Doing Good
or Doing Better

DEVELOPMENT POLICIES IN A GLOBALIZING WORLD

Monique Kremer, Peter van Lieshout and Robert Went (eds.)

Amsterdam University Press, Amsterdam 2009
CONTENTS

About the authors 9

Preface 13

1 Towards Development Policies Based on Lesson Learning: An Introduction
Monique Kremer, Peter van Lieshout and Robert Went 15
1.1 Paradigm shifts 16
1.2 Globalization 19
1.3 At the beginning of the 21st century: Elements for development policies based on lesson learning 22

PART I RETHINKING DEVELOPMENT

2 Twenty-first Century Globalization, Paradigm Shifts in Development
Jan Nederveen Pieterse 27
2.1 Twenty-first century globalization 27
2.2 Turning points 29
2.3 New development era 30
2.4 International development cooperation 40

3 Does Foreign Aid Work?
Roger C. Riddell 47
3.1 Introduction 47
3.2 What aid are we talking about? 48
3.3 Challenges in trying to assess the impact of aid 51
3.4 Does aid work? The evidence 54
3.5 Constraining aid’s greater impact and how these constraints might be addressed 65
3.6 Concluding comments: Aid and the wider perspective 70

PART II LEARNING FROM DEVELOPMENT HISTORIES

4 Under-explored Treasure Troves of Development Lessons: Lessons from the Histories of Small Rich European Countries
Ha-Joon Chang 81
4.1 Introduction: Lessons from history, or rather the ‘Secret History’ 81
<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.2</td>
<td>Agriculture</td>
<td>86</td>
</tr>
<tr>
<td>4.3</td>
<td>Industrial development</td>
<td>89</td>
</tr>
<tr>
<td>4.4</td>
<td>Corporate governance and the concentration of economic power</td>
<td>95</td>
</tr>
<tr>
<td>4.5</td>
<td>Social and political factors</td>
<td>97</td>
</tr>
<tr>
<td>4.6</td>
<td>Concluding remarks</td>
<td>99</td>
</tr>
<tr>
<td>5</td>
<td>Stagnation in Africa: Disentangling Figures, Facts and Fiction</td>
<td>107</td>
</tr>
<tr>
<td>5.1</td>
<td>Stagnation in sub-Saharan Africa</td>
<td>108</td>
</tr>
<tr>
<td>5.2</td>
<td>The low social development cause</td>
<td>111</td>
</tr>
<tr>
<td>5.3</td>
<td>The not-a-nation-state cause</td>
<td>113</td>
</tr>
<tr>
<td>5.4</td>
<td>The dependence on raw material exports cause</td>
<td>115</td>
</tr>
<tr>
<td>5.5</td>
<td>The greedy politicians cause</td>
<td>116</td>
</tr>
<tr>
<td>5.6</td>
<td>The weak states and weak policies cause</td>
<td>118</td>
</tr>
<tr>
<td>5.7</td>
<td>The Washington consensus cause</td>
<td>119</td>
</tr>
<tr>
<td>5.8</td>
<td>Other traps and curses</td>
<td>123</td>
</tr>
<tr>
<td>5.9</td>
<td>Conclusions and consequences</td>
<td>125</td>
</tr>
<tr>
<td>6</td>
<td>Including the Middle Classes? Latin American Social Policies after the Washington Consensus</td>
<td>137</td>
</tr>
<tr>
<td>6.1</td>
<td>The ISI period and the origins of social policy regimes</td>
<td>138</td>
</tr>
<tr>
<td>6.2</td>
<td>The debt crisis and the Washington consensus</td>
<td>139</td>
</tr>
<tr>
<td>6.3</td>
<td>Neoliberalism and its failures</td>
<td>140</td>
</tr>
<tr>
<td>6.4</td>
<td>Turn to the left and basic universalism?</td>
<td>144</td>
</tr>
<tr>
<td>6.5</td>
<td>The role of the middle classes</td>
<td>148</td>
</tr>
<tr>
<td>6.6</td>
<td>Lessons for development policy and external support</td>
<td>150</td>
</tr>
<tr>
<td>7</td>
<td>Imaginary Institutions: State-Building in Afghanistan</td>
<td>157</td>
</tr>
<tr>
<td>7.1</td>
<td>The Afghan state and the dynamics that affect it</td>
<td>158</td>
</tr>
<tr>
<td>7.2</td>
<td>The nature of the state-building effort in Afghanistan</td>
<td>163</td>
</tr>
<tr>
<td>7.3</td>
<td>How the 'international community' responds</td>
<td>165</td>
</tr>
<tr>
<td>7.4</td>
<td>Some concluding remarks</td>
<td>170</td>
</tr>
<tr>
<td>8</td>
<td>Beyond Development Orthodoxy: Chinese Lessons in Pragmatism and Institutional Change</td>
<td>177</td>
</tr>
<tr>
<td>8.1</td>
<td>Buried under development?</td>
<td>177</td>
</tr>
<tr>
<td>8.2</td>
<td>On land and institutions</td>
<td>180</td>
</tr>
<tr>
<td>8.3</td>
<td>Chinese pragmatism: Colored cats or the demise of ideology?</td>
<td>183</td>
</tr>
<tr>
<td>8.4</td>
<td>Implications of Chinese development: Some concluding observations</td>
<td>193</td>
</tr>
</tbody>
</table>
PART III BEYOND THE STATE: NEW ACTORS IN DEVELOPMENT

9 Business and Sustainable Development: From Passive Involvement to Active Partnerships
Rob van Tulder and Fabienne Fortanier

9.1 Introduction: from uniform to pluriform development thinking
9.2 From a traditional to a new development paradigm
9.3 From macro to micro: the role of multinationals in sustainable development
9.4 From general to specific: Strategic management of corporations and poverty alleviation
9.5 From passive to active: The search for partnerships
9.6 Conclusion: The challenges ahead

10 Why 'Philanthrocapitalism' Is Not the Answer: Private Initiatives and International Development
Michael Edwards

10.1 Private initiatives – what kind and how much?
10.2 NGO initiatives
10.3 Institutional philanthropy
10.4 Common problems: impact and accountability
10.5 Conclusions and implications for development policy

11 The Trouble with Participation: Assessing the New Aid Paradigm
Nadia Molenaers and Robrecht Renard

11.1 Participation: on the main menu or just a side dish?
11.2 What the new aid approach sets out to do: some background on the failure of aid
11.3 Flawed results
11.4 An overly optimistic notion of civil society
11.5 A biased vision on state-society interactions
11.6 A conditionality without ownership
11.7 When less is more

PART IV NEW INTERDEPENDENCIES

12 How Can Sub-Saharan Africa Turn the China-India Threat into an Opportunity?
Raphael Kaplinsky

12.1 Introduction
12.2 Development trajectories for Sub-Saharan Africa – three orthodoxies
12.3 The rise of the Asian Driver economies and their challenge to the three orthodoxies
12.4 The Asian Drivers and Sub-Saharan Africa – win-win or win-lose? 289
12.5 The policy response 292
12.6 Policy actors 297

13 Post-war Peace-building: What Role for International Organizations?
Chris van der Borgh 303
13.1 Introduction 303
13.2 Recipes for peace? 305
13.3 International capacity and coordination 308
13.4 Local capacity and international footprint 310
13.5 Conclusion 314

14 Migration and Development: Contested Consequences
Ronald Skeldon 321
14.1 Background 321
14.2 Conceptual issues 322
14.3 Patterns of migration 324
14.4 Approaches to migration and development 328
14.5 Conclusion 334

15 Global Justice and the State
Pieter Pekelharing 341
15.1 The rise of the concern for global justice 341
15.2 The birth of the notion of distributive justice 346
15.3 Balancing our loyalties. On the extension of justice into the international realm 349
15.4 It’s not ‘what can you do?’ but ‘what can your institutions do?’ 356
15.5 From cosmopolitanism back to the state: Rawls and the Law of Peoples 361