How to Understand Development?
Reflections from a Catholic Perspective

Meeting of German-African Bishops
Antananarivo, May 23rd 2018
“Development” – an Ambiguous Term

Different uses of “development”

• Combating underdevelopment and poverty alleviation in developing countries (MDGs: Millenium Development Goals)

• Concept of societal change, social progress, goals and pathways of transformation including ideas of how to distribute the benefits and burdens involved (SDGs: Sustainable Development Goals)

Ambiguity of “development” relates to

… different and varying understanding of development

… the process-character of “development”

… development as “thick ethical concept” (Hilary Putnam)
Theories ("Narratives") of Development

Development as modernisation
("catching up on industrial countries")

- Industrialisation
- Technological advance
- Social modernisation
- Growth of "Gross National Product" (GNP)
- Rise in household incomes
Theories ("Narratives") of Development

Neo-classic economic theory of development

- Factors of production (resources, inputs): land, labour and capital
  → income → goods and services → personal well-being

Related controversial issues

- "Trickle-Down-Argument"?
  Growth of Gross National product (GNP) as precondition for combating extreme poverty
- Economic development, growth of GNP and inequality?
Growth of GNP and Poverty Reduction

Source: Snower 2014
Global Growth of Income and Inequality

Change in income for percentiles of the global income distribution between 1988 and 2008

Source: Milanovic 2013
The Elephants Curve of Global Growth and Inequality

Source: Milanovic 2013
“This is what will guarantee man’s authentic development – his transition from less than human conditions to truly human ones …” (PP 20)

“development is synonymous with peace” (PP 87)

In the last years the awareness grew that peace, security and development are connected with each other.

“Development in Proper Perspective”
(Encyclical Populorum Progressio, Paul VI., 1967)
“… What are truly human conditions? The rise from poverty to the acquisition of life’ necessities; the elimination of social ills; broadening the horizons of knowledge; acquiring refinement and culture. From there one can go on to acquire a growing awareness of other people’s dignity, a taste for the spirit of poverty, an active interest in the common good, and a desire for peace. Then man can acknowledge the highest values and God himself, their author and end.” (PP 21)
Theories (“Narratives”) of Development

Development as freedom (enhancing “capabilities” – Amartya Sen)

Contexts:
- Social Institutions
- Social and legal norms
- Other people’s behavior's and characteristics
- Environmental factors and many, many more

Non-market production
- Market production
  - Goods and Services
  - Capabilities Set
    - (i.e. opportunity set of achievable functionings)
    - Freedom to achieve
    - Choice
    - Achieved Functions
- Net income
  - Individual Conversion Factors
  - Preference Formation Mechanism
    - Social Influences on Decision Making
    - Personal history and psychology
- Transfers-in-kind
  - Means to achieve (capability inputs)
  - Achievement
The intrinsic and instrumental role of freedoms
(Amartya Sen)

- Economic facilities (fundamental difference between needs and demand)
- Protective security
- Social opportunities
- Political freedoms
- Transparency guarantees
Political Institutions and Social Arrangements Matter

Source: Acemoglu et al. 2005
Political Institutions and Social Arrangements Matter

Source: Acemoglu et al. 2005
“We are faced not with two separate crises, one environmental and the other social, but rather with *one complex crisis which is both social and environmental*. Strategies for a solution demand an integrated approach to combating poverty, restoring dignity to the excluded, and at the same time protecting nature.” (LS 139)

“Integral Ecology as guiding principle for development”

(*Encyclical Laudato Si’,* Francis, 2015)
Development: The Perspective of Catholic Social Teaching

“Since everything is closely interrelated, and today’s problems call for a vision capable of taking into account every aspect of the global crisis, I suggest that we now consider some elements of an integral ecology, one which clearly respects its human and social dimensions.” (LS 137)

“Integral Ecology as guiding principle for development”
(Encyclical Laudato Si’, Francis, 2015)
Normative Fundament of Sustainable Development

Common Good

- Global
- Intergenerationell
- Conceptual Enlargement ("climate as a common good", LS 23)
The Concept of “Planetary Boundaries”

Source: Rockström et al. 2009
Risk of unlimited Global Warming: “Tipping points of the Earth System”

Source: Edenhofer, Wallacher et al. 2010
Climate Change and Migration

Internal Displacement Monitoring Centre, Norwegian Refugee Council, 2017

<table>
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<th>Conflicts and Violence (Millions)</th>
<th>Catastrophes (Millions)</th>
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<tr>
<td>2016</td>
<td>24.2</td>
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</tbody>
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Source: Edenhofer 2018
The material base of development: “fossil-fuel based development”

• Capitalism will only come to an end, “when the last ton of ore will be smelted with the last ton of coal.” (Max Weber)
• Is development dependent on the use of fossil fuels?
Fossil-Fuel Based Development

Source: Edenhofer, Wallacher et al. 2010
Fossil-Fuel Based Development

Source: Edenhofer, Wallacher et al. 2010
The Need to Transform the Material Basis of Development

“The climate is a common good, belonging to all and meant for all” (LS 23)

Source: Edenhofer 2018
The Need to Transform the Material Basis of Development

But: CO₂ emissions are still growing!

Source: Edenhofer 2018
“Green Growth”: An Illusionary Concept?

Changes of global CO$_2$-emissions 1970 bis 2010 – main causes

Quelle: IPCC 2014
The Need for Re-Thinking Economics and the Growth of GNP

“The principle of the maximization of profits, frequently isolated from other considerations, reflects a misunderstanding of the very concept of the economy. As long as production is increased, little concern is given to whether it is at the cost of future resources or the health of the environment; … Yet only when ‘the economic and social costs of using up shared environmental resources are recognized with transparency and fully borne by those who incur them, not by other peoples or future generations’, can those actions be considered ethical.” (LS 196)

“Decoupling growth of GNP from higher use of resources and more emissions not possible until now”
The Need for a Spiritual Fundament of Transformation

“Many things have to change course, but it is we human beings above all who need to change. We lack an awareness of our common origin, of our mutual belonging, and of a future to be shared with everyone. This basic awareness would enable the development of new convictions, attitudes and forms of life. A great cultural, spiritual and educational challenge stands before us, and it will demand that we set out on the long path of renewal.” (LS 202)

“Ecological Education and Spirituality”
(Encyclical Laudato Si’, Francis, 2015)
Social-Ecological Modernisation

Social-ecological modernisation

Decoupling by increasing efficiency
- Technical innovation and general applications of the innovations
- Party responsible pays of use of nature (Pricing CO₂-emissions)

Social embedding

International coordination

Sufficiency
Cultural change towards another understanding of development, which is directed towards the global common good
The Crucial Role of Common Goods

Social

Sub-Global
- Trust (wrt free-riding)
- Roads (if congested)
- Public Transport (congested)
- Other networks (if congested)
- Schools (if congested)
- Hospitals (if congested)

Global
- Trust (wrt free-riding)
- Peace and Security
- Knowledge, Technology
- Global infrastructure, e.g. Internet

Natural

- Land
- Air
- Freshwater
- Coastal fisheries
- Natural amenities

- Atmosphere (GHG & ODS sink)
- Oceans (minerals, fish etc, sinks)
- Rain Forests (biodiversity, GHG sink)
- Land (global food & biomass)
- Freshwater (global food & biomass)
Social-Ecological Modernisation on Three Levels

The necessity to reform political, economical, and legal institutions on a national and an international level:

**Institutional Reforms**

**Guiding Principles for Development**

**Individual-Ethics**
Common, but Differentiated Responsibilities: Global Governance

- UN-Organisations
- International Regimes
- Regional, but Supranational Cooperations e.g. EU, AU, NAFTA
- Nation States
- Local Politics
- Private Global Players
  - Transnational Corporations
  - International Financial System
  - Media
- Civil Societies national & global
  - Non-Governmental Organisations
  - Religions and Churches
  - Sciences
“Although the post-industrial period may well be remembered as one of the most irresponsible in history, nonetheless there is reason to hope that humanity at the dawn of the twenty-first century will be remembered for having generously shouldered its grave responsibilities.”

(Encyclical Laudato Si’, Francis, 2015)
Thank you very much for your attention!

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