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# The Struggle for Development

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The history of development economics as a scholarly discipline has followed two trajectories in the social sciences: in the first instance, an authoritative wave of studies led by Gerschenkron and Rostow has argued that any country follows a linear path from backwardness to growth and development through successive steps. This trajectory is supposed to gain traction in former developing countries when these economies catch up with industrial nations through the acquisition of new technologies, the creation of new economic institutions and a vast mobilisation of bank credit: this tangle of multiple factors prompts the least developed countries (LDCs) to experience a fast-growing economic modernisation. The second theory worth mentioning in order to review a text on contemporary development policies such as *The Struggle for Development* by Benjamin Selwyn, is the marxist theory of underdevelopment. Post-WWII marxist theories of modernisation (Baran 1957) have brought into question a classical idea of 'modernisation' as the evolution of 'tradition'; according to marxist economic sociology the process of modernisation stems from a set of multiple exploitative relations between a few core capitalist countries and the underdeveloped periphery (Wallerstein 1983): such unequal balance of power relations let the advanced industrial economies acquire at low-price the LDCs' strategic and natural resources, as well as their manpower. Accordingly, the industrialised economies gain the lion's share of global manufacturing and trading. *The Struggle for Development* falls in this category of marxist interpretation of development as both

a theoretical concept and as a policy specific to contemporary global economic governance.

The author focuses attention on the concept of development as defined by most global economic institutions (UN, World Bank, IMF, ILO, etc) gathered in what is usually termed the Anti-Poverty Consensus (APC), as well as on liberal-thinking critical of the APC. According to the APC global alliance, economic growth has spread across the globe over the last quarter-century as a result of the process of international economic integration of national markets. This has supposedly brought an ever-growing number of underemployed or unemployed people across the globe to leave poverty and enjoy the economic fruits of global market integration. A corollary to this APC theory is therefore that in the foreseeable future GDP-centred growth induced by global capitalism will certainly eradicate poverty. On the other hand, according to the author it is true that most prominent liberal intellectuals as Stiglitz and others critical of contemporary global capitalism run counter to its ill-functioning, charged with growing world inequality and wealth concentration. Notwithstanding this, they acknowledge property rights and do not take a departure from the APC in so far as they make the argument that workers and employers get access to global markets of their own free will. Therefore, this Anti-Poverty Counter Consensus (APCC) refrains from focusing on what Selwyn considers a key issue to understand development: the balance of power between capital and labour in global production chains and markets. The author first offers a contestation of the APC approach to development both by reappraising the money metric definition of poverty line set by the World Bank (chapter 2), and through a thorough reflection on capital labour-relations in contemporary Global Value Chains (GVC), tackled in chapter 3. More specifically, Selwyn contends that the \$1 a day poverty line set by the World Bank (World Bank 1990) is a fundamentally misleading and flawed criterion to measure poverty: it is a consumption per person index, not an income-based index of poverty; it is revalued and adjusted according to a metric purchasing power parity criterion but is not in any way linked either to the amount of hours worked and the working conditions under which a least minimum disposable income to consume a \$1 a day is earned. Neither does it consider the quality of life, for instance foodstuffs, a worker can afford under such a poverty threshold. This benchmark has let the APC institutions successfully sustain that international market integration has raised a global middle-income class. However, according to the author, this approach underestimates the impoverishment of a vast majority of former peasants or family households who – from Africa to China and Asia – over the last few decades have migrated to global cities to get a job on global production lines. Along the line of a marxian reasoning on the extrac-

tion of surplus value, Selwyn suggests that the work of this new global working class is paid less than the wealth it contributes to generating. The asymmetric power relations between capital and labour is the premise to let global firms join fierce competition among global corporations across the manufacturing and service sectors. Therefore the author renames GVC as Global Poverty Chains. The second part of this book, based on the assumption that social reproduction in contemporary global capitalism rests on the exploitation of a global labouring class according to a set of gender and racial biases resembling Marx's idea of a pre-industrial working class, offers first a reappraisal of development theories revolving around a capital centred conception of the world premised over the assumption that labour is an input into development policies and as such labour exploitation can be justified (chapter 4). Thereafter Selwyn traces the types of development policies that revolved around the pillar of workers (pro-labour and labour-driven development). Then he provides a proposal on how to structure a labour-led development model based on labouring-class collective actions aimed at making developmental gains out of states and capital. Such labour-led development, epitomised by contemporary struggles in both rural societies of Brazil and India, and in metalworking industries in Africa, according to *The Struggle for Development* is well-rooted in the history of mass struggles since the start of modernity. It has the final objective of building new organisation forms thought to ameliorate the life and work of today's global labour class in the productive and reproductive spheres (chapter 5). The final chapter is a kind of political manifesto tracing the strategy to set up political conditions in a relatively poor country to establish labour-led development: the combination of mass movements and labour class access to democratic and representative institutions such as parliaments are pinpointed as preconditions to create a truly democratic labour-led model of development.

This book, albeit authored by a professional scholar specialising in development and international relations, is premised over a clear-cut ideological approach to capital-labour relations and, more importantly, provides an analysis aimed to formulate a specific action proposal tailored to political movements, not germane to academic debates. Aside from this, the author reappraises some mainstream concepts of development by making some weak theoretical or historical arguments. For instance, he calls attention to the unequal wealth distribution featuring economic growth in contemporary global capitalism. He argues that this asymmetric income distribution is generated by both intensive use of high tech and information technology, particularly in financial markets, and industrial relations devised to clamp down on labour cost. According to Selwyn, this twin strategy lets global firms increase their competitive edge in global

markets and step up the competitive race among global corporations to conquer the lion's share of world trade and transactions. In arguing this the author underestimates the role of states in leveraging and subsidising global firms. Furthermore, he pinpoints the process of industrial hiving off from the industrial world to the LDCs as the specific way global firms faced up to declining profits following the 1970s world economic slowdown. In his view industrial decentralisation to those countries served the purpose of cutting labour costs. However, he downplays that what prompted corporations to move production lines to the LDCs was also a closer proximity to natural and strategic resources and, more importantly, the opportunity to take advantage of more favourable fiscal pressure.

This book is a succinct and ideological bias handbook on development useful for sophomore classes and anyone without previous knowledge of development theories and history in international studies.

### **References**

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