Measuring the global South against the principle of 'achieving societies'

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This paper aims to offer some insights into the following question: Why are some countries perceived as 'achieving' societies and others as 'failing'? The common understanding would answer the previous question as exposing a simplistic causal link, that is, the interconnection between economic growth and development. In this sense, McClelland already defined achieving societies as societies showing a rapid economic growth (1961, 63). Even though he also mentioned other modes of achievement, such as military, political and artistic, his main interest is on the economic perspective and its consequences, which is still today a very pressing debate. In other words, as Zukin and DiMaggio have very convincingly diagnosed, since the Great Depression the interest in the economic phenome moved to the forefront of social analysis (1990, 1).

Building on the perspective of the 'World Polity Theory,' this paper understands modern societies as highly structured by institutionalized rules. Those rules appear in the form of cultural theories, ideologies or prescriptions about how society should work in order to reach a collective purpose, such as justice and progress (Meyer et al. 2009, 67). The economic paradigm can be seen as one of these rules, as it offers a logical explanation to grasp social progress as a broad phenome. Though, it should not be forgotten that economic abstractions not only analyze, but also play a determinant role in constructing and categorizing social reality, which has non-negligible further consequences.

Therefore, this paper aims to give some insight about how the economic and development paradigms linked together in the 1950's, as well as shutting some light on the consequences of this mutual dynamic. The works of historian Daniel Speich are very helpful in this sense. According to Speich, three intervened phenomena, all dating back to the interwar period, must be taken into account in analyses of the emergent narrative of achievement at the time: the rise of economic knowledge, a new understanding of the colonies and the establishment of international organizations (2014, 27).

The rise of economics and its interdependency with the development paradigm in the 1950's

Starting in the late 19th century and gaining momentum during the 1930s, a significant growth of economic knowledge can be observed. Initially, the instrument of national income statistics was designed as a tool to render the structure of wealth in a given economy visible. It quickly became clear that shifts in the economic organization could

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lead to changes of wealth in a country (Speich 2011, 11-12). This assessment and the global economic crisis in 1929 made the pursuit of economic knowledge about stability and development urgent. In this context, the quest for a new theory became pressing. The practice of transforming the discipline of economics into a normative device for politics, and consequently of advancing a general framework for governmental action became widespread. John Maynard Keynes' academic work is a leading example of a theory that satisfied such demands (Speich Chassé 2014, 29).

During the Second World War and in its aftermath, governments of industrialized states were driven by the idea of a relationship between economy and the state and therefore put considerable effort and resources into macroeconomic statistics (22). After experimenting with statistical measuring, the US as well as many European countries turned national income accounting into a general basis for economic policy (Speich 2011, 23). Meanwhile, during the dawn of late colonialism, a new concept of colonies gained currency in the West. While the discourse of the civilizing missions had been the dominant logic of legitimizing the colonial rule before, colonized territories were now no longer seen as vast and unknown; instead, they were perceived in light of their considerable potential for economic growth. Thus, colonies began to be seen as territories in need of development, and development became one of the keywords of late colonialism (Speich Chassé 2014, 28).

Motivated by this new conceptual approach to colonies in the late 1930s, first attempts were made to transfer Western national models for measuring production and economic growth to non-industrialized countries, i.e. the colonies. If before those economies were mostly evaluated as objects of the field of Ethnology, now for the first time, they were analyzed with tools from Economics (Speich Chassé 2015, 599). However, it quickly became clear that the use of economic knowledge that had been exclusively produced by, for and in industrialized economies, was not easily adaptable on a global scale. Categories such as the household and units of measure such as money, were not universally applicable or comparable. While economists discussed and mostly rejected the idea of using economic models for global comparison, they were also confronted with a strong engagement of international organizations and therefore the complete loss of definitional authority in the field (Speich 2011, 13-18).

International organizations first appeared after the First World War as a new possible 'solution,' a means of 'civilizing' international conflicts. Even though these international organizations have not been successful in guaranteeing social peace, the implementation of an organizational structure, which started to be shaped around that time, has made considerable impact on international policy ever since. In the interest of building a platform for international cooperation, specified organs were formed, and more and more experts were integrated. Mostly, the experience of the Second World War determined the very structure of those organizations. International Organizations, essentially pushed by the Allies, used the internationalization of economic policy to optimize the allocation of resources internationally. This was initially realized as a way to cope with the expenses of the war (Lend-Lease Act of 1941), and subsequently as a way to organize the postwar reconstructions, both organized by the allies (Speich Chassé 2014, 30-31).

Nevertheless, in the aftermath of the Second World War, reconstruction was not the only concern of the international community. Instead, the prevention of global military conflicts had been the primary agenda of international organizations. The UN (as well as the International Labor Organization) regarded global economic inequality as the major possible cause for future military conflicts. Therefore, the new understanding that wealth and growth could be regulated by economic policies was very much welcomed within international organizations, because it promised a whole new field of action (Speich 2011, 23). Furthermore, supplying technical know-how for economic governance to countries of the global South promised a relatively low-cost solution to the challenges of global inequalities (21).

Consequences of the use of economic models in non-Western contexts

However, the alignment between international organizations and economic models produced an ambivalent situation: on the one hand, despite its assumed universalism, the macroeconomic perspective did not push the Western 'community' to reconsider the colonial logic of domination in fundamental terms. Instead, the Western hegemony was reproduced in the statistically-based language of economic strength and thus, legitimated with a new rationalized framework (Speich 2011, 21). Eurocentric models were imposed in contexts that were very distinct in their economic, social and cultural structures. Thus, these models, designed in and for the West, failed to properly represent realities stemming from outside of its context of origin. This can be seen in such underlying assumptions as the bread-winner model that features a housewife, a functional division of labor, remuneration systems etc. Yet, those measurements, which derive from a highly specific (Western) cultural framework, became the yardstick against which those newly compared countries were measured – and thus the latter could only fail, no matter how effective their own economic systems may have been.

On the other hand, this comparative economic model produced emancipatory effects for newly decolonized nation states. As the model regarded the nation state as the basic unit, newly formed nations were now seen as equals to already established Western states, in their autonomy and basic economic ability (Speich 2011, 24-25). The essentialist idea of *different economic abilities* – based on the assumption of different natures between so-called 'races' – was incompatible with the new universalistic models (21). Thus, decolonized countries were for the first time recognized as closed autonomous national economies in statistical abstractions.

In sum, the perception according to which global problems could be solved with the help of 'rational' solutions, a universalized idea imported from industrialized countries, became crucial for international policy in the aftermath of the Second World War. It carried the understanding that global inequalities could be overcome with the use of apolitical and rather technical instruments, pushed forward by international cooperation. This new development paradigm allowed the international community to manage the complex heritage of colonialism under the reduced formula of economics as well as to build a course of action for global policy (Speich Chassé 2014, 37). However, while a colonialist-racist legitimation was rejected by the new economic model, it remained latent through the stabilization of the Western hegemony in the newly rationalized framework.

As I hope to have shown, the economic narrative of achievement must be seen as Western concept that is both socially and historically contingent. Designed in and for the Western context, it constructed, once it was universalized, an inferior and undeveloped Global South.

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