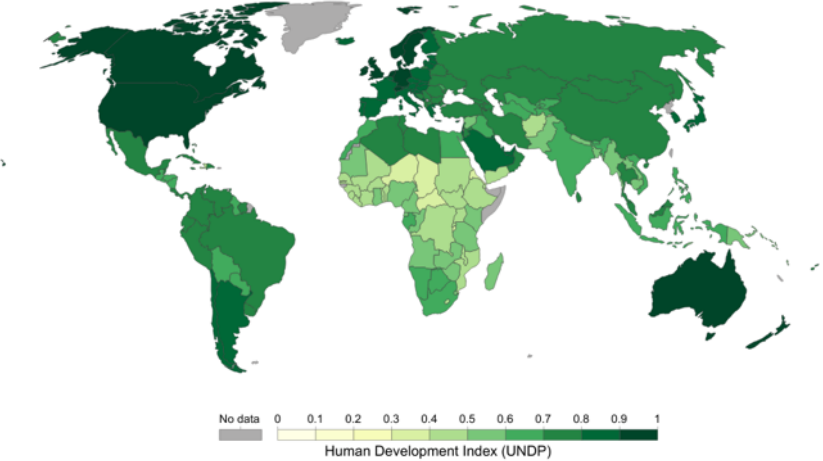
Countries by GDP (PPP) Per Capita in 2015

Correlates of development
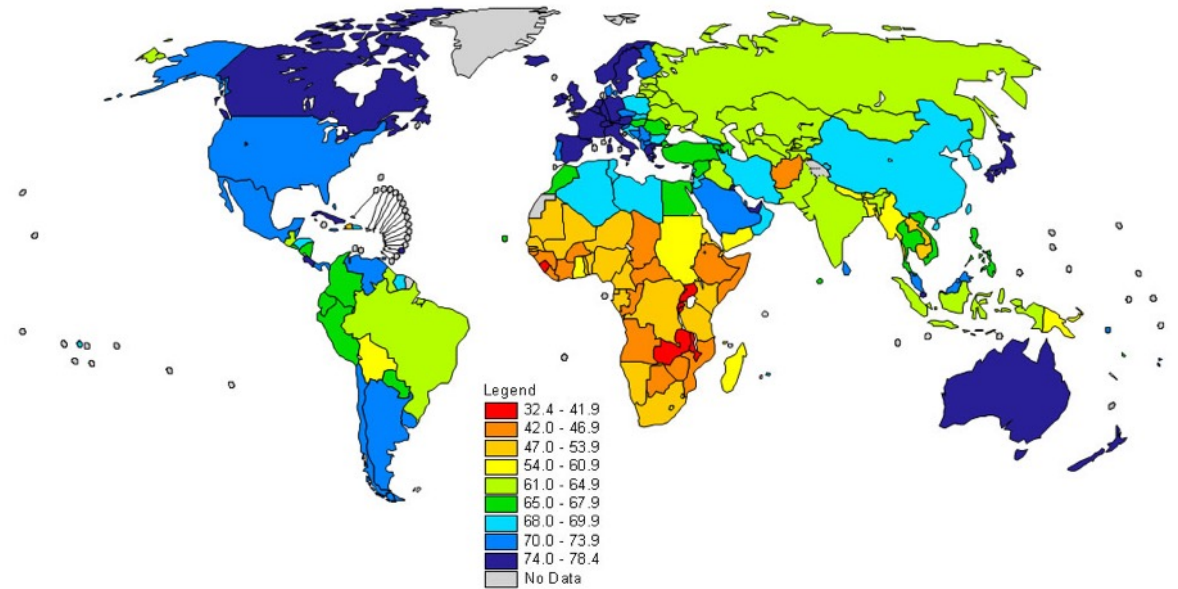

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Our World in Data

No data   0   0.1   0.2   0.3   0.4   0.5   0.6   0.7   0.8   0.9   1
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Our World in Data

No data   0   0.1   0.2   0.3   0.4   0.5   0.6   0.7   0.8   0.9   1
Human Development Index (UNDP)

Source: Human Development Index (UNDP)   OurWorldInData.org/human-development-index/ • CC BY-SA

WHO health indicators

Legend
32.4 - 41.9
42.0 - 46.9
47.0 - 53.9
54.0 - 60.9
61.0 - 64.9
65.0 - 67.9
68.0 - 69.9
70.0 - 73.9
74.0 - 78.4
No Data

Correlates of development
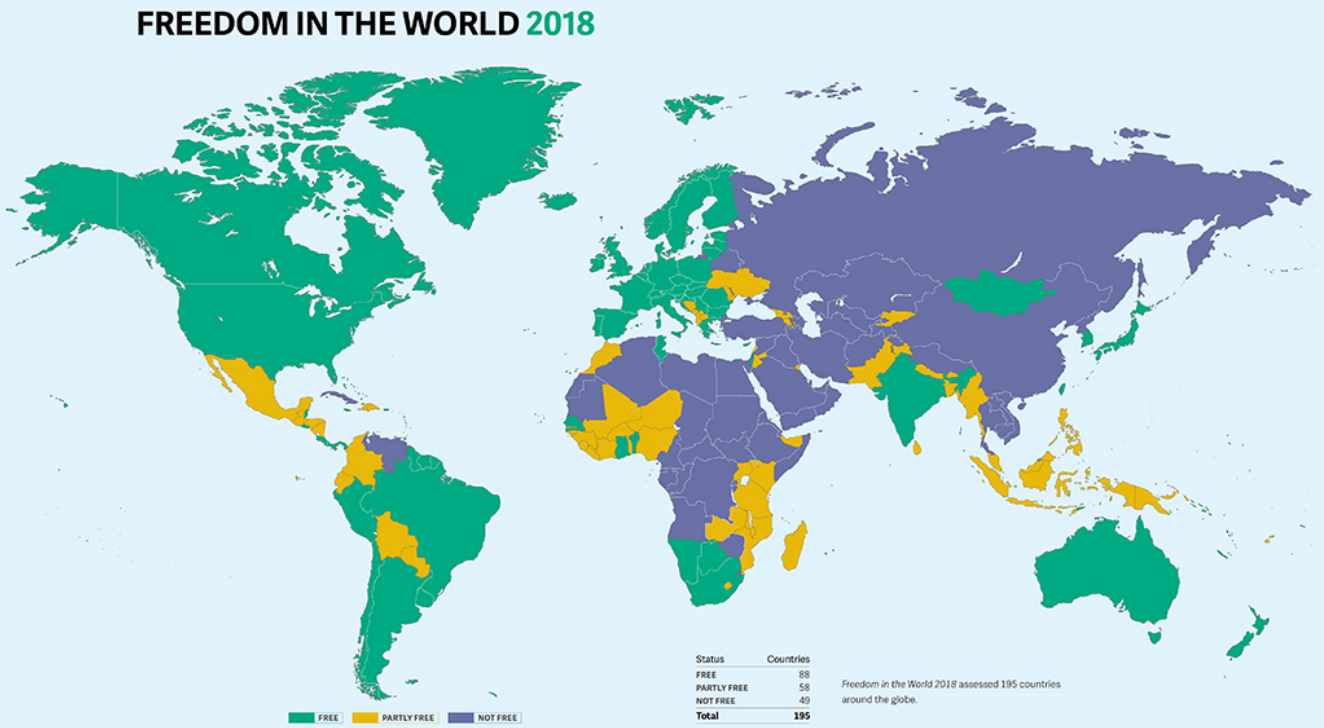

Human Development Index, 2014

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No data   0   0.1   0.2   0.3   0.4   0.5   0.6   0.7   0.8   0.9   1
Human Development Index (UNDP)
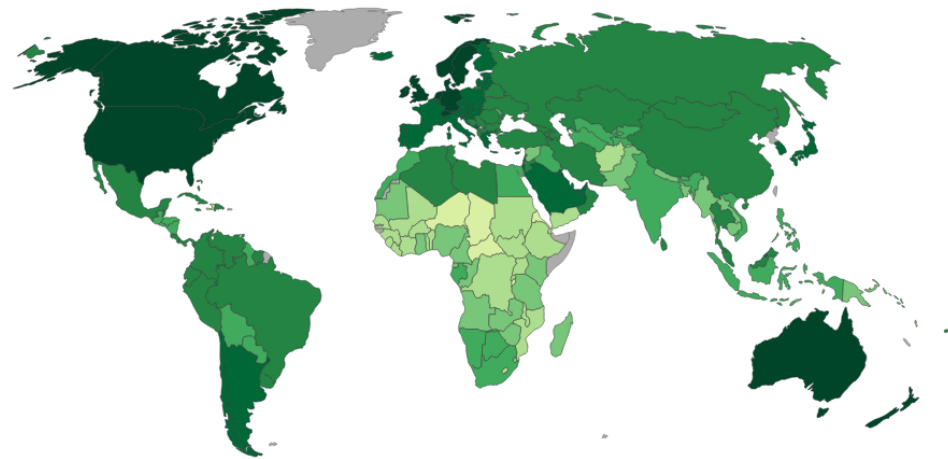
Source: Human Development Index (UNDP)

OurWorldInData.org/human-development-index/ • CC BY-SA

Political Violence Index 2015

verisk Maplecroft

Iraq
Syria
Libya
Sudan
Nigeria
C.A.R
Yemen
Somalia
Afghanistan
Pakistan
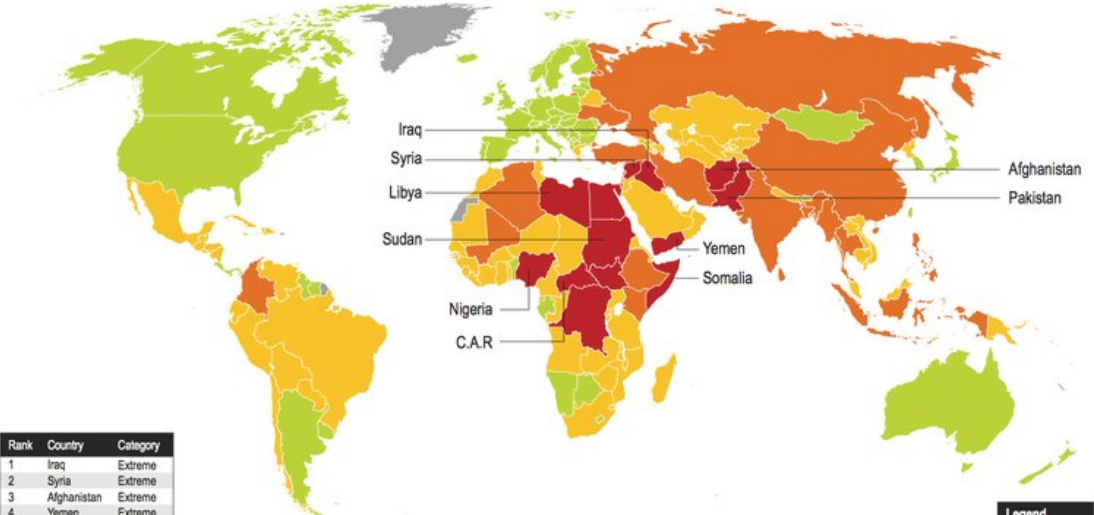
Rank	Country	Category
1	Iraq	Extreme
2	Syria	Extreme
3	Afghanistan	Extreme
4	Yemen	Extreme
5	Somalia	Extreme
6	Nigeria	Extreme
7	Pakistan	Extreme
8	Sudan	Extreme
9	C.A.R	Extreme
10	Libya	Extreme

Legend
Extreme Risk
High Risk
Medium Risk
Low Risk
No data

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Correlates of development

Human Development Index, 2014

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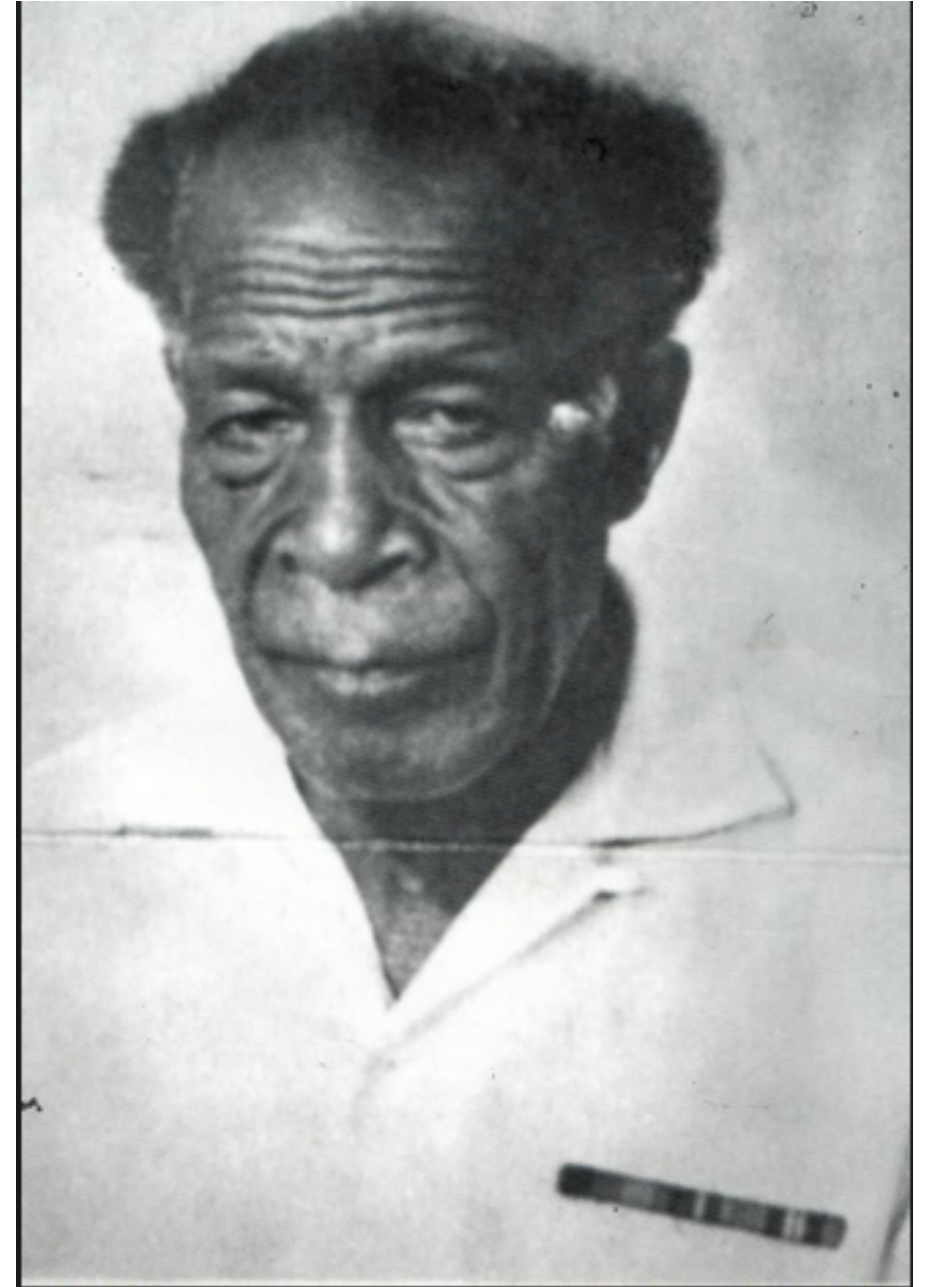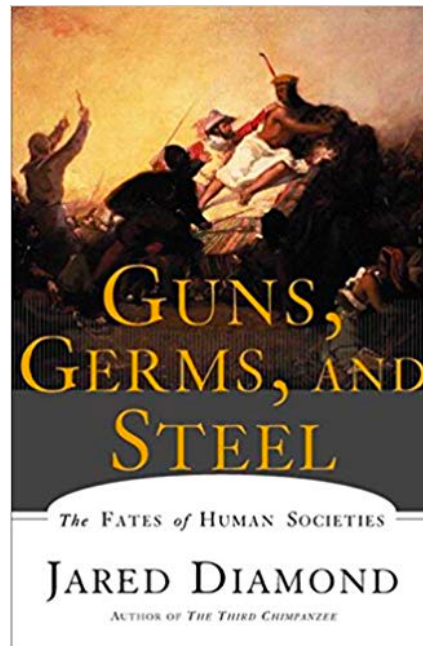
Our World in Data

No data   0   0.1   0.2   0.3   0.4   0.5   0.6   0.7   0.8   0.9   1
Human Development Index (UNDP)
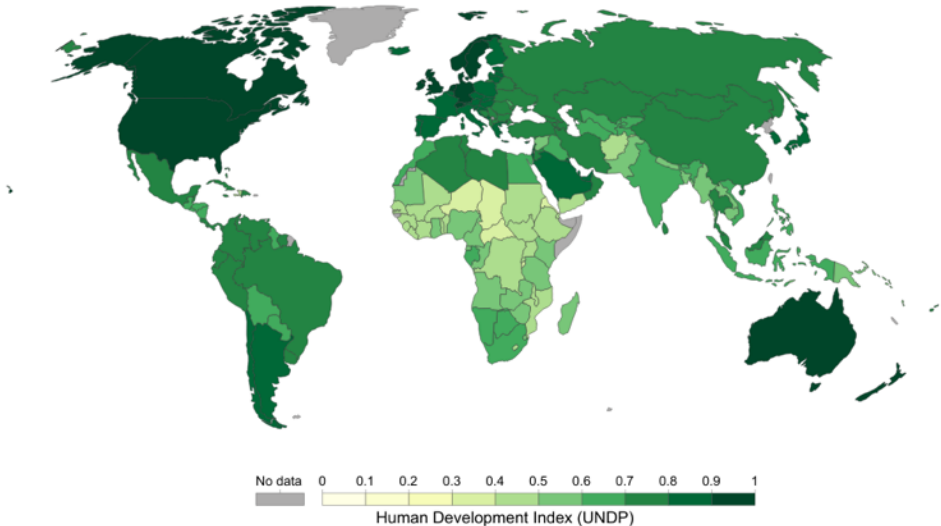
Source: Human Development Index (UNDP)

OurWorldInData.org/human-development-index/ • CC BY-SA

FREEDOM IN THE WORLD 2018

Status	Countries
FREE	88
PARTLY FREE	58
NOT FREE	49
Total	**195**

Freedom in the World 2018 assessed 195 countries around the globe.

FREE   PARTLY FREE   NOT FREE

Correlates of development
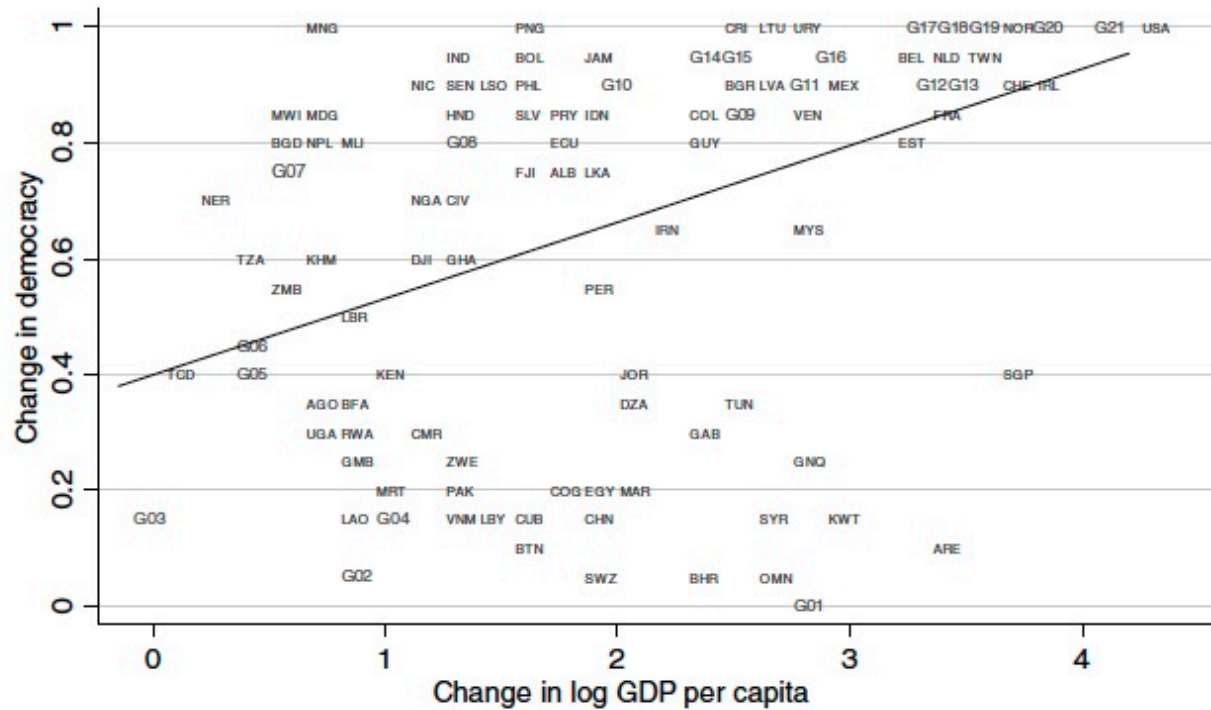
FIGURE 5. CHANGE IN DEMOCRACY AND CHANGE IN INCOME, 1500–2000

Geographic distribution of development

Human Development Index, 2014

The Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and having a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions.

No data 0   0.1   0.2   0.3   0.4   0.5   0.6   0.7   0.8   0.9   1

Human Development Index (UNDP)

Source: Human Development Index (UNDP)   OurWorldInData.org/human-development-index/ • CC BY-SA
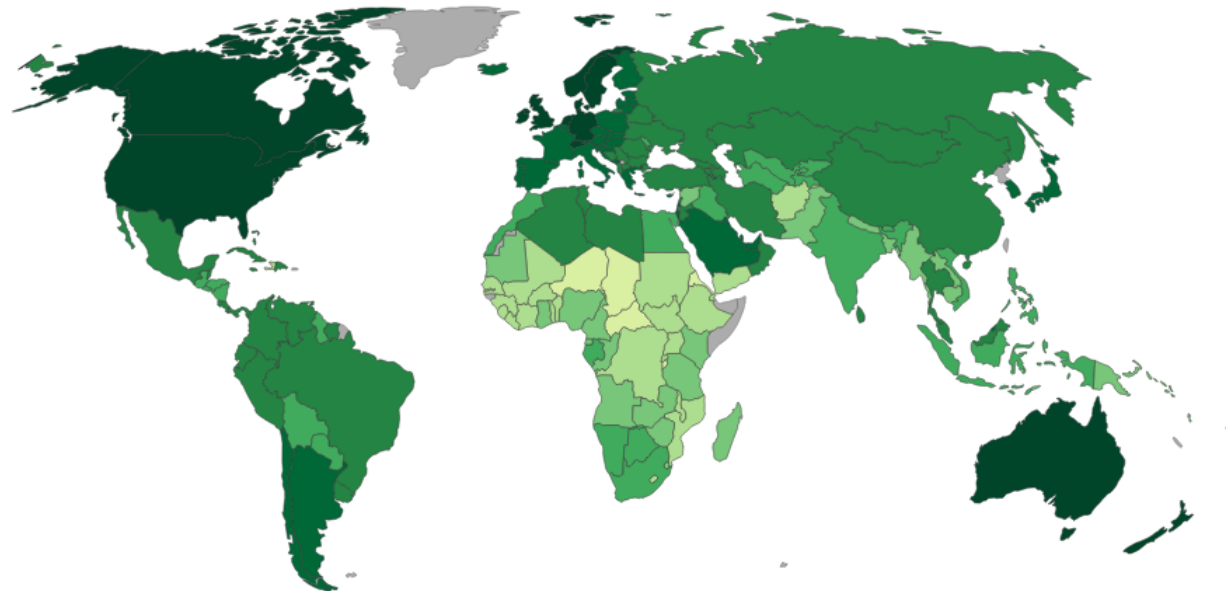
Why are some parts of the world poor, repressive, and violent while others are rich, democratic, and peaceful?

Yali's question

- "Why is it that you white people developed so much cargo, but we black people had little cargo of our own?"

GUNS, GERMS, AND STEEL
The Fates of Human Societies
JARED DIAMOND
AUTHOR OF *THE THIRD CHIMPANZEE*

What is Diamond's answer to Yali's question?

Factor endowments and development
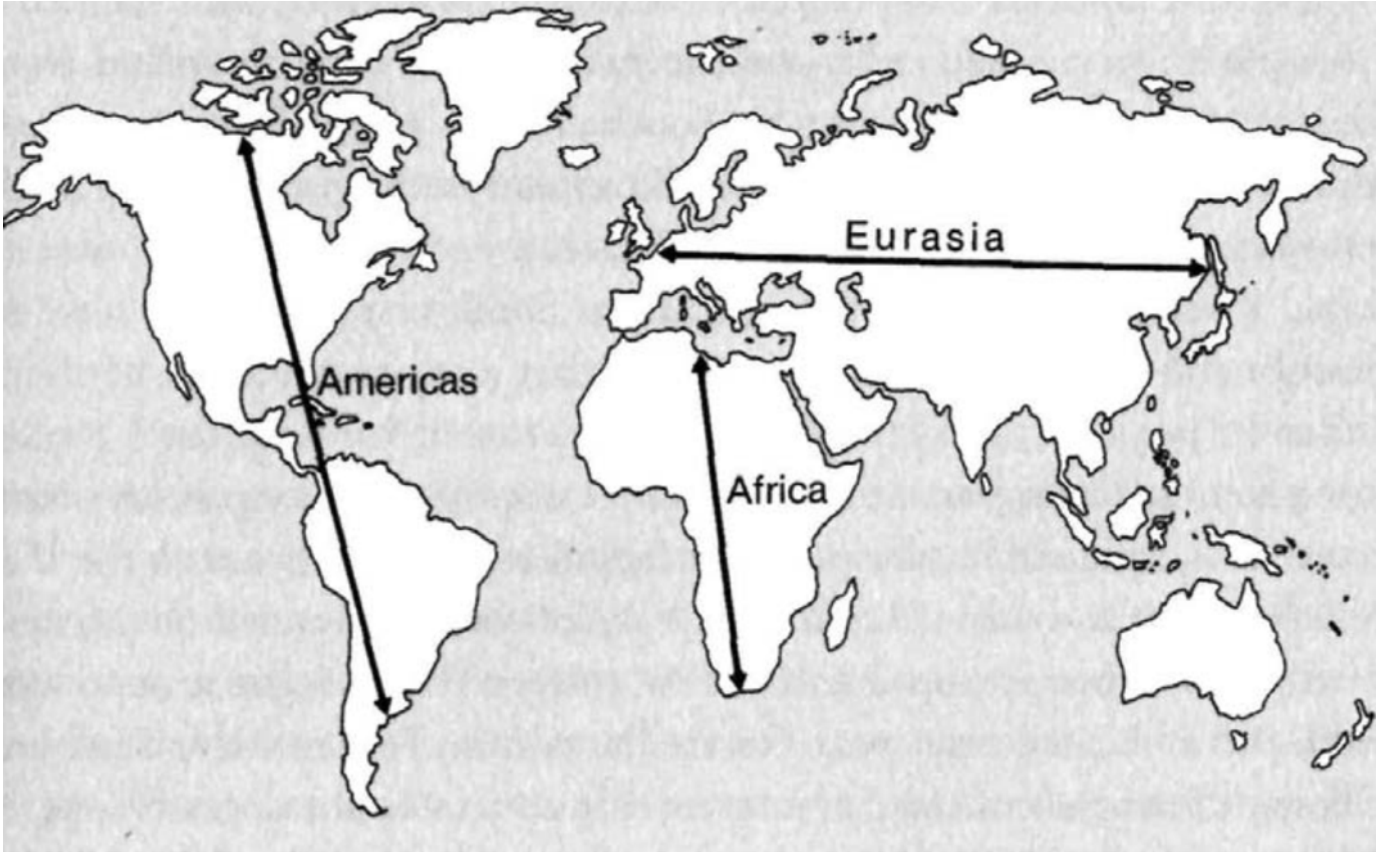
Factors underlying the broadest pattern of history
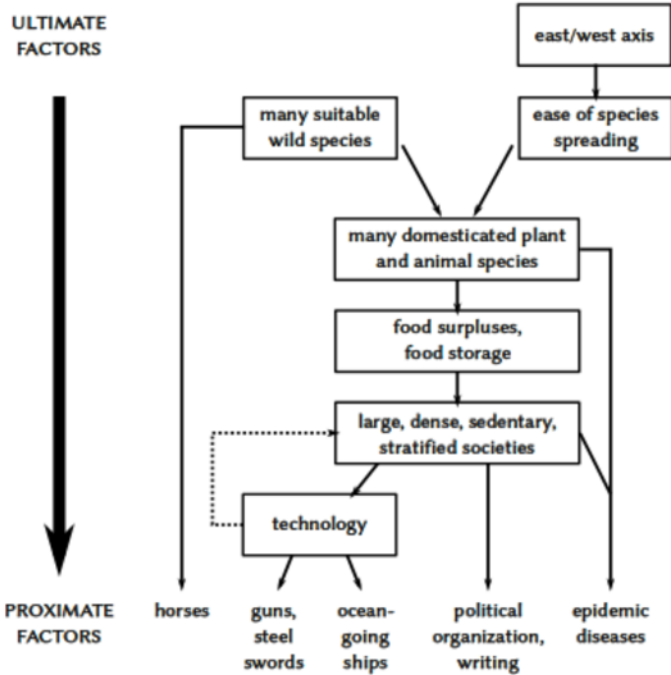
The effect of factor endowments on development

- Easterly and Levine:
  - "We find evidence that tropics, germs, and crops affect development through institutions. We find no evidence that tropics, germs, and crops affect country incomes directly other than through institutions, nor do we find any effect of policies on development once we control for institutions."
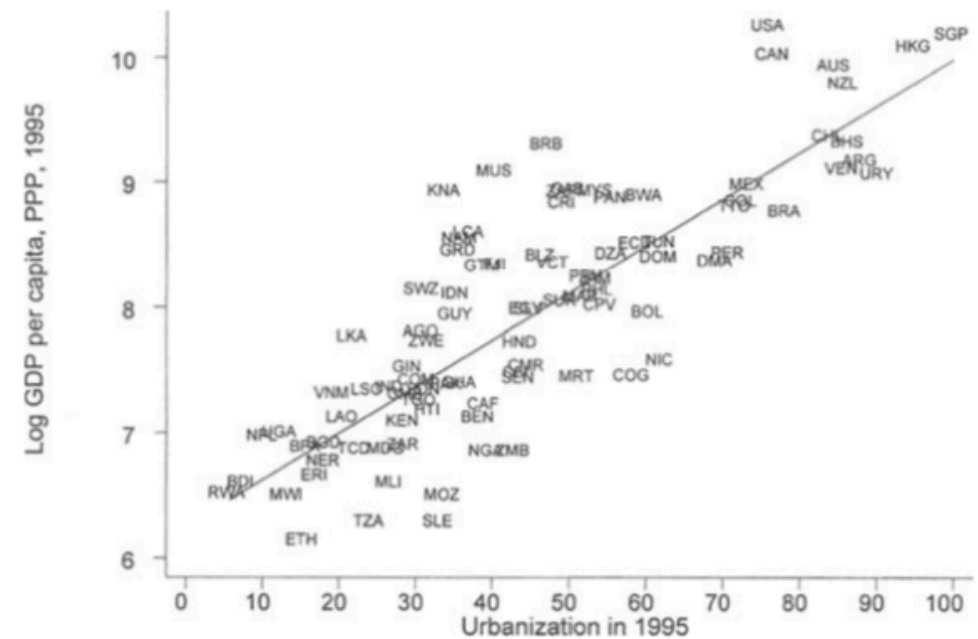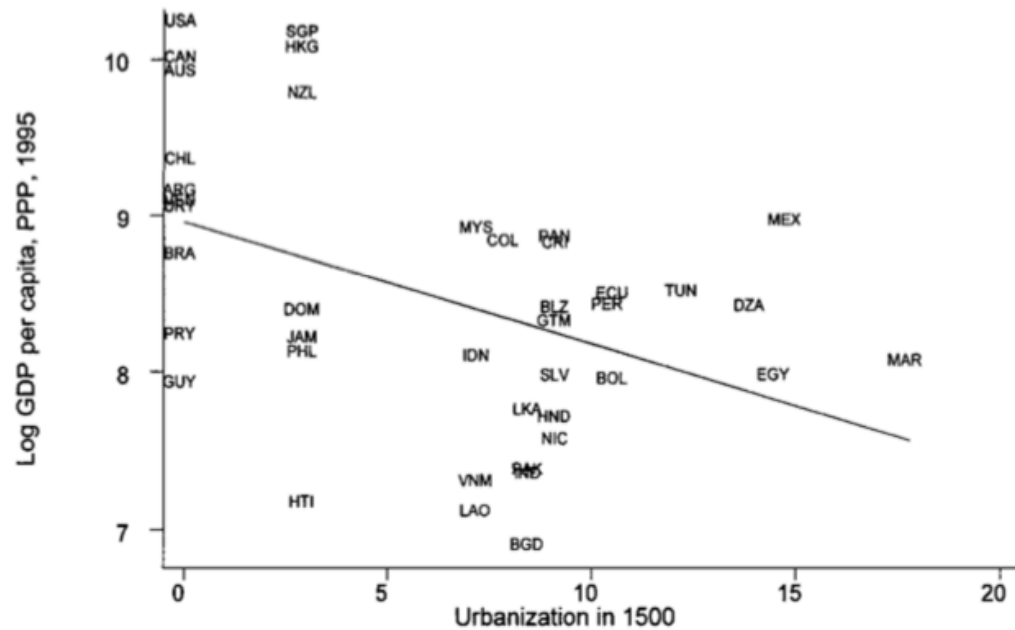   - Easterly, William, and Ross Levine. 2003. "Tropics, germs, and crops: how endowments influence economic development." *Journal of Monetary Economics* 50 (1): 3-39.

How do institutions mediate the relationship between geography and development according to Acemoglu, Johnson, and Robinson?

Geography, institutions, and development

FIGURE 1. REDUCED-FORM RELATIONSHIP BETWEEN INCOME AND SETTLER MORTALITY

(potential) settler mortality → settlements

⇒ early institutions ⇒ current institutions

⇒ current performance.

Institutions and development

Acemoglu, Daron, Simon Johnson, and James A. Robinson. 2002. "Reversal of Fortune: Geography And Institutions in The Making of The Modern World Income Distribution." *The Quarterly Journal of Economics* 107 (4): 1231–94.
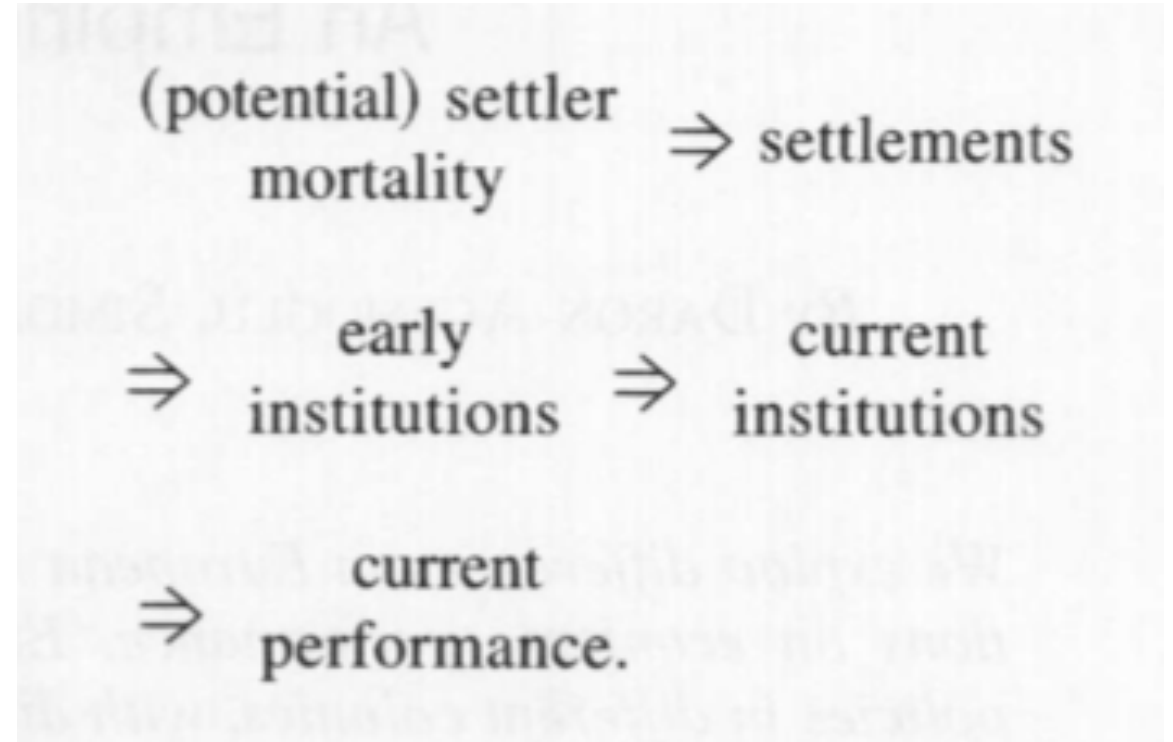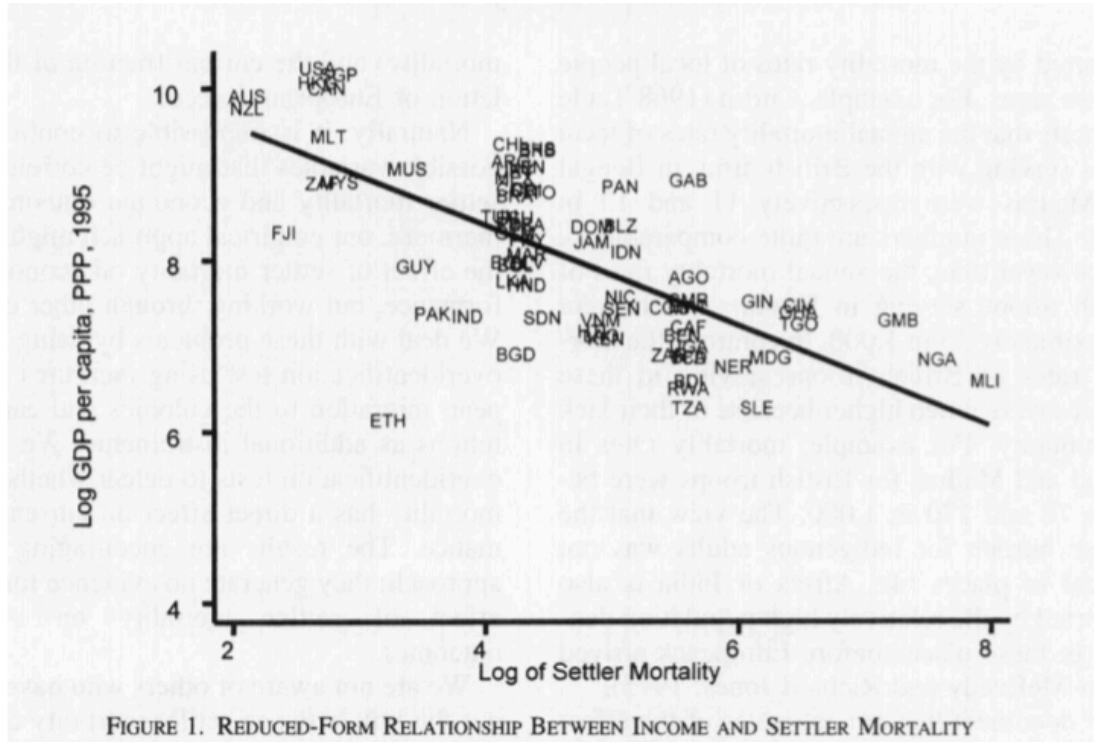
Institutions and development

- Average household income:
  - Nogales, Arizona: USD 30,000
  - Nogales, Sonora: USD 10,000
    - Acemoglu, Daron, and James A. Robinson. 2012. *Why nations fail: the origins of power, prosperity, and poverty*. New York: Crown Publishers.

Why is Nogales, Sonora less developed than Nogales, Arizona according to Wallerstein?

World systems theory
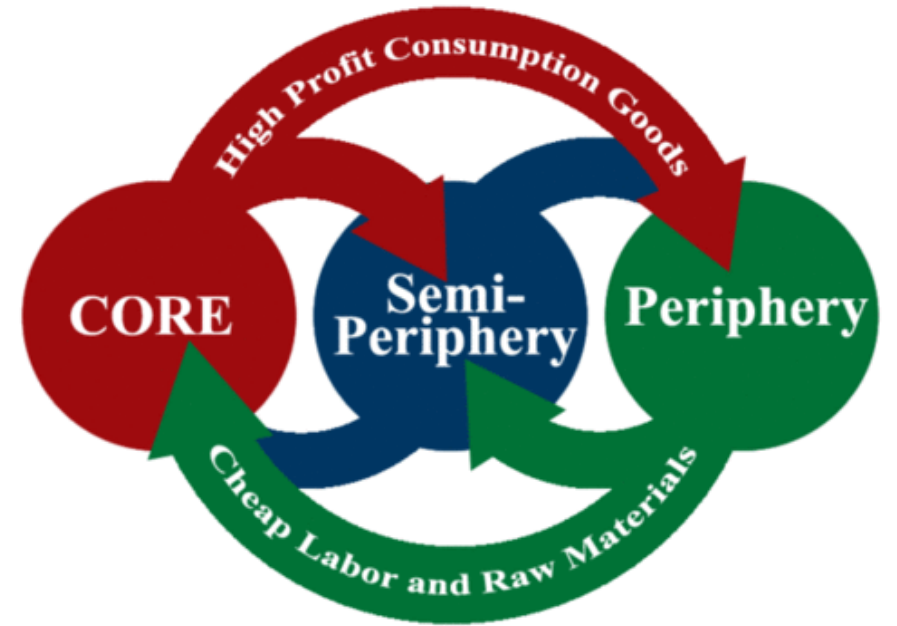
Wallerstein's World System Theory Model

Import substitution industrialization

- Reduction of dependency through local production of manufactured products
- Required policies:
  - Protectionist trade regime
  - State intervention in economy
  - Subsidization of industries and industrialization →
  - Increased taxation
- → Debt

What was the neoliberal response to the debt crisis?

Neoliberalism

Consequences of neoliberalism?

- Globalization
- Inequality

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Economics

Neoliberalism – the ideology at the root of all our problems

Financial meltdown, environmental disaster and even the rise of Donald Trump – neoliberalism has played its part in them all. Why has the left failed to come up with an alternative?

Recent trends

Share of the world population living in extreme poverty, 1981 to 2030

Share of population living in below the International Poverty Line (1.90 International Dollars). Figures account for cross-country differences in prices levels, as well as for inflation. Projection for 2030 is based on the assumption that the average growth rates of consumption in all countries will be the same as the observed average growth rates from the previous 10 years.
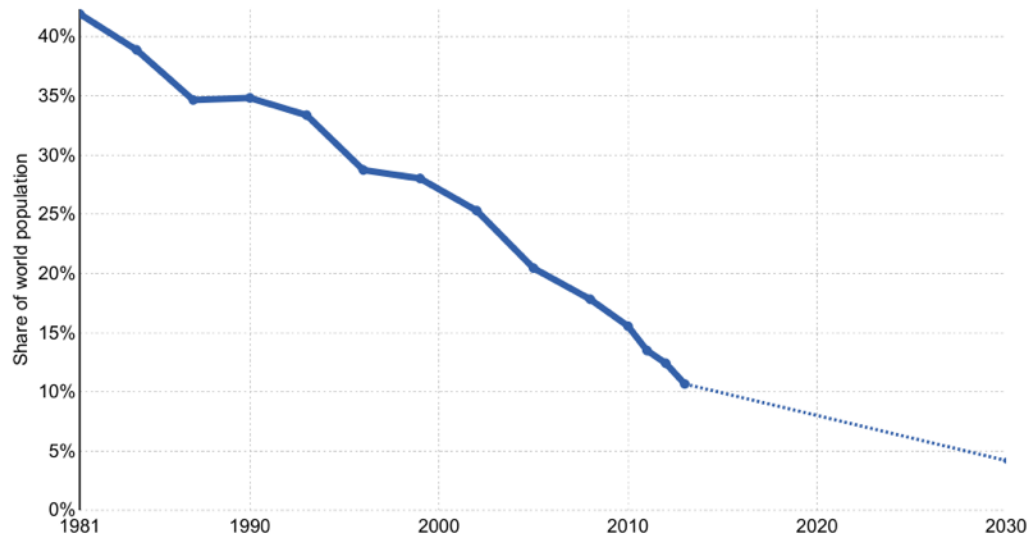
Source: Poverty headcount 1981-2030 - PovcalNet World Bank
OurWorldInData.org/extreme-poverty/ • CC BY-SA
Note: The projected figure for 2030 also assumes that the dispersion in the distribution of consumption in each country remains unchanged from the most recent available data.

The value of global exports

Time series of value of world exports at constant prices, relative to 1913 (i.e. values correspond to world export volumes indexed at 1913=100)
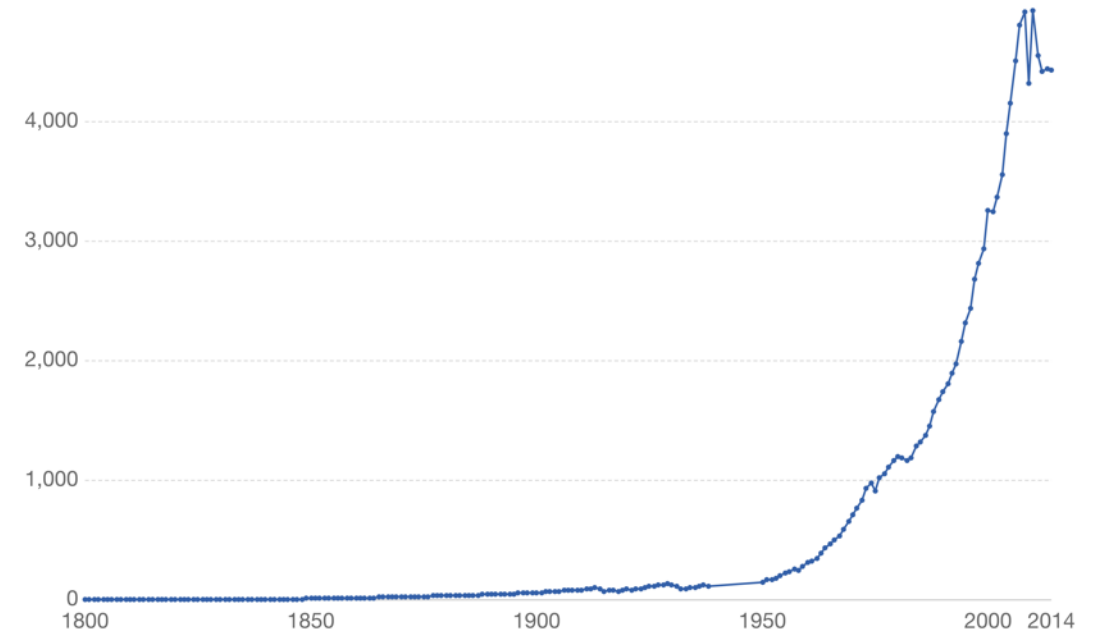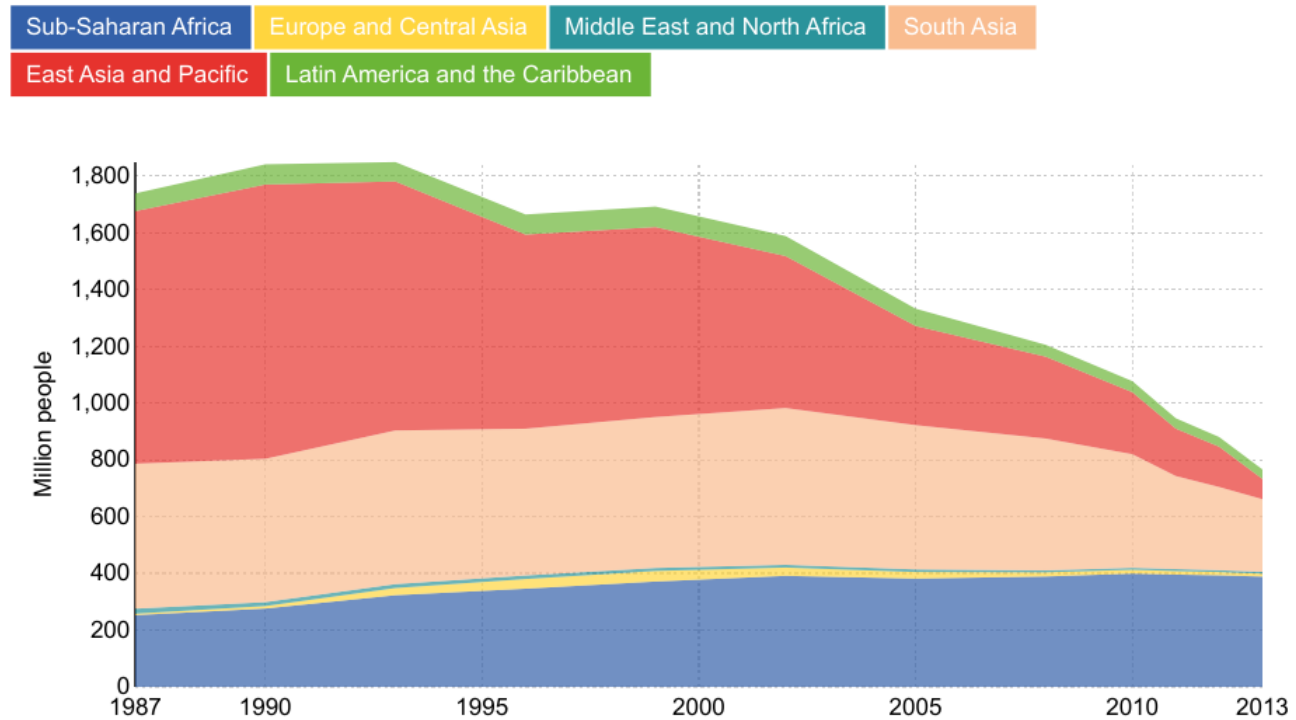
Source: Federico and Tena-Junguito (2016)
OurWorldInData.org/international-trade • CC BY

Recent trends

Total population living in extreme poverty, by world region, 1987 to 2013

Numbers are in millions of people. Extreme poverty is defined as living with per capita household consumption below 1.90 international dollars per day (in 2011 PPP prices). International dollars are adjusted for inflation and for price differences across countries.

Our World in Data

Sub-Saharan Africa · **Europe and Central Asia** · **Middle East and North Africa** · **South Asia** · **East Asia and Pacific** · **Latin America and the Caribbean**

Source: World Poverty Absolute Number by Region - PovcalNet (World Bank)
OurWorldInData.org/extreme-poverty/ • CC BY-SA
Note: Consumption per capita is the preferred welfare indicator for the World Bank's analysis of global poverty. However, for about 25% of the countries, estimates correspond to income, rather than consumption.

Who have been the winners and losers of globalization according to Milanović?

To Understand 2016's Politics, Look at the Winners and Losers of Globalization

An interview with economist Branko Milanovic.

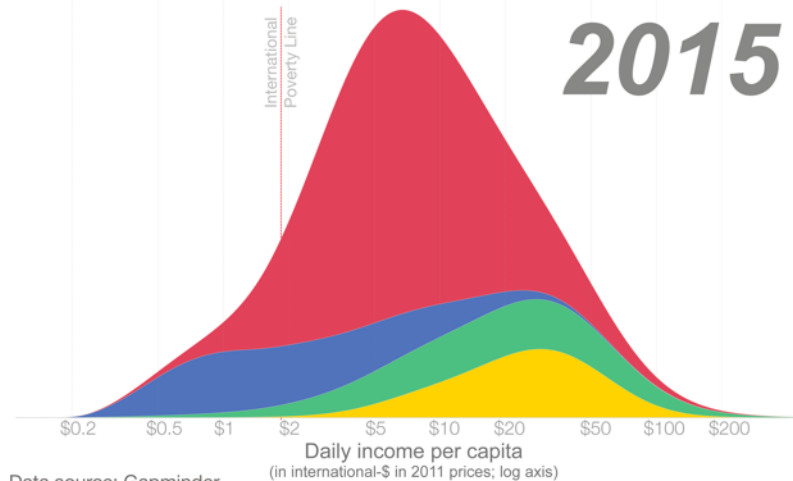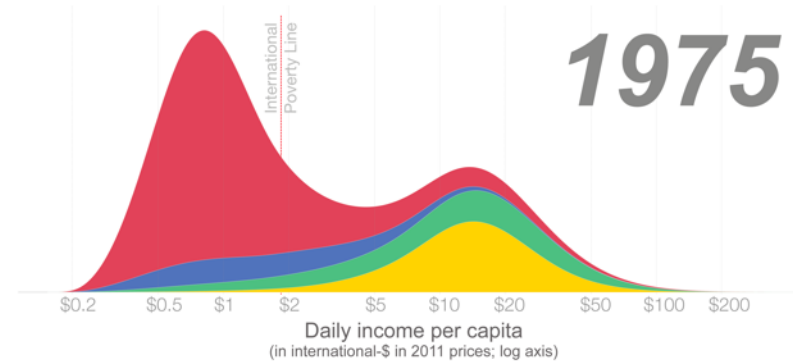By **VINCENT BEVINS**

December 20, 2016

Add to Pocket

Since the 1980s, the world has been undergoing a particular type of globalization, one that has been very good for some people, and not so good for others. Branko Milanovic's book Global Inequality, *which came out earlier this year, showed who won and lost under this system in the last 30 years. By doing so, he pinpointed, many believe, a source of discontent that has increasingly shaped our political climate, from the UK's move to leave the EU to the* outcome of the United States presidential election.

Recent trends

Global income distribution in 1800, 1975, and 2010

Recent trends

Global inequality has declined: Growth incidence curve, 1988-2008

income growth rate (percent)

percentiles of the global income distribution
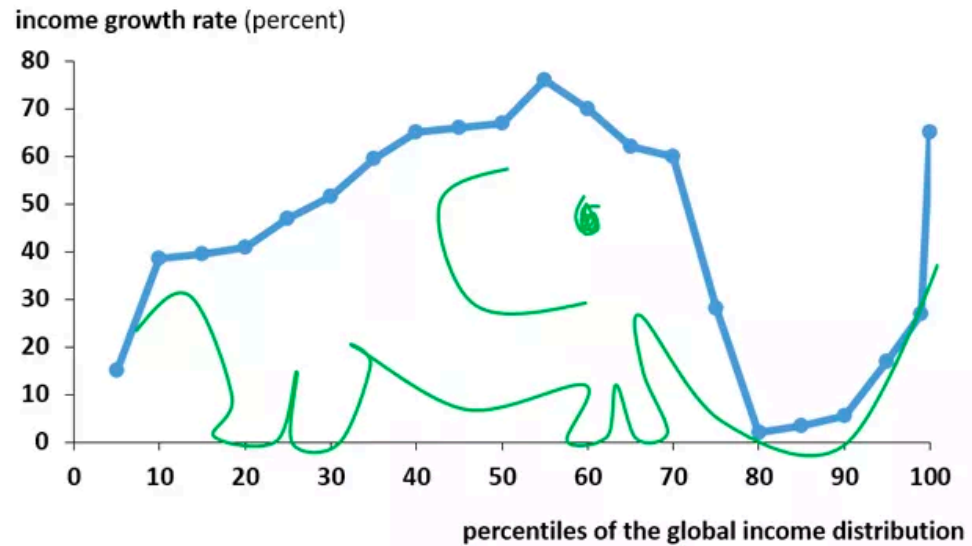
Replicating the World Inequality Report, Figure E4, limited to 1988-2008

Cumulative growth rate (%)

Income group (percentile)
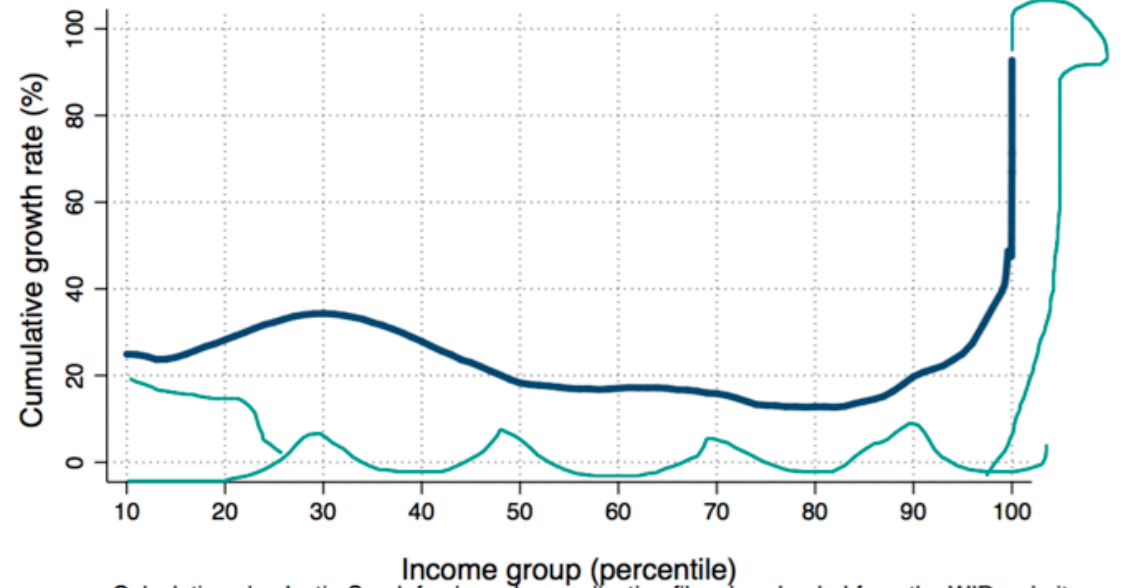
Calculations by Justin Sandefur, based on replication files downloaded from the WID website (2a - world-gic.do), with an alternative date range.

Recent trends
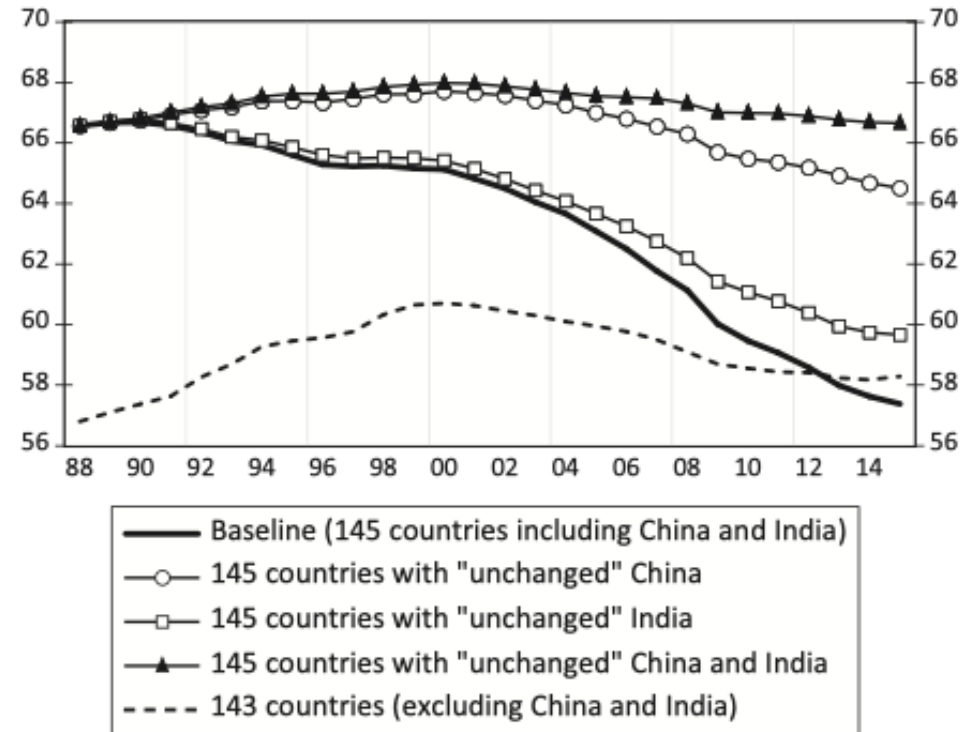
Fig. 6. The impact of China and India on global income inequality developments, 1988–2015. Source: author's calculations, using the two-parameter method based on the Log-normal distribution, in the deterministic setting. Note: disposable income (after taxes and transfers) is considered.
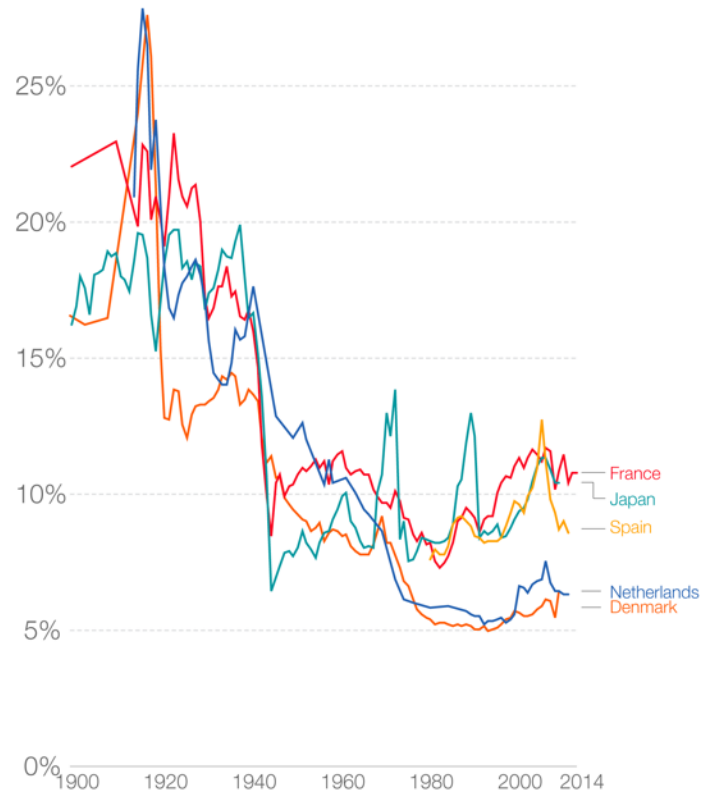
Darvas, Zsolt. 2019. "Global Interpersonal Income Inequality Decline: The Role of China and India." *World Development* 121: 16–32.

Recent trends

Share of Total Income going to the Top 1% since 1900

The evolution of inequality in English speaking countries followed a U-shape
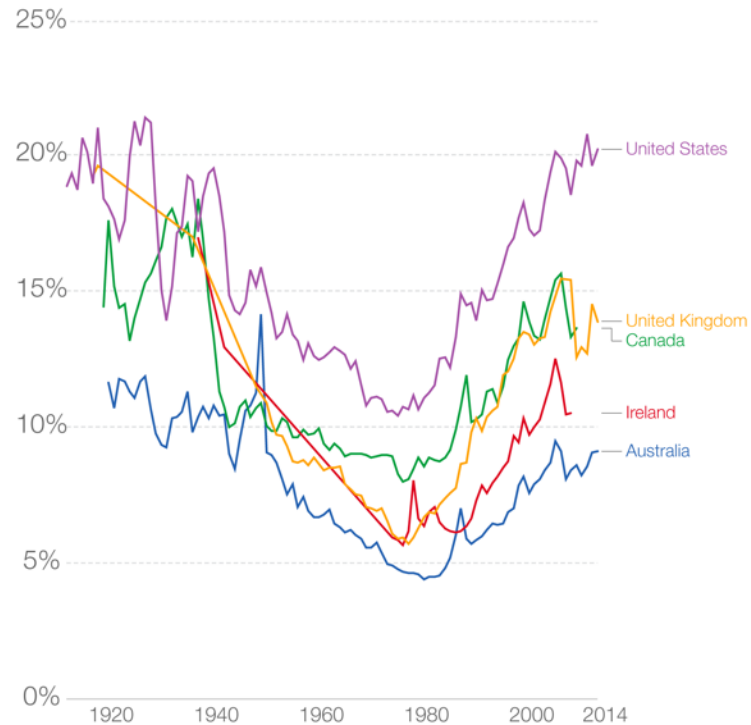
The evolution of inequality in continental Europe and Japan followed an L-shape

Data source: World Wealth and Income Database (2018). This is income before taxes and transfers.
This data visualisation is available at OurWorldinData.org. There you find the raw data and more visualisations on inequality and how the world is changing. Licensed under CC-BY-SA by the author Max Roser.

Recent trends

Average annual growth by percentile, 1980-2014
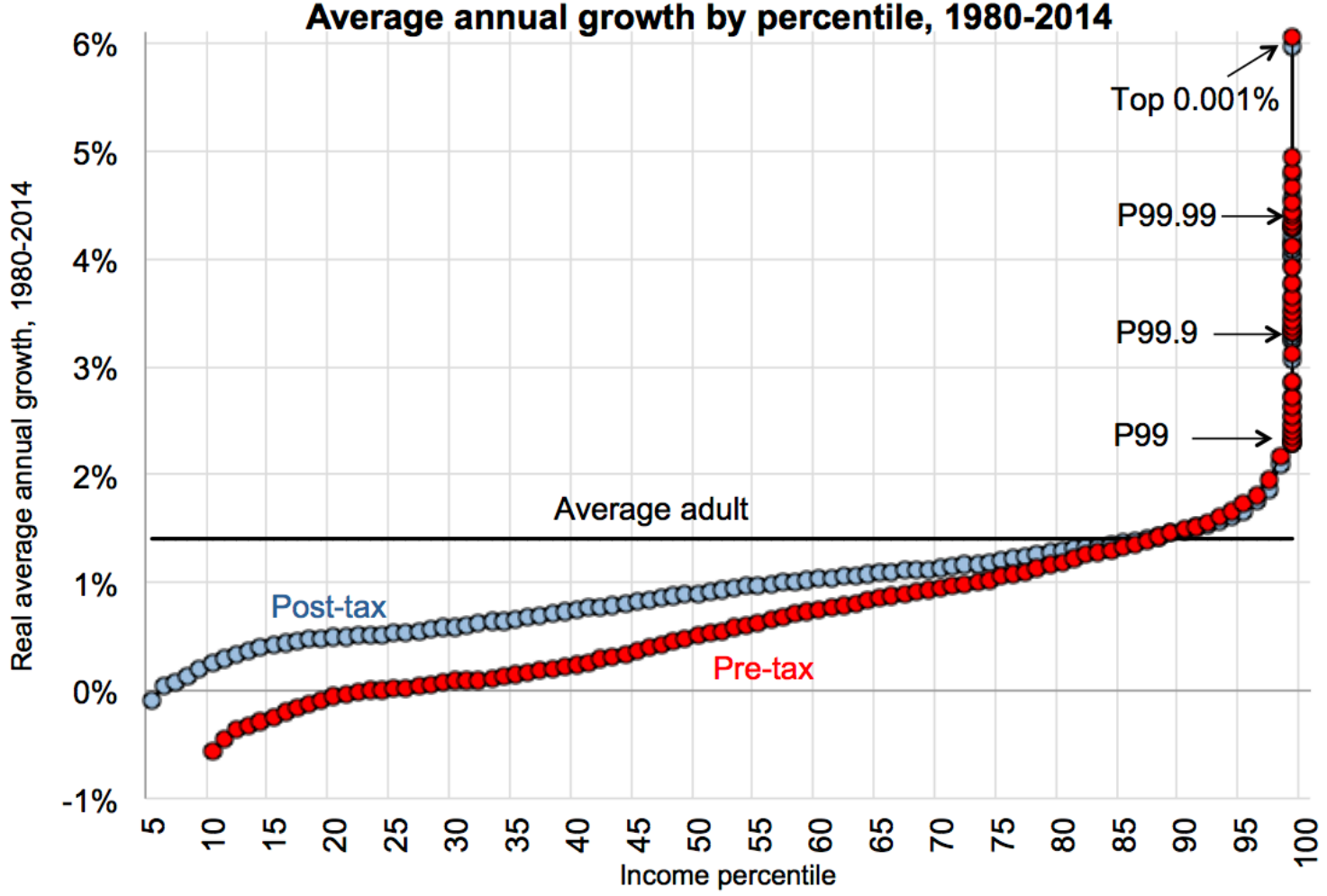
What are the consequences of inequality?

What are the only solutions to economic and political disparities according to Scheidel?

The great leveler and its four horsemen

- Mass mobilization warfare
- Transformative revolutions
- State collapse
- Plague