

**DEVELOPMENT FROM THE INSIDE OUT**  
*Rethinking Caribbean Development on the Eve of the 21<sup>st</sup> Century*\*

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I. Introduction

I had at first intended to entitle this talk “Development Defeated”, the implication being that development from the outside either by international agencies, national governments or NGO’s; national and international have failed to “deliver” much of the promise they held out to local people under the name of development. This failure can be observed at various individual levels of for example, international and bilateral agencies, national and local government institutions, NGO’s and sometimes can be observed as a cascade from one level to the others. This failure has been so widespread and so pervasive that it has led to gloom, doom and cynicism, among practitioners, theorists and would be beneficiaries alike. It was because of the fear that I might deepen this dismal scenario, that I changed the title. On the other hand, I can now be seen as guilty of succumbing to the seductiveness of the development enterprise. Some have also come to fear the possible success of development more than its failure. In this talk, I try to take a middle path and to focus on some emerging avenues of hope. I offer no model or blueprint but a few ideas on approach and process, which are practical steps towards agreed on principles.

This talk will do five things:

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\* *The opinions expressed in these notes are those of the author or the cited source and do not necessarily reflect the views of UNDP or the UN system.*

- 1) provide a brief review of some of what I consider insightful critiques of the development enterprise, as a whole.
- 2) apply some of the elements of this critique to the Caribbean situation
- 3) offer an alternative approach to reach some of the goals the “Caribbean” seem to be setting itself
- 4) share a few thoughts on the roles of key institutions including the University
- 5) provide an opportunity for dialogue

### Review of the development experience

Wolfgang Sachs and his seventeen contributors to the Development Dictionary (1992) deal with development not as technical performance nor as class conflict, but rather as a particular cast of mind. They see development as much more than a socio-economic endeavor, rather as a “perception which models reality, a myth which comforts societies and a fantasy which unleashes passions. Perceptions, myths and fantasies, however, rise and fall, independent of empirical results and rational conclusions, they appear and vanish, not because they are proven right or wrong, but rather because they are pregnant with promise or become irrelevant”.

The Development Dictionary refers to “the age of development as that particular historical period which began on 20 January 1949, when Harry S. Truman for the first time declared, in his inauguration speech, the Southern hemisphere as ‘underdeveloped areas’. The label stuck and subsequently provided the cognitive base for both arrogant interventionism from the North and pathetic self-pity in the South”.

“On that day, two billion people became underdeveloped. In a real sense, from that time on, they ceased being what they were, in all their diversity, and were transmogrified into an inverted mirror of others’ reality: a mirror that belittles them and sends them off to the end of the queue, a mirror that defines their identity, which is really that of a heterogeneous and diverse majority, simply in the terms of a homogenizing and narrow minority.”

“And as it was taken for granted that underdevelopment itself was out there, that it was something real, ‘explanations’ of the phenomenon began to

appear. An intense search for its material and historical causes immediately started.”

“Pragmatic attention also began to be given to the internal or external factors that seemed to be the current cause of underdevelopment: terms of trade, unequal exchange, dependency, protectionism, imperfections of the market, corruption, lack of democracy or entrepreneurship.”

For the Latin American dependency theorists and other leftist intellectuals, Truman had simply substituted a new word for “what had already been there: backwardness or poverty. According to them, the ‘backward’ or ‘poor’ countries were in that condition due to past lootings in the process of colonization and the continued raping by capitalist exploitation at the national and international level: underdevelopment was the creation of development. By adopting in an uncritical manner the view to which they meant to be opposed, their efficient criticism of the ambiguity and hypocrisy of the Western promoters of development gave a virulent character to the colonizing force of the metaphor.

Since then, we have had a fascinating evolution of the concept of development. Lewis in 1944 promoted development as growth in the income per person in economically underdeveloped areas. This notion was reflected in the UN Charter in 1947. By the time of the first UN decade (1960-70), development had already come to mean “improved quality of people’s life (including social and cultural aspects. But growth was the main concern, with all other aspects to be somehow linked or integrated resulting in growth with increasing inequalities by the end of the 1<sup>st</sup> decade in 1970. The international development strategy of 1970 called for unified, inclusive, participatory approach giving high priority to social equity and development of human potentials, provision of employment, and meeting the needs of children.

In 1974, the COCOYOC Declaration called for a focus on human development, not the development of things, and in 1975 the Dag Hammarskjold Foundation called for human centered development. In 1975, the 7<sup>th</sup> Special Session of the General Assembly called for an improvement on the International Development Strategy (1970) and in 1976, ILO offered an answer in the Basic Needs Approach.

In the late 1970s, UNESCO promoted the idea of endogenous development after recognising the impossibility, let alone the sustainability of mechanically imposing industrial countries development models on others. During the 1980s with the recognition of environmental degradation, sustainable development came into vogue. Had we by now not tried all the variants of development approaches.

The 1990's witnessed an unprecedented array of world summits on education, children, environment and development, women, population, social development, human settlements and food security, garnering political commitment and international agreement on a range of issues. These can be summarised as a focus on poverty, sustainability, empowerment, equity, participation and rights.

But where does this all find us on the eve of the new millenium? An era of increasing impoverishment, declining ODA, increasing polarisation of wealth into fewer hands, increasing inequalities between "rich and poor". And yet the analyses of development failures continue and calls for rethinking development, including this one, abound.

To help shake us out of this deep slumber, which the hypnotic power of the Development concept has induced, let us take stock of what development has come to mean. Kaplan (1999) summarises the state of play as follows:

- "Development can be created and engineered. Indeed, it must be. It does not exist in and of itself. Interventions, projects, are designed specifically to "bring" development to those amongst whom it is lacking.
- Development, then, is something which is brought, to and for some, by others who presumably are more developed.
- Development is done on behalf of third parties. In other words, the development practitioner brings development interventions, which are designed and financed by third parties, not by the communities and clients who are the "subjects" of the intervention.
- All of the above constrains the development practitioner to work primarily out of the specifications of the world from which he/she has been sent, rather than out of an accurate and sensitive reading of the particular situation with which he/she is actually faced.
- Development is linear and predictable. Put another way, there is a direct line between cause and effect, between input and output. So long as we have made the correct assumptions initially we should be able to predict output based on input.
- This gives rise to the concept of the "development project" which is generally short term, time-bound, limited in terms of resources and both limited and finite (predictable) in terms of output. The development project, which is the

primary vehicle for development intervention and finance, presumes these assumptions to be true. Development can be said, in fact, to be defined and framed by the concept of the development project – development begins and ends where the particular project begins and ends. Development itself, then, has a beginning and an end; and the assumption is that the end can be defined and provided for at the beginning. (It is also remarkably difficult, in terms of donor demand, to change a project substantially once it has started, in response to what has been learned about strategy and methodology during the early implementation of the project. Despite the rhetoric, real learning is not high on the agenda).

- Development presumes a particular perspective on human nature – that understanding will generate change. (Hence the emphasis on training and technical assistance in development interventions). It does not take much account of unconscious factors, of processes of change, of culture, tradition, or the human heart.
- Concomitantly, development places far more emphasis on technical experts and “advisors”, and on trainers, than it does on change facilitators. This emphasis expresses itself in terms of project specifications, in terms of relative positioning within NGOs and in terms of remuneration.
- Development assumes a preferred culture or value system. This presumption is denied by most development pundits, yet it remains true. The presumption is that there is something wrong, and we intervene to change it. We judge the results according to our own norms.
- As an ironic addendum to the two preceding points, development practitioners are not required to pay attention to their own development as human beings, as part of effective development practice. The development practitioner’s own development and processes of learning are entirely removed from the picture. There is thus little or no reciprocity in the relationship between developer and “developee”.
- Development has come to accept that the “subject’s” participation in the development project is vital, but it sees that participation as a means, not an end in itself.
- Development assumes that a successful development intervention, or project, is replicable; indeed, this is one criterion in judging its success. If it is not replicable elsewhere, it is lacking in value.

- Likewise, the successful development project is sustainable, both in terms of financial resourcing as well as in terms of continuity of the effects achieved. If the effects of the intervention are not sustained, the project will be deemed to have been unsuccessful.
- The evaluation of development interventions – which tells us much about the underlying assumptions – is generally performed in terms of the ends stipulated in the project document, not in terms of the myriad other outcomes which may (or may not) have been forthcoming in terms of the individuals, communities or organisations with whom the development intervention had been entered into.

Generally, the underlying paradigm which characterises a “conventional” development approach is fundamentally about the delivery of resources. These resources come in various guises – they may be finance, equipment, technical know-how, skills, political clout, even a particular approach to life. The point is, those who are under-developed lack certain resources; development (at its best) entails the effort to transfer those resources from those who have to those who do not have.”

The myriad forms in which these development models have revealed themselves in Caribbean countries over their post independence periods will be evident to most researchers/ practitioners in the region. They include the inward looking strategies of import substitution in various guises, taken to the extreme in Guyana under Burnham and for a while by Manley in Jamaica. (I am conscious of the possible confusion between “development from the inside out” in the title of this talk and inward looking strategies, which I consider to be distinct, and will make clear I hope when I propose some alternatives). They include as well the outward looking strategies such as the export growth model. Industrialisation by invitation or the Puerto Rican model is perhaps the most famous and has combined with import substitution and export growth models to yield a range of variants and results. Thomas (1988) in *The Poor and Powerless* discusses the poor results of the application of these models in terms of import substitution and export discouragement, high capital intensity, capacity under-utilisation, monopoly, export processing zones, influence of TNC’s, regional industrial programming, technology underdevelopment, infrastructural strains and finally uneven development and crisis. These results are of course not derived intrinsically from such models but are an over-all outcome of the interplay of historical and contemporary forces including governance arrangements and transactional costs of mediating institutions. The peculiar outcomes of the development enterprise in the Caribbean seem to be centered largely around industry (bauxite and oil, light manufacturing), agriculture (sugar, rice and bananas) and beach tourism. While

development policy in the region repeatedly refers to its people as its major assets, it does not seem to have found a major role for them.

Beginning in the 1980's and continuing through the 1990's and perhaps into the new millenium is the IMF-WB style structural adjustment models in which countries typically reduce their civil service, cut government spending on social services, devalue their currency, open their markets and remove currency controls in return for IMF agreements, balance of payment financing, some debt relief, and world bank loans not tied to specific projects. The results have usually been run away inflation, high interest rates, degeneration in social services, increases in crime, temporary episodes of macro-economic stability, civil unrest and strikes. The hoped for long term stability, increased foreign exchange earnings and more efficient governance always seem somewhat beyond reach. Guyana and Jamaica present interesting examples of the workings of the structural adjustment programs.

Reflecting on such a complex subject as the experiences of the development enterprise over the last 4 or 5 decades, how do we transform the lessons we have learned or ought to have learned in order to shed light on possible paths ahead of us?

How do we use the principles and commitments of the World Summits of the 1990s to help guide this search?

The ideas which I will briefly summarise here have been developed largely through a partnership between UNDP and IISD (the International Institute for Sustainable Development in Winnipeg, Canada) based on earlier work done at IDS, Sussex. These ideas continue to evolve and are being continuously shaped by field experience. Collectively, they are referred to as the Sustainable Livelihood Approach (SLA).

In the SLA, livelihoods are seen based on activities, assets, and entitlements which people use to make their living. Sustainable livelihoods are those which can cope with and recover from shock and stresses, economically effective, socially equitable and environmentally sound. The concepts are obviously value laden and their meanings are established through a facilitated visioning process undertaken by the stakeholders themselves.

The process has the following participatory interactive steps, and each step is gender disaggregated:

- an assessment of assets adaptive strategies, entitlements, etc. (it is important not to begin with a community needs assessments); assets are human, social,

natural and physical capital); adaptive strategies are people's long term responses to shocks and stresses

- macro-micro policy analyses which examine the impact of macro-economic and sectoral policies on the livelihoods of people and to identify scenarios which reinforce local strategies rather than disrupt them. Such scenarios are used to counterbalance top-down policy making and can hopefully result in a more balanced policy formulation process.
- governance arrangements which encourage decentralisation, but also seeks to build capacity for local government – CBO interaction are encouraged, but this is only one example of the whole range of interactions between state, private sector and civil society that have to be examined to find ways to make power a positive sum game in the society.
- a participatory technology development strategy that seeks synergy between introduced technologies and local knowledge systems.
- a macro-micro linked investment strategy in which at the macro-level an investment led structural transformation based on domestically mobilised resources is linked at the micro-level to appropriate micro-finance schemes.
- The over-all approach is monitored on an on-going basis for learning and changing course in a timely way as a result of changing local and international circumstances.

This approach which begins with understanding people's adaptive strategies to shocks and stresses should be of particular interest to small open economies subject to multiple shocks and vulnerabilities, both natural and socio-economic. It does seek to provide an alternative development model, but merely to offer some process ideas which might bring new insights into existing approaches to old problems. Examples of such insights could include the examination of food security not as an agricultural problem but one of poverty, entitlements and food production, distribution, stability and access. Community level action and local income generating activities are enhanced by linkages to the macro policy level through appropriate governance arrangements and by linkages to appropriate investment and technology strategies.

People might no longer be seen as assets but as the owners of assets (human capital) which they invest in the companies and institutions for which they work. The role of social capital in the performance of the economy and in the management of natural and physical capital becomes an important area of inquiry.

Fundamental new insights arise from an examination of interactions, and trade-offs which occur among and between human, social, natural and physical capital as the assets on which livelihoods are built.

No approach is considered valid these days unless it speaks to the opportunities and obstacles resulting from globalisation – the whirlwind of technological change and liberalised trade and investment, Dani Rodrik in his recent ODC Essay No. 24 (1999), concludes that there is no evidence to back the claims that integration into the global economy in and of itself will improve economic performance. There is no convincing evidence that openness in the sense of low barriers to trade and capital flows systematically produces economic growth. In practice, the links between openness and economic growth tend to be weak and contingent upon a set of complementary policies and institutions. Rodrik recommends that developing countries “need to create an environment that is conducive to private investment ... They need to improve their institutions of conflict management – legally guaranteed civil liberties and political freedoms, social partnerships, and social insurance – so that they can maintain macroeconomic stability and adjust to rapid changes in external circumstances. In the absence of these complements to a strategy of external liberalization, openness will not yield much. At worst, it will cause instability widening inequalities and social conflict”.

In other words, openness will not work in the absence of an effective participatory domestic development strategy. It requires a complementary set of domestic policies and institutions.

The SLA seeks to help countries do just that.

How might we implement the SLA in a Caribbean country, say Jamaica?

We begin by a multi-stakeholder discussion of the approach, its implications, how it has been implemented elsewhere, etc., and agree on a set of criteria which can be used to select a representative set of communities of varying socio-economic and ecological attributes or limited set of these as a pilot. Once there is agreement on these, suitable partners (usually locally based NGO's) are selected and trained to carry out the assessment of assets, adaptive strategies, etc. As part of that process, policy analysts become familiar with local realities and then do the macro-micro policy analysis. Through a facilitated process, people then envision an improved and sustainable livelihood system based on their asset portfolios but with the knowledge that certain changes can be made at certain costs. The envisioning process leads to community action plans, some of which they can begin on their own, others will require financial or technical support. The financial support would come in a mix of grants and loans. The grant money

available for such work is used largely for capacity building. Support from government for appropriate policy - shifts must be an upfront commitment.

As the local reality/ national policy nexus is better understood and government is able to put these factors into the national development plans, the process can in principle become national in scope in a reasonable time frame depending on the national priority it is afforded.

What I have outlined, hopefully provides an operational set of ideas and an approach towards what UNDP calls Sustainable Human Development – development that is pro-poor, gender sensitive, and environment sound.

I would like to end by making a few suggestions for consideration by the University and its partner institutions:

- Accept the challenges of an interdisciplinary approach to development and to make it operational first at the University and then elsewhere in the region. This implies clarification of the differences and relationships between multidisciplinary and interdisciplinary approaches, a rethink of the research and teaching agenda and attendant institutional reform. It also implies new partnerships between academia, government and NGO's, etc. for effective applied action research. This is not an easy task but I content from personal experience a necessary and rewarding one. I recall my Ph.D. student days here at Mona, fourteen years ago, an erstwhile professor of Organic Chemistry referring to my work on pesticide behavior as pseudo-science since I worked in the departments of chemistry, zoology and botany, and these were all natural sciences. I shudder to think of what his description would have been four years later when Professor Grivan and I did some work together linking some principles from natural sciences to the social sciences. Fortunately, there is an accepted names in the development literature for such work, i.e., post normal science (equally scary, though!).
- At the policy level, the university (with its partners) must test and develop new ways for policy analysis and formulation, which take complexity seriously. See for example Emery Roe's book, which uses narrative policy analysis, critical theory, Girardian economics, and local justice systems approaches in triangulation methodology. Failure to do so would leave us with the existing linear, reductionist methods such as the CBA, useful but limited!
- Is it not time to test an investment led structural transformation approach based on domestically mobilised resources linked to viable micro-finance schemes?

- What about developing a cost-effective continuous monitoring and evaluation protocol for learning rather than our mid-term and ex-post evaluations for performance judgements?
- What about some networks or partnership with institutions already doing such work?
- Does all of this sound too theoretical or farfetched? You will be surprised how grounded they are.

I would like to stop here and in the spirit of the SLA begin the dialogue.