Reframing Development in the Age of Vulnerability

Robin Broad and John Cavanagh*, guest bloggers

The contemporary triple crises of finance, development, and environment, which have shaken the global economy since 2008, have exposed what should be seen as the Achilles heel of the dominant development theory and practice of the past thirty years: vulnerability. The crises not only add momentum to the delegitimization of the old model, but also offer legitimacy for paths that lessen vulnerability and increase what we term “rootedness” – a term we prefer to “resilience” and “sustainability”.

Over this past year, the two of us have traveled and looked into the many different factors that make countries more or less rooted in this age of economic, environmental and social vulnerability. Our first academic article from this research (from which this blog is drawn) was just published in Third World Quarterly. The article moves from development in theory and practice, to case studies, and then offers 13 such measures with appeals to United Nations’ agencies and governments to start measuring them.

To cull key points for this Triple Crisis audience: Prior to the late 1990s, proponents of the “neoliberal” model ignored the fact that market-opening policies might leave countries tragically vulnerable to external shocks. But, such shocks did appear. A financial crisis that started in Thailand in 1997 spread around the world in what became known as the Asian financial crisis. Then, a decade later, the year 2008 became a perfect storm of deleterious impacts of the vulnerability path: A global food price crisis erupted at the beginning of the year. Another global finance crisis spread around the globe in September and October. And environmental crises of climate, water and biodiversity shook the world.

Separately and collectively, the crises have exposed a range of adverse aspects of households, communities, and countries being overly vulnerable in economic, environmental, and social terms. By the turn of the 21st century, most countries were significantly open to global trade, investment, and finance. Indeed, by 2007 the value of trade (imports and exports) was greater than the value of GDP in 71 countries around the world. Only in Brazil, the United States, and the Central African Republic was trade as low as a quarter of GDP. Analyzing statistics in 2009 as the financial crisis spread, one sees that many Western and Eastern European countries have very high dependencies on trade and suffered sharp decreases in GDP that year.

Likewise, the bigger Latin American countries that are most trade dependent, Chile, Mexico and Venezuela, all had GDP shrinkages in 2009. A key point here: countries that were more trade and investment vulnerable, like Mexico, suffered more in human and economic terms than countries that were less vulnerable, like India. Most African countries, less trade dependent than other regions, grew in 2009, albeit at lower rates than before the crisis. Asian countries such as the Philippines present a more complicated picture. Many are highly trade dependent but have done relatively well in terms of GDP growth since the onset of the crisis, as they have fed off of continued growth in China and India.

Our analysis emphasizes that these post-2008 vulnerabilities faced by many nations were the result of conscious policies. Nations became vulnerable to food price hikes because policies encouraged food imports. Nations became vulnerable to financial crisis because their banking systems were consciously opened to global “hot money” flows. Countries’ forests and fishing grounds were consciously opened to plunder by foreign firms.

For decades, we have joined critics of this model from various disciplines to pose alternative frames of development. Some centered on human rights, some on ecological balance, some on participatory or “living” democracy, some on redistribution and equity, and some on combinations of all four. Our current research leads us to believe that, in this current era of vulnerability, such frames can be integrated under the overarching frame of rootedness.

Building case studies of the Philippines and Trinidad (and subsequently adding El Salvador), we suggest that households and communities and countries fall along a spectrum of vulnerability versus rootedness in economic, environmental, and social terms. Some are more vulnerable and some are more rooted in different of these categories. We then spell out 13 key measurements to assess where households or communities or countries fall on the spectrum. We contend that these measurements and this frame provide a more revealing lens to assess “development” obstacles and opportunities.

Our 13 measures merge our own research with important work over the past decade on alternatives from fora like the World Social Forum, Social Watch (and their Basic Capabilities Index), and citizen groups like the U.S.-based New Economy Working Group. We also draw from a series of commissions and studies around the world that attempt to
lay out new indicators to measure well-being and progress as a replacement for the universal measure of gross domestic product.

In sum: Rootedness could be key to enhanced well-being for communities and countries in the 21st century, given the Achilles heel of vulnerability.

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