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“OUR LIFESTYLE IS NOT UNDER NEGOTIATION”

- The Sociological Presumptions in the Work of Amartya Sen and in the World Bank's World Development Report

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In the thesis I departed from a simple question; why several meeting in the sphere of international politics are so fiercely opposed by the public even if groupings like the G-8 and organisations like the World Bank claim that their aim is to bring good for everybody. Thus, why those good intentions apparently lead into less good results, and on what criteria we can evaluate and criticise them?

At the beginning of my work I defined my own theoretical presumptions. They derived from the field of sociology and more specifically from the works of Pierre Bourdieu and Anthony Giddens. From the former I took his idea that human action can be explained scientifically (that is outside our common sense thinking) by studying subject's habitus, which is a product of those social structures that constrain our action and choices. From Giddens I borrowed his notions about the effects of globalisation. Giddens argues that globalisation has profoundly changed the way that our existence affects other people's existence, and secondly globalisation has profoundly changed the way social sciences can study human action.

According to these insights I then studied what were the sociological presumptions in the work of Amartya Sen (who is a major development theorist), and in the major publication of the World Bank, The World Development Report (WDR). My aim was to study whether those texts conceptualised human nature and social action in the way that Bourdieu and Giddens suggested.

As a result I found out that, both the WDR and Sen's book Development and Freedom did not conceptualise with a sufficient scientific rigour the social dimension of human action. These deficiencies led to several inconsistencies in their propositions and selective reading of evidences. These inconsistencies consequently are perhaps one reason why the good-hearted intentions of the actors in the international politics often result as bringing more harm than good.

From the point of view of International Relations one of the most interesting insight of this thesis was that both discussed presentations had serious problems of how to conceptualise individual responsibility. Though the globalisation has made different societies evermore interdependent, as showed by Giddens' and Bourdieu's frameworks, both studied presentations either omit this interdependency or treat it in a very uncomplicated way. This implicitly shows that both presentations, and maybe also the discursive sphere of international politics in a larger sense, take too much for given individuals' position and preferences, without inquiring on what social grounds they stand.

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Lähdin tutkielmassa liikkeelle yksinkertaisesta kysymyksestä; miksi monet kansainvälisen politiikan toimijoiden väliset tapaamiset ja kokoukset ovat olleet arvostelun kohteena, vaikka ryhmät kuten G-8 sekä organisaatiot kuten Maailmanpankki itse esittävät, että heidän tavoitteenaan olisi tuoda hyvinvointia kaikille. Eli, miksi heidän hyvät aikomukset otaksuttavasti johtavat vähemmän hyviin lopputuloksiin, sekä millä kriteereillä voimme ylipäättänsä arvioida näiden toimijoiden toimintaa?

Alussa määrittelen omat teoreettiset lähtökohdani. Ne perustuvat kahden sosiologin esityksiin ihmisen toiminnasta sekä sosiaalisesta olemuksesta. Pierre Bourdieu on esittänyt, että ihmisen toimintaa voidaan tutkia tieteellisesti (eli ylittämällä arkihavaintojen taso) hänen habituksensa kautta, eli tutkimalla niitä sosiaalisia rakenteita, jotka ehdollistavat meidän toimintaamme sekä valintojamme. Anthony Giddens on teoretisoinut globalisaation vaikutusta sosiaalitieteisiin. Hänen mukaansa globalisaatio on vaikuttanut siihen miten meidän toimintamme ja olemassaolomme ovat yhä enemmän sidoksissa muiden ihmisten olemassaoloon, muiden ihmisten jotka saattavat olla maapallon toisella puolella. Lisäksi globalisaatio on vaikuttanut suuresti sosiaaliteiden perinteisiin käsitteisiin sekä teorioihin.

Näiden olettamusten perusteella tutkin mitkä olivat Amartya Senin (tärkeä kehitysteoreetikko) sekä Maailmanpankin vuosiraportin yhteiskunnalliset taustaoletukset. Tavoitteenani oli tutkia miten ko. tekstit esittivät ihmisluonteen sekä yksilön toiminnan, sekä miten nämä esitykset suhtautuvat sekä Bourdieun että Giddensin ajatuksiin.

Tutkimukseni tulos oli että tarkastelemani tekstit eivät käsitelleet ihmisen toiminnan sosiaalista ulottuvuutta riittäväällä tieteellisellä tarkkuudella. Nämä puutteet johtivat teksteissä epätarkkoihin väitteisiin sekä valikoivaan empiiristen näyttöjen tulkitsemiseen. Nämä epätarkat väitteet puolestaan kenties ovat vastaus alussa esittämäni paradoksiin kv-politiikan toimijoiden hyvien aikomusten ja vähemmän hyvien lopputulosten suhteesta.

Kansainvälisten suhteiden näkökulmasta yksi tutkimuksen mielenkiintoisimmista huomioista oli, että kummallakin tutkimallani tekstillä oli suuria ongelmia käsitellä yksilön vastuuta. Vaikka globalisaatio on tehnyt yhteiskunnat yhä enemmän toisistaan riippuvaisiksi, kuten Giddens ja Bourdieu osoittavat, kummatkin tutkitut tekstit, joko jättävät tämän riippuvaisuuden huomioimatta, tai sitten suhtautuvat siihen hyvin yliolkaisesti. Tämä impliittisesti osoittaa miten kummatkin esitykset, sekä kenties kansainvälisen politiikan kenttä yleisestikin, ottavat liialti annettuina yksilöiden aseman sekä mielitymykset, eivätkä tutki mitkä ovat niiden sosiaaliset lähtökohdat.

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Introduction

‘Notes on the rites of desire: In the dark heart of everything, the conundrum of desire. The spur of movement, the urge to taste the bittersweet forbidden fruit; the motion from what is towards whatever is not yet. So far so good. Except that it is the age of rights and demands: if we live, and move, and breath, we claim the *right* to live, to move, to breath. If I desire, I may well claim the ‘right’ to desire. But once the right is acknowledged, how does one demarcate its territory, define a content and a consequence? It ‘has’ no territory as it is constantly on the move; it can have no content, because the moment it contains something, that implies the possibility of fulfilment – and fulfilment is the end of desire, attainment its self-immolation. So where does desire take me: where does it have a ‘right’ to take me? If I claim desire as my right and its nature lies in motion, its motion towards the other, does not my right to desire invoke the right of the other to refuse me? And does that not make a mockery of ‘right’, as much as of ‘desire’? The most I can claim for desire is the right to be frustrated, to be denied, otherwise it self-destructs. If there are rights, yes then I suppose desire has a right to be. But that does not give me the right to demand rights for desire. I desire, ergo I am? But only if ‘I am’ in this equation, becomes wholly conditional upon ‘you are’. And where does that leave desire?’”

(André Brink: The Rights of Desire, 2000; p.154)

The origins

Since this thesis deals with some quite personal matters, it is presumably correct to explain a bit the origins of this project. Of course it is not possible to point out a specific time or place where certain ideas have come to one’s mind, but with this project there is one specific image that made me think about these issues. That image is the image of the G8- meeting in Genoa in the summer of 2001.

I had studied at the University of Genoa that year and so I got a chance to see the meeting and all the fuss surrounding it. The meeting itself did not offer any historical results; it did not solve the problem of world poverty that was declared as the main topic of the meeting. In the end it turned

out to be just like many other semi-official meetings that are organised between different participants of the world politics.

Image that had a more influential effect on me comprised of all that which surrounded the meeting. Of course the death of one young demonstrator (caused by even younger member of police force) was individually the most tragic event that occurred during that weekend. The violence that took place between mostly young demonstrators and forces of order was in itself miserable and probably most of it can be explained by different sociological theories of middle class youth frustration. But under the more 'media-sexy' images of rioting, there was an image that had on me a bigger effect. That image was an image of thousands of people in the streets of Genoa demonstrating against a meeting, which had declared as its main aim to help the poor countries of the world.

Paradoxical in this image was that there was a summit comprised of the leaders of eight big western countries whose purpose was to provide some kinds of guidelines how the development should occur in the world. But notwithstanding this good-hearted purpose of theirs, there were thousands of people outside the actual meeting place demonstrating against the meeting and probably even more people who were not there but were against the meeting. A naïve question that arises is of course; why were they against the meeting? Did not the demonstrators want development?

The answer to the previous question is that of course the demonstrators wanted to help the poor countries. They were mostly demonstrating because in their opinion meetings like the G8 were more a cause of the problems in the world than a solution to it. But I can still pose another naïve question; why the demonstrators thought that G8- meeting was more a cause than solution? Did they think that the leaders of G8-countries were 'bad' people who just bluffed with their statements about helping poor countries? Or were the demonstrators some kind of schoolbook examples of dogmatic followers of the realist school of International Relations who believed that states only act for their own advantage and because of that the summit can only strengthen the current 'status quo' situation?

Now the answer seems a rather less obvious. One of the main motives for demonstrations was the lack of democracy in the summit. Probably the most common t-shirt slogan seen those days stated that 'you are eight – we are six milliards'. There was a lack of democracy firstly in the sense that the main participants of the summit were all rich western industrialised countries, and secondly the demonstrators (who were mostly from Italy, which is a G8-country) implied that democracy did not work even within the participatory countries. But although there probably is some kind of intrinsic value in the idea of a civil society, I do not believe that all the demonstrators were there

just to demand a functioning civil society (whose definition and meaning cannot be said to be unanimous, see for example Lash 2002).

I presume that besides the concern for democracy many demonstrators were there because they had noticed a lot of unfairness and inequality in the world. And they had come to demonstrate because they sensed that the policies created and agreed by the leaders of the G8-countries were at least partly responsible for these injustices.

If we now make a basic sociological presumption that there is no essential 'badness' or 'bad people' as such, but our actions and ideas derive from our social background and structures, we can start in a more analytical way to enquire why the decisions made by G8- leaders are harmful and a lot of people sense so strongly their unfairness.¹ We can start to enquire what was it that was 'bad' in G8-meeting, and who is in a position to judge it. This line of reasoning led me to the subject of this thesis, that is, to enquire on what grounds decisions of international politics are made and what kind of 'forms of life' those decisions wish to sustain. And on the other hand, if we/somebody criticise/s those decisions, on what grounds that criticism is done and can be done?

Towards theoretical formulation

So, that is how I got an idea for this thesis. But that was only half of the story. To formulate a clear and precise research question from this initial idea was harder task than I had imagined. Firstly I ventured in to the theoretical world of International Relations (IR) with the hope that I would find some kind of point of departure or a theoretical framework from there. After all, my research question concerned the conception of human nature in the discursive field of international politics,² so it was quite reasonable to expect that I would have been able to find my theoretical background from there. But the solution was not so simple. In the course of my research I found out that most mainstream IR theories are dominated by two general features: 1) internationality; they deal with things that are in some way international or global, and 2) politics; they deal with things that are political, which according to dictionary definition means the science and art of government. Based on these two features traditional International Relations theory as an academic discipline deals mostly with questions concerning states, international systems or regimes, and so on. My question

¹ I will explain more specifically my sociological presumptions in the first chapter.

² In this paper I will use the term international politics quite loosely to mean the vague area of political decision-making that does not remain inside the boundaries of domestic politics. The term International Relations (in capital letters) refers to the academic field that specifically studies politics among nations, that is, international politics with its own traditional question posing and theories.

posing instead moved in a lower micro-level and was concerned more with an individual in the field of international politics. Whether this limiting poses a problem for IR theory as such is not the question to be solved in this thesis (more about the discussion about this issue is to be found for example in Jabri & O’Gorman 1999). But at least it posed a problem for me, because although my research problem was clearly in the area of international politics it did not fit into traditional question posing of the IR. So I needed to find an alternative approach of how to study international politics.

I could not even find backup from several otherwise fresh efforts to build an ethical theory in IR (Frost 1996, Robinson 1999). At least in these two attempts to develop an ethical theory of IR, the obsession with the concepts like a state and sovereignty diminishes their scope because those concepts are taken as given. State-system is a valuable descriptive device, but in my opinion if one tries to create a normative theory of IR that would be in some sense ethical, it is possible to do only around individual human beings because, after all, only individuals can make ethical decisions. In that case the state-system can function only as an aiding vocabulary through which it is possible to study the social character of human beings. But paradoxically this kind of ethical theory about international politics would not be anymore an IR theory in a traditional sense, because it would deal with individuals and not with different kinds of aggregations of individuals.

But since the scope of this paper is not to criticise IR theory we must move forward. My research question was coming clearer but since I have figuratively speaking left the world of IR theory, I did not know how to study the initial presumptions of human nature in the discursive settings of international politics. There were statements like, ‘our lifestyle is not open to negotiation’ that U.S. president George Bush sr. declared before the Rio de Janeiro Earth Summit in 1992, where he was referring to the same kind of lifestyle, or a ‘form of life’ that was the subject of my research. But it seemed difficult to conceptualise or describe what he meant by that lifestyle.

One possibility would have been to engage in a sort of cultural critique of modern societies based on the ideas of such thinkers as Emmanuel Levinas and Jacques Derrida (see for example Critchley 1992). This route had its advantages in its philosophical soundness and its strict normative evaluations through which it can make convincing arguments about a good life. It can also be merited for its recognition of human’s social character. But despite of these advantages, and despite of the stress on human’s social character, these theories are deficient in their social dimension, in other words, they cannot explain on which social conditions they are based. (See for example Pierre Bourdieu’s sociological critic against Derrida in his annex to *Distinction* (1984)). Those kinds of theories were by definition ‘cultural critiques’ of modern societies and as such valuable, but what I

wanted to do was a social critique of modern societies. That is, I wanted to study the social and institutional presumptions of modern societies.

Since ‘the lifestyle that was not under negotiation’ was not easily grasped directly, or at least in the way that interested me, my second option was to study it through a detour. If the lifestyle of modern societies was not easily describable as such, maybe an alternative was to describe what kinds of lifestyle modern societies impose on others. In other words, how the meaning of development in development theory is defined, and on which presumptions it is based. Thus I directed my attention to the development theory. But I did not aim to describe or evaluate development theory only through its endogenous goals, that is, whether it can bring ‘development’ to the deprived, but more as an idea that would somehow *reflect* the notion of an approved lifestyle in the wealthier western countries. Hence, my hypothesis was that the notion of development in general, at least in a contemporary discussion, somehow would reflect or reproduce the idea of a good life that is approved in western societies, and that it is based on commonly shared presumptions about human character. By a good life I loosely intend those reasonable aims and values that guide our lifestyle choices. The definition of commonly shared presumptions are explained in more detail in the fifth chapter, but basically they mean our presumptions about other people’s action or reaction in a given situation. To give initially a random example, it is generally taken as a commonly shared knowledge that a wage increase produces a more committed workforce.

The concept of development

Development as a word implies that there are different stages of development, and so development has implicitly an aim where it is going. In the discourse of big development organisations, like the World Bank, that aim has slowly changed and diversified from simple economic growth presented in the 1950s to currently popular notion of a so-called ‘capabilities approach’ by Amartya Sen (see also Escobar 1995). My starting hypothesis for this study is that the aim and the meaning of development reflects what kinds of lifestyles are acknowledged and permitted, not only in development countries, but also in the already developed countries.

So when George Bush Sr. says that, ‘our lifestyle is not under negotiation’, he probably does not indicate that their ‘lifestyle’ would be meant only for the North-Americans and everybody else would have to acquiesce in something less or else. Instead he probably suggests that their lifestyle is

a good and approved lifestyle and that everybody should be able to reach for it, if not otherwise then through several development schemes that the United States finances.

Of course the notion of 'American lifestyle' in the above sense could be criticised also more directly for example by pointing to inner problems and contradictions in it, like the heavy consumption of U.S. citizens, industrial waste that the country produces, or high inequalities between standards of living in the United States. But I believe that these factors are more consequences of a particular notion of a good life than the essence of that lifestyle. By approaching the question more from my chosen point of view, I hope to have a wider conception of the basis of western lifestyle and from the values it is based on.

But it must be remembered that the notion of development is not a shared one. There are many different views what does development mean, or is it even necessary to use that particular word. In this thesis I will take my definition of development mostly from the discourse of the World Bank and from writings of Amartya Sen. The 'mainstream' notion of development is however heavily criticised by some writers that claim that the whole notion of 'development' is actually a historically and culturally specific project whose emergence must be denaturalised and 'made strange' (for example Escobar 1995, Ferguson 1997). These 'post-development' views not only give accurate empirical presentations about why development has not occurred in the third world, but they can also be seen to reflect the aforementioned cultural critique of western societies in a same way as more 'mainstream' notions of development reflect the 'accepted' presumptions of western societies (see fifth chapter for more discussion about this).

So what is my aim in this work? Is this a study about the concept of development or does it deal more with already developed western countries? Mainly this work tries to say something about the latter, although using as its empirical material the concept of development, which obviously is used more in the context of the third world countries. With this work I try to see whether it is possible to examine on what presumptions a western lifestyle is based, and our responsibility as human beings towards others in an academic paper. The questions about the good life or our responsibility towards others have been dealt most successfully in fictive literature, like in the work of a South African writer André Brink. As a white South African he has had to reflect his privileged position towards majority of his country's (or planet's) habitants in an illuminating way. But his words can only serve as my guidelines. Although the reality that fictive and scientific literatures try to describe might be the same, the argumentative methods must be different.

Outline of the thesis

I will construct this paper in a following way. In the first chapter I will present my own presumptions about human nature and human societies. These ‘presumptions’ will be based on the works of two contemporary sociologists, Pierre Bourdieu and Anthony Giddens. The motive for introducing thoughts of these two sociologists is to demonstrate how it is possible to study human action. Through their work I intend to demonstrate that through sociological thinking it is possible to make scientific observations about human action that surpass common sense observations that we make as private individuals.

Bourdieu’s theory of practice is a way to understand how individuals act in a social world. His concept of habitus encloses all those background understandings that guide our everyday practices. He also provides us methods to analyse larger groupings or social classes in contemporary societies with his concept of distinction. But the limiting factor with Bourdieu is that initially his theory was developed to study rural Algerian people, and later to study either heavily classified societies (like the French society in the 1960s and 1970s) or highly autonomous fields inside societies, like the art or scientific fields. That is why with his work it is hard to reflect on the major changes that have happened in contemporary societies.

These changes go under different headings, but one of the most influential presentations of these changes comes from English sociologist Anthony Giddens. According to him we live now in the era of late-modernity or globalisation. This means that the traditional ways of arranging ones life have ceased to exist for a lot of people. On the other hand in modern societies our existence and deeds have an ever-growing impact on other people’s life, and on the other hand our personal identity becomes a ‘reflexive project’ and thus cannot anymore rely on traditional ways of doing things.

After I have presented my theoretical orientation in the first chapter, in the next three chapters I present my empirical material. My empirical material consists of two books, *Development as Freedom* by Amartya Sen and the *World Development Report (WDR)* by the World Bank. I will use these two books as examples of typical ways of presenting the concept of development. I am not going to study and critic these texts only as academic works, but I try to study them more as policy texts, that would reveal something not only about their writers, but also about the worldview that has produced these texts.

In the second chapter I will present an introduction to the World Bank, which is a big institutional actor in the field of development work, and whose discourse about development can be regarded as a powerful and influential expression about the notion of development. The purpose of the second chapter is to give a background into which situate the thinking of the World Bank and more specifically the WDR 2000/2001. Of course the World Bank is a peculiar actor in the world politics because it does not have its own interest or advantages to run in international politics, but as Bourdieu has convincingly argued, in human affairs there are no such things as disinterested deeds, by which he means that every endeavour we engage in shows the background understandings of our worldview.

In the third chapter I will present the work of an Indian born economist Amartya Sen. If the World Bank was my main institutional example of the development discourse, then Sen is my main theoretical example of the development discourse. The paths of my two examples even intermingle, since Sen has collaborated with the World Bank and the book where Sen presents his main arguments about development, *Development as Freedom* (1999), is actually a collection of lectures he held for the World Bank. Through Sen it is also quite easy to make links outside the development theory, because his presentation is based on his earlier work on welfare economics.

In the fourth chapter I will concentrate on the World Development Report 2000/2001: *Attacking poverty*. I will analyse on what grounds the WDR interprets the social reality it is documenting, that is, whether the WDR is sociologically solid presentation. Mainly I will do this through the works of Pierre Bourdieu and Anthony Giddens. My aim is not so much to see whether the WDR gives wrong advices, but rather to see on what grounds it gives its advices, and whether those grounds can be criticised.

Although my actual research question has implicitly been the guiding light for the whole paper, in the fifth chapter I will try to put together all the threads. I will consider whether it is possible to describe western lifestyle by using the concepts of development theory and politics. Further I will study what kind of presumptions that discourse has about human nature. On the base of the results of this study I then hope to be able to engage into some preliminary social criticism of western lifestyle, where the term criticism does not (only) mean to disapprove but more to analyse the founding principles of the western lifestyle.

So, in the background of this text are echoes of the old question posed already by Socrates, that is, how one should live one's life? But I will try to propose this question in specific settings, in the settings of contemporary interdependent societies, which already place some limits and give some propositions on how one should live one's life. By studying these limits and propositions, I

claim that it is possible to give, if not the correct answer, then at least some well-argued hints about the right direction.

Chapter 1

1. How to study human action?

How to study human action? That is the key question in all social sciences. In the mid-nineteenth century Auguste Comte coined the term sociology to mean a science that would study modern human societies. Since then social sciences have tried to conceptualise all the time with more rigidity human societies with a theory. A theory that would not be a one-to-one translation of human action into the language of science, but a theory that would help to interpret or understand modern human societies.

Different theories have tried to conceptualise human societies with different concepts, but everyone agrees that it is possible to study those influences that shape our lives and those of other if we set aside our personal view of the world and study the world through sociological concepts. A classical example of a sociological study that investigates those social influences that shape our life, is Émile Durkheim's analysis of suicide (Durkheim 1985, originally published in 1897). The study showed how the seemingly personal act of a suicide is also a social act, which can be explained as caused by different social factors.³

Another example of how our action is socially interdependent is how our 'tastes' in cultural activities differ according to our social background. To illuminate the issue we might take a banal and simplifying example from everyday life and consider the author's fondness of literature. It is of course possible to say that my fondness of literature is just one particular aspect of my personality comparable to my brown eyes. But the matters became more complicated when it is reminded that 1) my fondness of literature is highly common among people with a similar background as mine (that is socio-economical background), and that 2) my fondness for literature is not just a hobby among others, but it also creates and is most likely caused by some abilities, like fondness for reading in general, that make it 'natural' for me to study in an university, which then makes certain work-careers more 'natural'. Other kinds of past-time activities, like for example fondness for cooking, make other kinds of futures more 'natural'.

³ Although Durkheim's theory has long been criticized and proved inconsistent, the claim about suicides' social contextuality seems correct. Proof about this were the happenings in India in autumn 2003 when over 500 farmers killed themselves, because they could not pay their debts due to the bad harvest and stern competition from foreign producers.

Of course in real life the matters are a bit more complicated. A university professor can be more interested in cars than high arts, but this does not mean that an average museum visitor would not be academically educated, or that an average visitor of a car exposition would not be vocationally educated. Neither does it mean that university professor's relation with cars would be same kind as manual worker's attitude to cars. University professor's capability to express his identity also with academic ways (abstract thinking, socially respected position, etc.) makes his attitude to cars different and probably less obstinate and determinable than it is with people with a less flexible position.

1.1. Bourdieu's Distinction

The problem of how our tastes are socially interdependent was the subject of Pierre Bourdieu's study called *Distinction; A Social Critique of a Judgement of Taste* (1984). He made large empirical researches concerning the French society in the late 1960s and found out how different cultural practices are results of differences in upbringing and education, that is, in social background. These results were quite significant, because his findings basically built down the common esthetical thinking that derived from Kant's *Judgement of Taste*, which claimed that it would be possible to make esthetical judgements based on some transcendental categories.

Bourdieu in fact wrote about Kant's *Judgement of Taste* in a very Kantian way. His critic of esthetical thinking did not mean abandonment of esthetical thinking as such, but founding it on the concepts that are not internal to esthetical judgement. Kant had founded esthetical arguments on external transcendental categories, but Bourdieu argued that those transcendental categories are subordinate to social categories. In other words, Kant had tried to develop transcendental measurements of how to make esthetical judgements, that is, how to value for example different paintings. Bourdieu did not claim that these transcendental categories would not exist, but he pointed out that they hold true only for a certain group of people who have a same kind of social background and face same kinds of social constraints or independency of them. So, if we speak about art or more widely about cultural lifestyles, we have to pay attention to social backgrounds and social constrains that produce those lifestyles.

Habitus

Bourdieu called those social constrains with the term habitus. He deliberately borrowed that term from the phenomenological tradition (for example Husserl used the term *Habitualität* (Bourdieu &

Wacquant 1995, 152)) with the intention to underline that his purpose is not to explain individual's action from the point of view of the subject (like subjectivist theories such as different constructivist theories do) or of the structures (like different branches of structuralism do), but rather to describe *how* an actor perceives and acts in the social world that surrounds him. But unlike the preceding phenomenological tradition Bourdieu does not think habitus as a mechanical relation between an actor and the surrounding world, but he emphasises the generative capacity of habitus. Thus, social constraints do not only constrain action, but also generate a certain kind of action. This dynamic aspect of Bourdieu's theory has led certain commentators to label his theory as 'generative structuralism' (Harker, Mahar and Wilkes 1990, 3).

The blame that is sometimes put against Bourdieu is that his concept of habitus is somehow tautological, that is, if everything that we do is because of our habitus then habitus does not say anything about our action. (For example; why one makes choices of a petit bourgeois? Because he has the habitus of a petit bourgeois). However, that charge actually misunderstands Bourdieu's theory. He does not mean that habitus would be some kind of explaining factor in a traditional sense. (By traditional sense I intend an explanation where a certain factor A is a reason for a certain action B). Instead by habitus Bourdieu intends how a (non-conscious or conscious) practice should be understood and interpreted. The use of habitus gives us chances to explain action without having to choose between actions guided by some specific (for example economical or political) interest or totally disinterestedness action. We always have some kind of interest, or 'libido', which term Bourdieu has later used, in our action. And with the concept of habitus we can study those social forces that constrain our choices.

For example from the Bourdieuan perspective the action by an individual actor in the international politics should not be explained by his explicit goal, like a yearning for power, but instead the reasons for his action and for his goals should be explained by his habitus, which derives in a large part from his social background.⁴ And if the action by one individual can be explained through their habitus, then it is possible to explain in the same way also actions of larger groupings. For example the relations between sexes in contemporary societies are explainable by early psychological distinctions between sexes, which affect all later possible dispositions (habitus) of both sexes. This factor as such has a quite big influence for example in international politics, as have many feminist writers in IR noticed (see for example Jabri & O'Gorman 1999). Other social

⁴ For example the highly competitive and individualistic attitudes and values of the persons in the top of political decision-making, which can be seen in their jet-set lifestyles, can be seen deriving from their (normally) upper-middle class backgrounds where the competition for social and cultural prestige is probably fiercest. So their 'habitus' does not derive from their position on the top of political decision-making system, but rather from the social system that has put them there.

relations that affect the dispositions of different groupings are discussed in a more detailed way in the fourth chapter.

This general distinction between sexes is made more complicated by other socio-economical factors, which intuitively for example make it easier for upper-middleclass men to be tolerant for women's emancipation than working class men. This is because women's emancipation approves many similar values that also upper-middleclass men value, for example intelligence and soft values, whereas many 'traditional' working class values, like physical strength and traditional sexual division are not that much approved.

Limiting factors with Bourdieu's framework

But the limiting factor with a pure Bourdieuan theoretical framework is that it is concerned very strictly with individuals. Bourdieu tries with his notions of habitus and practical reason to uncover and made explicit those structures and institutional settings that guide our perception of the world and also our self-perception. A result of this greater self-understanding would be a greater self-respect, which consequently would lead to a more harmonious and just society (see for example Bourdieu & Wacquant 1995, 73-74). But as stated earlier his analysis looks societies so much from individuals' point of view that it does not take enough into consideration how actual societies change. Most of Bourdieu's own research projects have been either about little closed traditional communities or about art or science worlds, which as well have quite closed boundaries.

In other words, the theoretical framework that Bourdieu provides lacks means of studying how contemporary societies have changed, that is, what effects have the growing economical interdependence or other effects of globalisation in our personal lives. This deficit has the consequence that Bourdieu's notion of power is actually quite one-dimensional, since it analyses only how different power structures affect specific individuals and does not question the interplay of different structures. That is, Bourdieu's framework explains correctly how the arrival of capitalism has changed Algerian rural societies but it lacks concepts to explain how the economic depression in Europe has affected those same rural communities.

1.2. Anthony Giddens and the consequences of modernity

An English sociologist Anthony Giddens has on the contrary devoted much of his writing in the 1990s to the phenomenon of globalisation and its effect on social sciences. He sees the era of late-

modernity or globalisation as a new phase in the history. The changes that the globalisation has brought have, according to Giddens, changed modern societies in a similar manner as different social and economical changes transformed at the end of the 19th century western societies. As the ideas and the concepts of the classical sociological thinkers were also formed at the end of 19th century, now on the era of different societies also the social sciences should revise its classic concepts.

In *The Consequences of Modernity* (1990, 10-16) he points out three different conceptions, which characterise how classical social theory in sociology has conceptualised modernity and which continue to limit the sociological thought. Giddens' stress is on the sociology, but from the perspective of this work I claim that his notions can also be used more broadly in social sciences.

The first concerns the search for a single overriding dynamic of transformation in interpreting the nature of modernity. For Marx the major transformative force shaping the modern world was capitalism, for Durkheim industrialism and for Weber it was rationalisation.⁵ Giddens claims that all these characterisations are correct, but not mutually exclusive. He proposes, that modernity 'is a multidimensional on the level of institutions, and each of the elements specified by these various traditions plays some part' (p. 12).

The second problem is the ambiguous meaning of the term 'society'. The problem is that when the term 'society' is used in sociology it normally means a 'quite clearly delimited systems, which have their own inner unity' (p. 13). The trouble with this use is that it normally refers to a nation-state. Yet the meaning of this kind of modern nation-state is rarely directly theorised. One problem with this is that the difference between pre-modern societies and modern societies is rarely conceptualised clearly.⁶ Secondly, the vague use of 'society' –term hinders the analysis of how modern nation-states have on the one hand clearly defined bounds and are closed, but on the other hand all 'such societies are also interwoven with ties and connections which crosscut the sociopolitical system of the state and the cultural order of the 'nation'' (p. 14).⁷ In other words, globalisation is always connected with localisation that in a similar ways as globalisation disintegrate the unity of a nation-state.⁸

⁵ For example Manuel Castells still continues this type of tradition by explaining changes in contemporary societies deriving almost solely from the new information technology (see for example Castells 1996).

⁶ Later we will see how Amartya Sen makes comparisons between the moral commitment of 1800-century societies and contemporary societies without hesitations.

⁷ Immanuel Wallerstein (see for example 1984) is another influential writer who has emphasised how in social sciences the subject of the research is one world system and that it is a mistake to conceptualise a societal order as something that is limited inside the borders of a nation state. The difference between Giddens and Wallerstein is that for the latter economic relations are the determining factors, whereas Giddens faithfully to his first thesis takes a more multidimensional approach. (Bryant & Jary 2001, 25).

⁸ Apart from sociology different IR theories have had serious problems of how to conceptualise a nation-state and even more when dealing with hybrids like the European Union (see Kelstrup & Williams 2000).

Third limitation that comes from the classical tradition of sociological thought is, that ‘sociology has been understood as generating knowledge about modern social life which can be used in the interests of prediction and control’ (p. 15). This traditional notion of social scientific knowledge seriously underestimates the reflective nature of sociological (and social scientific) knowledge. Giddens claims that ‘the relation between sociology and its subject matter – the actions of human beings in conditions of modernity – has to be understood instead in terms of the “double hermeneutic”’ (ibid.). The notion of double hermeneutic derives from Giddens’ earlier work, and by it he means that sociological thinking does not produce objective knowledge about the society that would give a transparent and neutral picture about the world. Instead sociological knowledge has a reflective relation with the world, and thus sociological concepts and knowledge continuously affects individuals’ perception of the world.

One possible example of this double hermeneutic could be Michel Foucault’s notion of power. For Foucault a significant aspect of the birth of modern societies was the ever-growing amount of information that governments had about citizens. Yet this gathering of information did not produce only more efficient control mechanisms, but it also changed individuals’ self-perception and made them more ‘docile’ citizens. (See for example Foucault 1980). It is impossible to judge the effects of this ‘double hermeneutic’ plainly as negative or positive, but anyway ‘sociological concepts and findings are constitutively involved in what modernity is’ (Giddens 1990, 16).

Another writer whose work has concerned the double hermeneutical aspect of modernity is Colombian anthropologist Arturo Escobar. He has studied how the discourse of development that was generated after the Second World War was not a neutral way of describing the (third) world but contained modern presumptions about what is just and how to judge human well-being (Escobar 1995). His claim is that ‘the development apparatus’ generated a discourse of development so strong that it changed the perception of the world of both the well-meaning western citizens and also of the third world citizens themselves. The developmental discourse continued to appear true and convincing although the poverty and hunger were increasing in the world. So, according to Escobar development cannot be thought as a neutral concept that would tell some universal truth about the world. Instead development is a term that has its specific history and modes of uses, which have affected how people perceive and interpret the world around them.

Giddens and globalisation

What then are these socio-economical changes of the late twentieth century have affected modern societies and social sciences? These institutional transformations are normally referred with the

term globalisation. Two commentators (Bryant & Jary 2001, 24-25) of Giddens' work have pointed out four essential points that are integral to globalisation. Integral to globalisation from the Giddensian perspective is firstly a spatial stretching of social relations that involves ever more action at ever greater distance, that is, the limitations of space do not constrain life as much as before. Secondly, there have been an increase in the intensity, reach, velocity, and impact of communications and transactions, and so, neither time constrains our social choices.

Third point is the creation of new networks and nodes associated with new levels of dependence on knowledge and expert systems. For example, the opinions of different experts affect more and more how we conduct our personal life, like our eating habits. The final point is a mediation of the global by the local which precludes any simple triumph of the centre over the periphery.

Hence globalisation means that contemporary societies are ever more interdependent and thus our existence has an ever growing affect on the life of other people. However, this interdependency is not any straightforward relation, but it includes diverse types of relations that differ in their strength and influence. Because of this, it is not possible to say that interdependency that characterises contemporary societies would have only negative or positive outcomes.

These effects to other peoples life are also ever more invisible to our everyday perception. They 'completely escape human powers of direct perception. The focus is more and more on hazards which are neither visible nor perceptible to the victims; hazards that in some cases may not even effect within the lifespans of those affected, but instead during those of their children.' (Beck 1992, 27).

Lifestyle

One important consequence of these changes is that our personal choices became more important than they were in the past. This takes place in two aspects. Firstly our lifestyle and practices relating to it have more and more influence not only to our fellow citizens, but also to people that may live far away. Unequal global trade patterns and the global environmental problems are clearest examples of this.

Secondly, at the same time as globalisation makes new types of networking and connections possible, it also disembeds social systems, that is, it lifts out our social relations from their local and traditional context of interaction and so *forces* us to make choices. It is not anymore possible to rely on traditional ways of making things. Hence, a lifestyle in this second sense can be defined as, 'a more or less integrated set of practices which an individual embraces, not only because such

practices fulfil utilitarian needs, but because they give material form to a particular narrative of self-identity' (Giddens 1991, 81).

Hence a lifestyle is not just a numerical presentation of our daily consumption or a plain presentation of our (material) possibilities to fulfil our desires. It is also a set of practices, which give material form to our self-identity. As I define lifestyle this way, it is probably understandable why I did not choose more statistical ways of describing substantial elements of 'a western lifestyle'. Statistical approaches would have given a more precise description of the utilitarian needs and limits of contemporary western lifestyles, but I believe that thinking a life-style in a Giddensian way, that is, as a particular form of self-identity building, will give more far-reaching answers.

As the purpose of this short introduction to Giddens is not give a total overview of his work concerning globalisation, but to describe the institutional changes in modern societies and how social sciences should react to them, it is not necessary to elaborate further the theme of globalisation.⁹

1.4. Conclusions

Now we should have some kind of picture about the sociological presumptions on which this work is based. We found out that there exist connections between individual action and social structures. One possibility to describe such connections is through Pierre Bourdieu's theory of practice. He has showed that it is possible to clarify those diverse social influences that have consequences on our behaviour and on our overall existing in a society. In fact, Bourdieu claims that the actual task of sociology is to make clearer those social constrains that influence our lives and through this sociology could make us freer persons. Thus, Bourdieu give us chances to make explicit those social influences that affect how we perceive the social world.

Whereas Bourdieu gives us tools to describe individual behaviour, another sociologist, Anthony Giddens gives us tools to describe institutional changes in contemporary societies.¹⁰

⁹ Held et al. (1999) gives a good introduction to the globalisation discussion. In their view there are currently three group of theorist that have a different viewpoint about the character of globalisation. Firstly they are 'hyperglobalizers' for whom economical change is the main feature of globalisation. Secondly group comprises of 'sceptics' who underestimate the recent changes. Thirdly there are the 'transformationist' who argue that there is a large change in contemporary societies, and it is not only economical but also social and political. For example Bryant and Jary (2001, 25) include Giddens in the 'transformationist' group.

¹⁰ Actually Giddens has also in the 1970s and 1980s developed his own theory of interpreting human action (his theory of structuration), which is a bit similar to Bourdieu's theory of practice. The basic idea of his structuration theory was that society is made of structures that are made of individual agents' action. So neither the agents nor the structures are primary, but they function reciprocally. The main difference between Giddens' and Bourdieu's account lies probably in their different objectives; whereas Bourdieu tries phenomenologically explain how an actor perceives the world,

Firstly, he provides us an outline of transformations that have occurred in contemporary societies. Then he illustrates how those transformations have changed the way social sciences can describe societies of late-modernity. Those changes concerned the use of multidimensional theories, questioning the use of society-term, and thirdly the double-hermeneutic or reflexive nature of social theory. The aforementioned transformations that caused these changes in social theory can be compared to the changes that occurred in post-feudal (western) societies in 19th century, which at the time caused the formation of a modern society, which again was the object of a classical sociological inquiry.

Hence, to illustrate the issue, since the notion of a nation state was one societal form that derived from the institutional changes in the post-feudal societies, the concept of a nation state came to be also one of the key concepts of classical sociology and social theory in general. If then current institutional changes are anything like changes in 19th century, then the position of a nation-state as a notion in social sciences have to be seriously reconsidered. But it must be remembered that in the same way as changes in post-feudal societies (Giddens list three dimensions; industrialism, capitalism, and surveillance (1991, 15)) were not occurring everywhere at the same time, also current changes are affecting different societies in incoherent ways.

The concept of lifestyle delivers us a link between Giddens and Bourdieu. Lifestyle indicates all those practices that constitute our personal identity and which connects us both materially and culturally in to the societies in which we live. Thought in a Bourdieaun way a lifestyle means our habitus or our internalised structures that derive from the structural constraints that modify the way how we perceive the world. Thought in a giddensian way the notion of a lifestyle emphasises the late-modern situation that hampers a steady definition of a habitus, and forces us to reflect our lifestyle. The difference between the two authors in their notion of a lifestyle is that for Bourdieu a lifestyle constrains more an agent's action (in a positive or negative way), whereas Giddens' own earlier structuration theory leads him to think more positively and freely about the all-solving possibilities of lifestyle politics (Heiskala 2000, 196).

My intention in this text is to combine the phenomenological aspect of Bourdieu with the more sociological aspects Giddens. Thus, I will seek to use Giddens writings about late-modernity without subscribing into his somewhat (neo)liberal political position. Furthermore, I will seek to use

Giddens takes a larger perspective and tries to integrate also societal level into his theory. In other words, Giddens tries to describe what kind of society derives from the actions of different actors. This combining of social theory with a theory of practice causes some problems for example for his definition of a rule, and as such his theory of structuration is less successful in explaining human action. (About differences between Giddens and Bourdieu see Thompson (1984) and Harker, Mahar and Wilkes (1990)). On the other hand, probably it was the problems Giddens encountered with his theory of structuration that caused him to concentrate in the 1990s to the questions concerning globalisation and late-modernity.

Bourdieu's theory of practical reason in global settings, which forces me to take account also the unintended consequences of our habitus and being in the world.

On a more general level this chapter has briefly tried to illustrate how human action can be approached and studied from the point of view of social sciences. On our everyday parlance and action we usually do not have time and possibility to think about the underlying reasons for some phenomenon or action. We rather just try to adapt ourselves to that phenomenon. But as was stated human action can be studied at diverse levels and methods. In the next chapters we will see how human action is studied and presented in my empirical materials. But first I will revise a bit the history of the World Bank to give historical contexts into which situate the work of Amartya Sen and the World Development Report.

Chapter 2

2. The World Bank

In this chapter I shall make a brief introduction to the World Bank. The World Bank will serve for me as an example of a big institutional actor, which on other hand has some kind of vision about the notion of development, and on the other hand has economical and political means to make its vision influential.

By an institutional actor I refer to a one part of 'global governance' system introduced by David Held et al. (1999, 50). Held and his collaborators underline that the contemporary international political system cannot be understood solely as based on sovereign states in the manner inaugurated at Westphalia, but instead 'the global arena can be conceived of as a polyarchic "mixed actor system" in which political authority and sources of political action are widely diffused' (ibid.). Conceived in this sense, the World Bank is one actor in global governance, which although theoretically under the supervision of sovereign nation states, is in practice one of the many semi-autonomous actors, that influences and is influenced by the changing constellation of international politics.

2.1. The role of the World Bank

The World Bank was a product of Bretton Woods Conference of 1944, where allied forces negotiated about the means to regulate the global economy after the Second World War. In the conference was launched both the World Bank and its sister organisation the International Monetary Fund (IMF). The plan was that the World Bank (and especially its main part the International Bank for Reconstruction and Development (IBRD)¹¹) would guarantee a state borrowing in United States financial markets and the IMF would smooth the flow of repayments. (Thomas & Allen 2000, 204).

In practice the World Bank is a bank co-owned by states. It pools money from its member fees, from the interests it gets, and the most importantly from private banks (90 % of World Banks lending is financed by borrowing (ibid.)), and lends this money to development countries with a

¹¹ The World Bank organisation currently includes in addition to the IBRD, the International Development Association, The International Finance Corporation, and the Multilateral Investment Guarantee Agency. For the purposes of this text it is not important to separate them, because in a discursive level the World Bank organisation takes a quite unified stance.

lower interest rates than commercial banks. After the Second World War ended, the World Bank's mediating role was indispensable, because the economic crises of 1930s had totally destroyed the international lending system, and no commercial bank was willing to lend money to the governments of developmental countries. In the 1960s also commercial banks started to lend money to the third world countries (with the well-known outcomes!) but The World Bank's role is still very influential. This is because together with the IMF it audits the economies of countries, and without its approval it is very difficult to get a loan from private banks or other sources. And secondly, in the 1960s the International Development Association (IDA) became a part of the World Bank organisation, and through it the World Bank can give credits with a zero interest-rate to the poorest countries. Therefore, with the inauguration of the IDA the World Bank's role as a major developmental organisation strengthened considerably. (Ibid. p. 205).

Critic against the World Bank

Because of these facts the World Bank is very important actor in defining what means development and consequently what are the means of development. But since the World Bank has taken such a big role in defining the development, it can be also blamed for the errors made in 'aiding' development countries. The past activities of the World Bank have been strongly criticised and it has been even suggested that the institution should be abolished. The critic has come from different sources; from the environmentalists who claim that the World Bank does not take enough into account the environmental factors when offering loans; from human rights activist who claim that loans approved by the World Bank are harmful to the people of receiving country; the governments of member countries, who claim that the World Bank is misusing their money. In total it is possible to divide the critic made against the World Bank into three overlapping categories.

Firstly, it is argued very convincingly that the World Bank is (or at least was) doing its job badly, that is, it gives bad advices concerning the development, and loans money to projects that are doomed to be failures (for a good overview of the World Banks unsuccessful operations see Caufield 1996).¹² Probably the most infamous of the World Bank's project was the project for building a dam in the Narmada River in India. In this project were combined almost all weaknesses that are characteristic to the World Banks failures. The local people or conditions were not taken

¹² According to Bridgen (2001, 1015): 'By its own account, only seventy-two percent of the Bank's projects achieved a "satisfactory or better outcome." In contrast, the recent and highly contentious Meltzer Commission Report by the U.S. Congress International Financial Institutions Advisory Commission claims that fifty-five to sixty percent of World Bank-financed operations are failures.

into account, the estimations made by the World Bank about the project were overoptimistic, corruption and violence were used to prevent a real discussion about the project in India, the World Bank's staff tried to overstep Indian government, and in the end the whole project caused harm to the poor and aided the rich. A good thing about the Narmada disaster was that it generated such a amount of bad publicity for the World Bank in the beginning of 1990s, that the World Bank needed to make many inner changes afterwards. (Caufield 1996, 1-21).

Second and a more structural problem in the World Bank is its undemocratic nature. In theory the World Bank is included in the United Nations system, but practically it is quite independent organisation. And unlike most other UN affiliated agencies, the World Bank is not managed on a 'country-a-vote' principle, but on a 'dollar-a-vote' principle. This means that the voting power inside the World Bank is weighted according to financial contribution, and so for example the US vote counts for around 17% and those of China or India for about 3% (Thomas & Allen 2000, 204). Of course this system has made it possible for example for US environmentalists to affect the World Bank through the US congress, but overall it has created a great vacuum of democracy inside the World Bank. Other feature of the US-led nature of the World Bank is that its president is traditionally always an US citizen (the president of the IMF is always European) and also the Bank's headquarters are situated in Washington. This has created a huge bureaucracy in the headquarters and has rendered troublesome the relations between the World Bank's workers and the actual beneficiaries of the help.¹³

Thirdly, the whole idea of the World Bank, that is, foreign currency loans to public projects is criticised, because it initially created the vicious debt circle and continues to propose market economy based solutions to problems that in theory could be solved also otherwise. Huge lending has also created a relation of dependency between the recipient countries and the World Bank, which is psychologically deteriorating and also leads to further dependency relations inside the recipient countries between government and the rest of the society. And the fact that loans are made on foreign currency forces recipient countries to acquire foreign currency through export-oriented economy. In other words, the problem is that the World Bank is today the most influential developmental institution in the world, but its primary mean of aiding in development is through lending money. For example José Antonio Ocampo has claimed that the World Bank 'should cease to be a moneylender' and 'transform itself into an institution more concerned with development' (Ocampo 2001; quoted in Patomäki & Teivainen 2002, 76).

¹³ However, in order to diminish this gap between Washington and borrowing countries the World Bank has started to situate its Country-Directors in regions. In 2000 it had already relocated 22 Country-Directors outside Washington (Woods 2000).

This last problem is partly recognised in World Bank when it in its World Development Report (WDR) 2000/2001 widened its concept of poverty to include also ‘vulnerability and exposure to risk – and voicelessness and powerlessness’ (p. 15). The degree of how the World Bank has succeeded in implanting its new concept of poverty in practice will be discussed in the fourth chapter.

2.2. The World Bank in the 1990s

To understand correctly the current role and nature of the World Bank, it is important to review what has happened inside the Bank in the 1990s.

John McNamara had in his presidency term (1968-1981) reorganised World Bank’s institutional status and redefined its concept of development (Finnemore 1997). The years after him until 1994 were quite peaceful, at least inside the World Bank, and the Bank and its sister organisation IMF held a strong sense of certainty regarding their goals and methods of achieving it. This neoliberal ‘Washington Consensus’ was also shared by a majority of Washington-based policy thinkers and policy makers, and as such formed a kind of paradigm of development. The main ingredients of this approach were trade liberalization, fiscal restraint, prudent macroeconomic management, deregulation and privatisation (Williamson 1990, see also Pender 2001).

During this period economic growth was used as a yardstick for development. Per capita gross domestic product (GDP) was thought to be a neutral way of measuring progress. And as John Pender reminds us, per capita GDP was closely correlated to other recognised indicators of development such as life expectancy, standards of educational achievement and levels of personal consumption (Pender 2001, 398). Because GDP was thought to be the key in measuring development, economic growth was considered highly important. ‘Without a faster rate of production increase, other objectives cannot be achieved, nor can past achievements be sustained’ (World Bank 1981, 5; quoted in Pender 2001, 398).

But as a theoretical model neoliberal economics did have alternatives. Woods (2000) argues that even among the World Bank’s staff there had always been both believers and sceptics in the neoliberal economic model. As the World Bank’s subsequent Chief Economist Joseph Stiglitz has pointed out: ‘Some aspects of the neoliberal model might not be even necessary conditions for strong growth, and if undertaken without accompanying measures, say to ensure competition in relevant areas of the economy, they may not bring gains and could even lead to setbacks’ (according to Woods 2000, 9).

Hence, although the stated objective of the World Bank was to be an impartial and unpolitical developmental institution, World Bank's and IMF's intervention to developing countries was politicised. It was politicised in the sense 'that their policies were projected in opposition to those many economies which remained organised around a state-led model, not simply the eastern bloc, but most developing countries too' (Pender 2001, 399).¹⁴ The intervention was political also in the sense that it could not solve the paradox of neoliberal economy, which on a theoretical level is based on the effects of the invisible hand of market forces, but in practice this 'invisible hand' requires a strong state to function.¹⁵ The most infamous example of how to make this 'invisible hand' to work is probably Pinochet's Chile.

One way to analyse the influence that international financial institutions have over sovereign countries is to use a term coined Susan George, Financial Low Intensity Conflict (FLIC) (George 1989). FLIC describes situations where 'enemy' state is not eliminated physically, but instead it is isolated inside its own borders and excluded from the international community. This means that a country that does not obey the rules of the international institutions is not attacked militarily, but economically. And more than being just a useful concept in a conflict situation, it also points out how much implicit power international financial institutions have in a normal situation.

Another thing that the World Bank's policy prescriptions showed was how much influence United States actually had on the Bank. The Washington consensus was not born in an ideological vacuum but was closely correlated with the worldview of Western elites at the end of the Cold War, which was put forward most prominently in the political programs of Ronald Reagan, Margaret Thatcher and Helmut Kohl. (Pender 2001, 400).

The actual method how the World Bank can most directly use its power are the so-called structural adjustment loans. Initially, the World Bank was supposed to lend money only to specific projects, the so-called project-loans. However, in 1979 when the forthcoming debt crisis was already evident, Robert McNamara, who was the World Bank's president at that time, proposed the use of structural adjustment loans, which would not be for specific projects, but non-project loans, that would be large, quick-disbursing loans in order 'to assist countries ... to meet an existing or to

¹⁴ One example of the ideological trait of the intervention is the comment by IMF's Managing Director Michael Camdessus about Peru's ex-president Alan Garcia, who was the leader of the 'debt revolt' in the 1980s. Camdessus said in 1990 after Garcia's presidency had just ended in an economic chaos, that ' [Garcia is] very good example indeed of the bad things that happen if one does not comply with us' (quoted in Teivainen 2000, 159).

¹⁵ Adam Smith proposed in his classic book, *The Wealth of Nations* (1776) that market by themselves lead to efficient outcomes, through 'the invisible hand' of market forces. Later economist, like Nobel prize winners Gedard Debreu (1983) and Kenneth Arrow (1972), have specified the formal mathematical proofs about the conditions under which the proposition is true. Joseph Stiglitz, who later has become a fierce critic of the IMF and the World Bank, gained his academic credentials by showing that when information is imperfect or markets are incomplete, competitive equilibrium is not (constrained Pareto) efficient. Hence, he claimed that the economical theory should be based on more realistic assumptions, rather than on neoliberal 'as if' methodology. (Stiglitz 2002, 254n2 and Patomäki & Teivainen 2002, 73).

avoid an impending balance-of-payment crisis' (World Bank 1980; quoted in Caufield 1996, 141). But in order to get these loans recipient countries had to adopt particular set of policies recommended by the World Bank.¹⁶ This type of conditionality has later been more and more important aspect of loans, and at the turn of the century structural adjustment programs (SAPs) represented over a quarter of the World Bank lending (Bridgen 2001, 1018).

So, in the period from early 1980s until mid 1990s the World Bank as well as IMF and other donors intervened into the economic policies of recipient countries through conditionality based loans. These interventions were made in a self-confident way, as they seemed to deliver a universal remedy to the problems of the developing countries. Formally conditionality was restricted only to economic arena, but in practice it seriously undermined the capacity of developing countries to aim for a sovereign politics.¹⁷

John Williamson has described the relation between the concern for economic growth and other political issues in the following way: 'Washington [consensus] certainly has a number of other concerns ... besides furthering economic well-being. These include the promotion of democracy and human rights, suppression of the drug trade, preservation of the environment, and control of population growth. For better or worse, however, these broader objectives play little role in determining Washington's attitude towards the economic policies it urges...' (Williamson 1990, 8).

In other words, the Washington consensus relied on the idea, that neo-liberal policy prescriptions would strengthen national economies by stimulating foreign investment and naturalising market economy system. The alleged result of this would be a boost for country's productive capabilities and economic efficiency, which consequently would bring benefit for the country's population as a whole. These alleged benefits would in theory also promote democracy, human rights and other broader objectives. But in practice many of the policies that the Washington consensus proposed became ends in themselves, rather than means for to more equitable and sustainable growth.

¹⁶ At this point the roles of the IMF and the World Bank became closely intertwined, since it was the IMF who finally dictated most of the conditions for the structural adjustment loans. As stated earlier initially the IMF's role was to deal with macroeconomic issues (a government's budget deficit, its monetary policy, its inflation, its trade deficit, and its borrowing from abroad) in order to keep up an international aggregate demand which would prevent depression on a global scale. The World Bank was supposed to be in charge of more structural issues (what the country's government spent money on, the country's financial institutions, its labour markets, its trade policies). But since the implementation of the structural adjustment loans, the IMF have been more and more eager to expand its role and have its view heard also on the more structural issues. (Stiglitz 2002, 14).

¹⁷ About the problematic of separating political and economical spheres from each other see Teivainen 2000.

The fall of the Washington Consensus

But in 1995 the confidence that had characterised the previous 15 years was away and the World Bank had to reconsider its role. The protest movement that had started in the 1980s from the campaigns by various grassroots environmental activist, and had gained extra publicity from the Narmada incident, was culminating in the ‘Fifty years is enough’ campaign on the eve of the 50th anniversary of the World Bank. The ‘Fifty years is enough’ coalition brought together various environmental, religious, and social action groups whose general argument was that the World Bank had done more damage than good. Therefore, they not only wanted that the World Bank would modify the way it does its business, but also they proposed that it would diminish its role, or even that the World Bank should be abolished. (Caufield 1996, 305).

The massive protest campaign coincided at the same time as the World Bank itself had serious doubts about the efficacy of its policy prescriptions in generating development. John Pender list three principal reasons that caused the World Bank to rethink its fundamental tenets of development (2001, 400-402).

Firstly, the so-called ‘Asian miracle’, where various East Asian economies had developed from lesser to middle income countries very rapidly, had happened without following World Bank’s policy prescriptions. Whereas the ‘Washington consensus’ had given, if not a minimal, then at least a very restricted role for the state, East Asian success stories showed how a state-intervention can play a big part in development.¹⁸ Therefore, the World Bank needed to revise those policy prescriptions which it incorporated as conditions for its loans. Already the 1993 World Bank study “The East Asian Miracle” attributed to the state the function to ‘ensure adequate investments in people, provide a competitive climate for private enterprise, keep the economy open to international trade, and maintain a stable macro-economy’ (quoted in Pender 2001, 401).

Secondly, the area where Structural Adjustment programs were implanted most profoundly, Africa, was lagging behind in economic growth, and also the living standards in Africa were falling. Therefore the 1994 World Bank study about Africa concluded that, ‘there is considerable concern that the reforms undertaken to date are fragile and that they are merely returning Africa to the slow-growth path of the 1960s and 1970s’ (quoted in Pender 2001, 401). In other words, the area where

¹⁸ Actually already the ‘Washington consensus’, as described by John Williamson in his 1990 synthesis, showed some modification away from the most liberal free-market approach, and noted that the state had a legitimate role to play. However, as Pender (2001, 409n9) notes, ‘the Washington consensus envisaged a considerable more restricted role for ‘the state than other contending development models of the period’.

the World Bank was least involved, the East Asia, was experiencing high growth rates, and on the contrary, the area where it had been most involved was experiencing low growth rates.

Whereas the fate of two above-mentioned areas was explicable also by other factors than involvement of the World Bank, the crisis in Mexico in 1994 ultimately questioned the wisdom of the 'Washington Consensus'. As Pender states, 'Mexico had not only implemented an economic strategy based heavily on the World Bank model, but was also regarded as success' (ibid.). Notwithstanding that Mexico had succeeded in lowering inflation and therefore attracting foreign investments as the World Bank's policy prescriptions recommended, it had not achieved the main aims of Structural Adjustment – economic growth and poverty reduction. In sum, actually Mexican boom was not based on real economic growth, but rather on relentless borrowing, the provision of safe haven to foreign investors, and on the sale of state-owned enterprises (Caufield 1996, 153). Thus, the Mexican crisis showed that the policy prescriptions envisaged by the 'Washington consensus' to set up free markets, were maybe in theory good things as such, but when used in practice, they were not generating a genuine economic growth.

New direction

Because of the above events, in 1995 the World Bank was in the words of Financial Times 'neither confident nor popular' (quoted in Pender 2001, 402). Therefore the institution needed to revise its policy prescriptions and approach to the notion of development in order to legitimate its interventions.

An opportunity to reorient the World Bank came in a rather sad and unexpected way. Lewis Preston, who was elected as the Bank's president in 1991, was diagnosed in early 1995 with pancreatic cancer. He passed away in May of the same year, and so the World Bank needed a new leader. On the first of June 1995 James Wolfensohn was elected as the new president of the World Bank Group. His appointment was seen as an attempt to reorient the World Bank's policy outlook and its mode of operation. He was seen as a same type of energetic leader as Robert McNamara, who had revolutionized the World Bank in his presidential term from 1968 to 1981.

At the start of his career Wolfensohn did not carry out the 'Fifty years is enough' campaign's proposal to limit the World Bank's functions; on the contrary it continued to develop and expand its role at the forefront of development initiatives. But to please the critics, Wolfensohn accentuated that that he wanted to cooperate more with non-governmental organisations. As a sign of this, at the beginning of his term Wolfensohn unilaterally decided that the World Bank would not fund the

controversial Arun Dam in Nepal, which project was opposed by several Nepalese NGOs (Woods 2000).

A further sign of reshaping the Bank was the appointment of Joseph Stiglitz as the World Bank's new chief economist in February 1997. Stiglitz had earlier criticised the 'Washington Consensus' for counting too much upon the markets and not giving a big enough role for the state in economic development. Like stated earlier, his theoretical work on economics of information dealt basically with asymmetries of information on the market, which justified the role of government also in market economies.

In a later interview Stiglitz recalled the goals with which he approached his new appointment.

'I had certain objectives in mind when I came to the World Bank. One of them was to change the thinking, both with respect to the objectives – broadening them from just growth to this more broad-based democratic and equitable sustainable development. The second objective was to bring about a change in economics. The answers given in the Washington Consensus were either partial answers or actually wrong ... The third objective was to change the process of the development dialogue. There was still the colonial mentality of the developed countries who were telling the rest of the countries what to do...' (Pender 2001, 403).

In practice a new definition of development meant that economic growth was not considered anymore as a kind of overall yardstick for development, but instead it was considered important only insofar as it contributed to broader objectives. The real objectives that Stiglitz mentions, sustainability, equity, and democracy were actually not necessarily tied to the economic growth at all. Which fact of course raises a question of how can an institution, whose main activity is lending money to more or less economic projects, contribute to these objectives? The same question was presented already to McNamara in the early 1980s when he was pushing Structural Adjustment loans into the World Bank's development armoury, that is, if policy reforms do not cost money, why should countries need loans to carry them out (Caufield 1996, 143).

Stiglitz's third proposal about the need to change the process of a development dialogue was in practical level probably constructive. But on a broader level it still was not answering to the calls of 'Fifty years is enough' campaign and other hardest critics of the World Bank, at least when Wolfensohn was following McNamara's example of expanding the Bank's activities. One way to conceptualise the situation is to refer to a sign seen inside one car in a traffic jam by a German sociologist Urich Beck. The sign told that 'you have not arrived at a traffic jam, but you are a part of a traffic jam' (Beck 1992). In other words, the structural problems noted at the beginning of the

chapter, concerning the World Bank's situation as the most important development institution, and its means to contribute to the sustainable, equal and democratic development are not solved with simple changes in development dialogue.

However, of Stiglitz's three objectives, the second one, a change in the content of World Bank-prescribed economics, was fairly successfully implanted, and thus the reorientation of the Bank had at least economic-wise a blossoming beginning. Several countries in Latin America, East Asia, and Africa benefited from World Bank's new and more flexible economic prescriptions. In addition, the World Bank's broader approach to development had a positive response from its critics, and so 'not only was it [the World Bank] increasingly being seen as quite distinct from the IMF, but it was coming to be seen as a truly progressive organisation, even by many of its erstwhile critics in non-governmental organisations' (Pender 2001, 405).

The 2000/01 World Development Report

Furthermore, the East Asian economic crisis and other economic setbacks in 1998 continued to modify the World Bank's approach to development, especially in the direction of poverty reduction. In a speech in October 1998 Wolfensohn described into which direction the Bank's approach to development was heading. The speech was titled 'The Other Crisis', and in it he proclaimed: 'We talk about financial crisis, while in Jakarta, in Moscow, in Sub-Saharan Africa, in the slums of India and the barrios of Latin America, the human pain of poverty is all around us' (quoted in Pender 2001, 405). It was indeed the poverty and the poorest that were the other crisis Wolfensohn was talking about. Even the World Bank website proclaims this new mission, by declaring that 'Our mission is a world without poverty'.

As well, as the World Bank's view on development has changed from gazing only at economic growth to broader goals, also the Bank's conception of poverty has changed. The conception of poverty focuses now on the human well-being as revealed by nutritional status, educational attainment, and health status. Different types of measurements are used to evaluate the outcomes of these factors instead of measuring only the growth of the GDP as a yardstick for development.¹⁹

¹⁹ But it must be pointed out that the WDR does not use the influential and widely diffused Human Development Index (HDI) invented and calculated by the United Nations. It is worth remembering that the HDI was actually constructed (among all by Amartya Sen) to capture the extent to which basic opportunities were available to people. It first appeared in the United Nation's Human Development Report in 1990 that was supposed to be an alternative to the World Bank's yearly-published World Development Report. (Hahnel 2002, 169).

One important demonstration of the World Bank's new direction was the 'Voices of the Poor' study. In the study researchers interviewed 60 000 poor men and woman from all over the world and tried to enquire the position of the poor in relation to the big institutions. The conclusion of the report was, that '[the study] reinforces the case for making the well-being of those who are worse off the touchstone for policy and practice' (Narayan et al. 2000, 264).

The 'Voices of the Poor' study was itself actually a background report for the World Development Report 2000/2001 (WDR). The WDRs are annually published reports that usually concentrate on one particular issue each year. Once in a decade the subject of WDR is poverty, and almost by a coincidence within only two years after Wolfensohn's 'Other Crisis' speech the subject of the WDR was poverty.

Before further concentrating on the WDR, in the next chapter we will make a short sidestep and concentrate on Amartya Sen. His book *Development as Freedom* influenced a lot the 2000/2001 WDR and it is also in its own rights very influential theoretical presentation about the concept of development. As stated earlier Sen's thoughts serve for me as a good example of modern development theory. In the presentation of his thoughts I intend to scrutinise his philosophically and economically sound argument from the perspective of social sciences.

Chapter 3

3. Amartya Sen and the development as freedom

In a Sanskrit text from eight century B.C. called Brihadaranyaka Upanishas a married couple discusses about how much wealth they would need to get what they want. And since this story is not a contemporary one, their aspirations exceed that of a single-family house. The wife, whose name is Maitreyee, wonders whether she would achieve immortality if the whole earth, full of wealth would belong to her. Her husband, Yajnavalkya, responds that with all that wealth, 'like the life of rich people will be your life, but there is no hope of immortality by wealth'. Maitreyee is disappointed and remarks, 'what should I do with that by which I do not become immortal?'

Amartya Sen tells this story at the beginning of his book 'Development as Freedom' (1999). The book and actually whole Sen's lifework has dealt with answering and reflecting on Maitreyees rhetorical question. How to define and evaluate a good life, if even with all the wealth of the world we do not achieve immortality? More accurately Sen's work has been in the field of welfare economics. Welfare economics is a branch of economics that studies how it is possible to evaluate different preferences of individuals and how individual preferences aggregate into social choices. Although welfare economics in itself is not in any sense confined to the study of poorer countries, Sen has in his work given much attention to development theory. Because of this Sen's work has made a large impact also outside the field of economic theory.

But Amartya Sen's work is not interesting only theoretically. His work is also interesting since it can be said to be a well-expressed and influential exposition of today's development thinking. He won a Nobel Memorial Prize for economic science in 1998 and he has also collaborated with many different international organisations, like the International Labour Organization (ILO), the World Institute for Development Economics Research (WIDER), and the United Nations Development Programme (UNDP). In the late 1990s Sen collaborated with the World Bank and 'Development as Freedom' consist of five lectures which he gave as a Presidential Fellow at the World Bank during the fall of 1996. And like mentioned above, the World Bank's World Development Report 2000/2001: Attacking Poverty was largely influenced by Sen's capability approach in defining poverty.

What is then Amartya Sen's approach to poverty and development? Richard Sandbrook (2000) has called his approach as 'pragmatic neoliberalism'. By this he means a market-oriented

approach that does not fall in the trap of reductionism of orthodox neoclassical analysis, but adopts human well-being rather than mere growth as its goal. In other words Sen broadens the concept of development to mean ‘a process of expanding the real freedoms that people enjoy’ so that people would have capabilities ‘to lead the kind of lives they value – and have reason to value’ (Sen 1999, 3, 18). Important in this is that Sen claims that freedom is both intrinsically and instrumentally important in the notion of development.

Both part of the claim are under the threat of criticism. In demonstrating that freedom is intrinsically important in evaluating development, Sen has set himself against traditional economics of development that was practiced in the World Bank for over two decades, and also against communitarian thinking, which claims that different communities have a right to keep their traditions. To demonstrate that freedom is instrumentally important in generating development, he has to show evidences that his ideas can actually change the poor living standards of the developing countries.

In this chapter I will introduce Sen’s freedom (or capabilities) approach and especially try to see whether it can be thought as a universal view of human condition. In other words, is it possible to apply Sen’s thoughts about the value of freedom and capabilities also in the context of western societies? Sen’s ‘Development as Freedom’ is mostly concentrated on the notion of development, but since he repeatedly quotes such classical western thinkers as Aristotle and Adam Smith, he clearly intends to say also something universal about human beings. So his question in fact is the question posed by Maitreyee; if we cannot become immortal, how can we then describe a good life?

3.1. From universal to particular (from economics to social sciences)

How to achieve a good life? And how to define a good life? These two questions are actually quite big questions to be solved in an graduate thesis. Although they are big questions I claim that it is important to try to contemplate them at least a little bit. That is because unspoken answers to those questions have such a large impact on social sciences. Those unspoken answers were the ones that Amartya Sen tried to challenge in economics when he criticised economic evaluation which relied solely on utilitarianism, libertarianism or Rawlsian primary goods. He instead suggested a freedom-based perspective, that ‘can take note of, inter alia, utilitarianism’s interest in human well-being, libertarianism’s involvement with the process of choice and the freedom to act and Rawlsian theory’s focus on individual liberty and on the resources needed for substantive freedoms’ (1999, 86).

Sen is an economist by education and thus his early writings dealt with economic theory. We could say that in general economic theory tries to form different universal descriptions about economic behaviour, which supposedly would be a reflection of a universal individualist psychology. With these descriptions it then would be possible to explain our economic decisions. Welfare economics is a special branch of economics that studies how actual economic decisions influences our social welfare and on the other hand how our social welfare influences our economic decisions. Thus, welfare economics has tried to mix moral philosophy and economics, which has caused suspicion with mainstream economist. Because of these suspicions the position of welfare economics has, according to Sen, appeared to be increasingly dubious, and it has been separated from the rest of economics (1987, 29).

The relation between economics and moral philosophy has not though been always so dubious. For example Adam Smith, the so-called ‘father of modern economics’ was a Professor of Moral Philosophy at the University of Glasgow. Also in the 1930s Lionel Robbins in his influential book ‘An Essay on the Nature and Significance of Economic Science’ argued that ‘it does not seem logically possible to associate the two studies [economics and ethics] in any form but mere juxtaposition’ (Robbins 1935, 148; quoted in Sen 1987, 29). Although Sen remarks that at the time of writing Robbins’ position was already quite unfashionable. Sen has in his early writings tried to rediscover the common roots of moral philosophy and economics, and in this way widen the scope of both the mainstream economics and the welfare economics. As a proof that those ideas have nowadays become more fashionable than in Robbins’ time, he was given a Nobel Memorial Prize in 1998 for his work in welfare economics.²⁰

But because Sen’s early texts dealt with economic theory, also his argumentation had to rest within the tradition of economic theory. In other words, his research question still was how to explain or predict our economic decisions and choices. Because of this his arguments seem a rather simplified and blunted from the point of view of social sciences. For example when he is criticising the usual notion of ‘self-interested behaviour’ in economic literature, he claims that ‘it is also possible that people clearly understand their goals, wish to maximize them, but nevertheless take note of other people’s goals, due to a recognition of the nature of mutual interdependence of the achievements of different people in these situations’ (Sen 1987, 85). According to this insight he makes the claim that, ‘(b)ehaviour is ultimately a social matter as well, and thinking in terms of what ‘we’ should do, or what should be ‘our’ strategy, may reflect a sense of identity involving

²⁰ Though his award still was quite a shock for some members mainstream economics. For example Wall Street Journal reacted to his victory by claiming in their editorial that ‘he has done little but give voice to the muddleheaded views of the establishment left -ists who dominate his world...’ (Evans 2002, 54).

recognition of other people's goals and the mutual interdependencies involved' (ibid.). Behind these fine sounding words is the simple notion that we as human beings think sometimes also other human beings, and thus our behaviour really is 'a social matter'. These thoughts (declared in 1987) may have been refreshing in economics, but in the sphere of social sciences they do not actually present any Kopernicanian revolution.

Of course Sen has to be valued for integrating our common ethical thinking with more theoretic economical thinking in clear and precise way, from which he probably merited his Nobel Prize. But the point is that in his economical writings he has stayed inside the maybe vague but anyway existing boundaries of economics. To see what he has to give to social sciences we have to look for his writings concerning development theory.

3.2. Development as freedom

'Development as Freedom' can be considered to be a synthesis of Sen's thoughts concerning development theory (see for example Sandbrook 2000). It presents in a coherent way his notion of development that for him means expansion of freedom and capabilities of individuals. On the contrary, poverty means capability deprivation. This proposition has the value of enlarging the notion of development from basic income-based evaluation to a larger notion of development that includes also elimination of oppression and provision of basic political and social rights. As stated, important in Sen's presentation is that capabilities of the people are not only intrinsically important in evaluating of development, but that they are also instrumentally important in bringing development. He claims that 'free and sustainable agency emerges as a major engine of development' (Sen 1999, 4).

Sen's theory's merits have been acknowledged and widely discussed. His work has encouraged important debates on the importance of capabilities in securing substantive human freedoms, on the measurement of inequality, and on the causes of famine, amongst others. But as mentioned before, in this chapter I do not try to analyse Sen strictly in his own terms, that is in terms of development theory, but rather try to see what are his initial presumptions of human nature that colour his argument.

Thus, my question is whether his method of evaluating the quality of life or individual well-being can serve as a universal yardstick. In 'Development as Freedom' Sen's main concern is development theory, but in proving that the capabilities of the people are intrinsically and instrumentally important he uses his lifelong efforts to theorise the possibility and necessity of

'social choice'. In his writing concerning the theory of 'social choice' Sen has convincingly attacked Kenneth Arrow's 'impossibility theorem' about the impossibility of rationally deriving social choice from individual preferences without prejudicing anybody. He shows convincingly that, social choice is possible (by broadening the amount information taken into account when making interpersonal comparisons), and necessary (because 'a proper understanding of what economic needs are - their content and their force - requires discussion and exchange' (p. 153)). (See also Evans 2002). Because Sen supports his arguments with such a universal reasoning, it is reasonable to believe that his argument about the value of freedom would hold also for other than citizens of developing countries.

As I argued before, Sen's writings in economics stay so much inside economical argumentation, that it is difficult to assess them as social scientific texts. In his writings concerning development theory he has tried to use his (universal) theoretical insights of economic evaluation with (particular) questions concerning development. This change from an argumentation that tries to make universal claims into an argumentation that tries to make particular claims, has made his ideas more approachable, but also more vulnerable to criticism. In building my own evaluation of Sen's thoughts, I divide them in two parts. Firstly I will discuss his claim that freedom is instrumentally important, and secondly his claim about the intrinsic value of freedom.

Instrumental value of freedom

Sen have brought from his studies in welfare economics a model for development that have as a base five types of instrumental freedoms (political freedom, economic facilities, social opportunities, transparency guarantees, and protective security). His claim is that these five types of freedom are the mainsprings of development. He bases this argument on several empirical cases from various countries. His conclusion is that, 'achievement of development is thoroughly dependent of the free agency of people' (p. 4).

When considering further the idea of freedom Sen makes a distinction between different determinants for freedom. By this he means different social arrangements that are important in securing and expanding the freedom of the individual. He distinguishes liberties which are normally called negative liberties ('the social safeguarding of liberties, tolerance, and the possibility of exchange and transaction'), and the so-called positive liberties ('substantive public support in the provision of those facilities (such as basic health care or essential education) that are crucial for the formation and use of human capabilities') (p. 42).

When we are concerned with the instrumental value of freedom in development, it is quite easy to agree with Sen that his second group of liberties, the positive liberties, are important in generating economic growth. This argument is very much in line with Joseph Stiglitz's market asymmetry approach which inquired the asymmetries of information and capabilities that justify state intervention into the markets. Sen also presents a lot of empirical evidences concerning 'The East-Asian Miracle' that support his thesis about the role of positive freedoms in generating development.

The basic measurement of development, the freedom to survive, can also be explained by the positive freedoms. In contrast to the widely diffused argument that a growth in GNP per capita in general enhances life expectancy, Sen argues that actually it is not the impact of GNP growth per se that is the determining factor. On the basis of a study by Sudhir Anand and Martin Ravallion, Sen argues that, 'life expectancy does indeed have a significantly positive correlation with the GNP per head, but this relationship works mainly through the impact of GNP on (1) the incomes specifically of the poor and (2) public expenditure particularly on the health care' (p. 44). Thus, it can be argued that even survival chances are derived from positive liberties, and therefore positive liberties indeed form an integral part of instrumental means of development.

But when we turn our attention to the negative liberties, the empirical evidences that Sen demonstrates are less convincing. Although Sen himself does not use the exact terms of negative and positive liberties, and stresses the linkages between different freedoms, it is analytically possible to make the above distinction between positive and negative liberties. If the positive freedoms are defined in the above manner, then the definition of negative freedoms is close to the traditional definition of libertarianism which stresses the importance of procedural freedoms. Procedural freedom means that a society gives fair chances to all opinions to exist, and guarantees freedom for everybody to make choices concerning their life with adequate knowledge about the possible alternatives. Defined in this way negative freedoms point most directly to the political freedoms defined in a very broad way.

The problem in Sen's presentation is that although he does make a convincing case for the value of political and liberal rights, his empirical proofs about the connection between democratic rights and economic development are less convincing. In other words, if Sen is claiming that, 'these freedoms and rights [liberty of political participation or the opportunity to receive basic education or health care] are *also* very effective in contributing to economic progress' (p. 5), we need to ask what has been the exact role of the political freedoms in generating a good economic performance during history.

Sen's favourite examples of non-western countries that have developed under non-authoritarian rule are the likes of Japan, Kerala (a state in India), and in a lesser sense Botswana (which 'has been an oasis of democracy on that troubled continent' (p. 150). But we have to ask how much we can praise democratic regimes for these countries' development?

For example in the case of Japan, we have to take into account that the origins of country's later industrial development were prepared already in the era of imperial Meiji regime by obligatory schooling. Which indicates that the foundations for country's current functioning democracy were laid already in the late nineteenth century under less democratic conditions. Also Sen notes several times this fact, but does not make any conclusions about the actual relationship of democracy and economic development in the development countries. (Corbridge 2002).

In the case of Kerala, which is mentioned several times in Sen's argumentation, he does mention several achievements of that particular state, like that the birth rate has fallen rapidly since independence (from 44 per 1000 in the 1950s to 18 by 1991 (p. 222)), but does not mention that literacy rates were high even before Kerala had been created from the erstwhile native states of Travancore and Cochin (Corbridge 2002). Because of this fact, Corbridge proposes that, 'there is some evidence to suggest that the bases of the Kerala success-story were laid in a more authoritarian era than the present, even accepting that matters have been improved since 1947 by the actions of (and competition between) the Communist Party of India and a left-leaning Congress Party' (ibid. p.197).²¹ Botswana obtains lesser attention from Sen, apart from appearing in various lists of 'successful' countries, but for us it might serve as an example of a developed little country which, although democratic, cannot be analysed without taking into consideration some special circumstances, that are in the Botswana's case its reliance on diamond exports (Corbridge 2002).

In a little bit similar vein Sandbrook (2000) criticises Sen's naive praise of 'capitalist virtues', which does not take into account any historical occurrences. According to Sen, although capitalist ethics is deeply limited in some respects, dealing particularly with issues of economic inequality and environmental protection, 'within its domain, capitalism works effectively through a system of ethics that provides the vision and the trust needed for successful use of the market mechanism and related institutions' (Sen 1999, 263). Sandbrook himself does not believe that capitalism could develop its own ethical basis. Instead he holds that Western capitalism has benefited from a special

²¹ Corbridge also informs us that 'my colleague Rene Veron tells me that the Rani of Travancore issued a decree that made education compulsory in 1806. He further suggests that 'more than "democracy", [it was] caste-based movements, particularly the one led by Sri Narayan Guru (of the [erstwhile] "untouchable" Ezheva caste) [that] brought about social development. This caste-based movement can be interpreted, rather than an offspring of political and civic freedoms, as a reaction to extremely repressive socio-cultural conditions in Kerala at the turn of the century' (Corbridge 2002, p.211).

condition; it inherited its moral foundation from pre-capitalist societies. Probity, trust, concern for others, and duty towards the poor were internalised norms and values that mediated the harsh self-interest underlying the development of markets. This line of reasoning has a long tradition in social sciences starting from Max Weber and Karl Marx.

Given these facts, it seems that Sen's universal model of development might have some inconstancies when moved into an actual empirical field of particular facts. Even Sen himself seems to notice some cracks in his presentation when he is writing about famines and notes that, '(f)amines are, in fact, so easy to prevent that it is amazing that they are allowed to occur at all' (p.175). Because of these inconstancies Colbridge suggest a question that works backwards in time and towards the particular in a way of argumentation; 'how many countries have industrialized successfully while functioning as a representative or participatory democracy?' (2002, 193). Admitting that the answer to this question probably is 'close to none as yet, although the matters are changing', does not mean defending authoritarian regimes, but a more realistic vision of how development has occurred and how it will occur in the future.²²

Thus, Sen's notion that freedom has instrumental value in development is a comprehensive presentation of the claims that have been floating around since 1980s as a critic to a narrow neoliberal concept of economic development. As such it is a highly attractive and encouraging vision of development. But as an empirical presentation about already succeeded development it is a rather one-sided as Sen reads his evidences in a quite selective manner. Because of this his argumentation about instrumental gains of freedom might offer a too optimistic and naïve vision of how development has in reality taken place. Hence, Sen's analysis is unable to take larger structural questions in to the consideration, and it treats development more as a technical problem than as a political problem.²³

Intrinsic value of freedom

In a second place it is possible to analyse Sen's presentation by concentrating on his definition of the intrinsic value of freedom. As stated, he claims that the development of the societies can be evaluated by scrutinising how much freedom their citizens posses. But does he mean by this that

²² For example successful land reforms have rarely been carried out in 'democracies', where they have usually been blocked by agrarian elites, as Corbridge (2000, 194) remarks. Currently Venezuela provides us an example of the difficulties involved in carrying out a land reform in a constitutional democracy.

²³ As James Ferguson (1990) has famously argued, 'by uncompromisingly reducing poverty to a technical problem, and by promising technical solutions to sufferings of powerless and oppressed people, the hegemonic problematic of 'development' is the principal means through which the question of poverty is de-politicized in the world today'.

there would exist some minimum level of freedom that the citizens of the developed countries already possess and it is only those in the development countries that lack it? Or does he subscribe to a more general (and more European) discussion about the nature of freedom along with for example Jürgen Habermas and a legion of French writers?

It seems that Sen has in his mind a same kind of universal notion of intrinsic freedom as he has of instrumental freedom. That means that, ‘the success of a society is to be evaluated, in this view, primary by the substantive individual freedoms that the members of that society enjoy’ (Sen 1999, 18). He continues that, ‘(t)his evaluative position differs from the informational focus of more traditional normative approaches, which focus on other variables, such as utility, or procedural liberty, or real income’(ibid.). Thus, the intrinsic value of freedom is important because with it is possible to evaluate the development of a given society with a far more justified and precise way than with other indicators. In one sense Sen goes backward in time in the evaluation of the situation and says that, since utilitarian or real income based evaluations are misleading and imprecise for evaluating well-being, let us contend to the situation before the choice and just guarantee that everybody has enough opportunities to do the things that they value (and have reason value) at this point before the choice.

But he has also other reason in contenting to the situation before the choice. The notion of intrinsic value of freedom has apart from its evaluative aspect also a constructive aspect. The constructive aspect underlines that, ‘a proper understanding of what economic needs are – their content and their force – requires discussion and exchange’ (p. 153). In other words, in order that freedom or capabilities that people have would be an efficient and just yardstick for development, implicit values of the public need to be made explicit and under discussion. This feature of Sen’s theory makes it intrinsically self-critical, since for the freedoms of individuals to act as a yardstick for development, they have to be freedoms that are scrutinised in public.

In a general level Sen’s argument seems plausible. It claims that the capabilities that individuals possess are a fair and efficient way of making welfare comparisons, because with them it is possible to estimate genuinely the subjective values that individuals hold. But what about when we change the viewpoint from universal level to the level of particular facts? As we already saw when Sen’s notion of instrumental value of freedom was scrutinized from the viewpoint of particular conditions of empirical reality, there occurred some inconstancies within it. With the notion of intrinsic freedom it is not as easy to point flaws in his presentation because this notion of freedom moves on such idealised level that it not possible to point any causal or empirical faults within it.

Sen does not fall into any ‘easy’ traps in his presentation of freedom. As noted above he notices that some people may have been so used to oppressing circumstances and do not know how to demand freedom (in Pierre Bourdieu’s terms they possess ‘embodied structures’). Because of this, ‘(p)olitical and civil rights, especially those related to the guaranteeing of open discussion, debate, criticism, and dissent, are central to the processes of generating informed and reflected choices ... and we cannot, in general, take preferences as given independently of public discussion’ (ibid. 153). The above statement from the surface seems to bring Sen also into same camp with Habermans and his appeal of an ‘ideal speech situation’. (See chapter 5 for more discussion about Sen and Habermans).

Also Sen makes a nod to a Kantian tradition of ethics when he claims that, ‘actually having the freedom and capability to do something does impose on the person the duty to consider whether to do it or not, and this does involve individual responsibility ... freedom is both necessary and sufficient for responsibility’ (p. 284). Thus, a public discussion and scrutiny of freedom would not only clear individuals’ preferences, but it would also develop a sense of responsibility towards fellow citizens. However, Sen is not relying exclusively to individual responsibility, or neither to an extreme version of a ‘nanny state’. Instead Sen is trying to find a midway between them through a state that would create opportunities for choice for its citizens. In addition, this social commitment to individual freedom must operate not only through state but must also involve other institutions, like political and social organisations, community-based arrangements, non-governmental agencies, the media, and the institutions that allow the functioning of markets and contractual relations (ibid.).

These are all fine aspirations and I have no reason to argue against them. But the problem is that Sen does little to explain what challenges we have to confront to be able to live in such a free society, apart from fighting against totalitarian regimes. He does not question how does the global and national power structures rooted in the market economy limit our freedom to live to kind of life we value. Or how those same power structures and centralisation of power over cultural flows seriously limit our capability to form preferences and engage in public discussion.²⁴

Neither, with his stress on only individual capabilities and value-forming, does he consider seriously how changes in practice could be made. In modern democracies changes usually happen through different collective action and so Peter Evans is right in suggesting that, ‘institutional strategies for facilitating collective capabilities are as important to the expansion of freedom as sustaining formal electoral institutions’ (2002, 59). If Sen would engage seriously in to conversation about ‘institutional strategies’ he would have to make it clearer how does an individual will relate to

²⁴ Though in a reply to a comment that blamed him of this Sen admitted that he should have given more attention into this particular point (Sen 2002).

a common will, and how do modern societies work. At the moment his presentation seems to suggest that by guaranteeing political and civil rights to individuals would automatically change those societies into well-functioning welfare states.

Also Sen's claim about the social commitment and responsibility that come with individual freedom is left annoyingly empty. He makes it clear that responsibility requires freedom, but apart from that the notion of responsibility is left empty. He makes long quotations for example from Adam Smith, and states that in Smith's conception, '(t)he persons evaluations as well as actions invoke the presence of others, and the individual is not dissociated from "the public"' (p. 271). The problem is that the above conception surely made sense in Smith's own time when no individual was either spatially or timely dissociated from 'the public'. Nowadays relations between individuals are more complex and our actions have influence on the life of 'the public' that may live on the other part of the world. We do not have to fear that the present-day 'public' would burn our house if we would threaten them badly, like Adam Smith's contemporaries had to fear (see for example Thompson 1996).²⁵ And if we would really take into consideration our responsibility towards 'the public', how far should we go? How much should we change our lifestyles? Should we for example lesser the proportion of meat in our diet because animal husbandry uses ten times more resources than cultivation of vegetables and in this way eating meat constrains severely the possibility of many third world citizens to live a life that they 'have reason to value'. Sen only says that, 'it is the power of reason that allows us to consider our obligations and ideals as well as our interest and advantages' (p. 272), but does not himself engage into that consideration apart from such 'easy' cases as fertility behaviour and corruption.

If we actually would consider our ideals seriously then we could also question Sen's notion of market exchange as a natural and intrinsically valuable pattern that drives him to defence almost uncritically the United States model of full employment. When comparing the Western Europe and the United States he does give credit to the Western Europe for its unemployment benefits system and small income inequalities, but still does give an overwhelmingly strong support to the American model of keeping unemployment low. Of course it is true that in contemporary societies unemployment has many far-reaching effects other than loss of income, like psychological harm, disruption of family relations, social exclusion, and accentuation of racial tensions and gender asymmetries. But this does not mean that we should praise the American model of low unemployment without inquiring on what pillars the model stands. Sen claims that the model stands on 'American social ethics', that 'seems to find it possible to be very non-supportive of the indigent

²⁵ Not even different terrorist attacks have changed this situation, since terrorist attacks usually are made almost blindly against 'western' society and not against any particular individuals or groupings.

and the impoverished’, but ‘would find the double-digit levels of unemployment, common in Europe, to be quite intolerable’ (p. 95). In other words, ‘underlying this contrast [between Europe and United States] is a difference in attitudes toward social and individual responsibilities’ (p. 96). Other observers have found that the American model is based from one side on ineffective trade unions, from which it is easy to derive low minimum wages and a model of individualistic self-help society (see for example Martin 1994). Thus, again Sen’s suspicion of collective capabilities and values prevent him from seriously analysing modern societies.

Another consequence from ‘American social ethics’ based on individual responsibility is that it seems to lead to a lifestyle based on consumption, because if all social services are consumable then it is natural to consume also other things. So, although Sen’s distinction between income and capability perspectives is important in evaluating development, it does rely on a too idealistic assumption about the public scrutiny that would reflect on what kind of capabilities are important in the context of inequality assessment. Because, surely a capability to consume alike an average North American²⁶ is not a sign of development.

3.3. Conclusions

In this chapter I have inquired if Amartya Sen’s presentation of how to evaluate the quality of life can be taken as a universal indicator for contemporary societies. In his work on the development theory his fundamental proposition is that we should assess development in terms of ‘the expansion of the “capabilities” of the people to lead the kind of lives they value – and have reason to value’ (1999, 18).

In judging Sen’s presentation I started with assessing whether he was right in proposing that freedom entails development and then proceeded to evaluate his notion of freedom as essentially important in assessing individuals well-being.

Firstly I inquired whether Sen’s universal ideas taken from the theory of welfare economics can be smoothly used to study empirical reality of particular societies. In regarding the so-called positive freedoms that Sen advocated there were plenty of empirical evidences that were supporting his thesis. Concerning the instrumental value of ‘negative freedoms’ in relation to development,

²⁶ One, although a rough, way to estimate our consumption is through a so-called ecological trace that our consumption leaves. In this statistic North Americans are leaders with 9,6 hectares (per one person) and Western Europeans second with 5 ha. The average for Africans and Asians is only 1 hectare. Maximum capacity for our planet would be 1,9 ha, and because our current average is 2.3 ha, we are at moment consuming more than our planet can take in a long run. (Sinai 2002).

Sen's main argument was, that '(t)here is nothing whatsoever to indicate that any of these policies [helpful policies in development like 'openness to competition, the use of international markets, a high level of literacy and school education, successful land reforms and public provision of incentives for investing, exporting and industrialization'] is inconsistent with greater democracy and actually had to be sustained by the elements of authoritarianism that happened to be present in South Korea or Singapore or China' (1999, 150). My conclusion was that, not only there are doubts for example about the success of land reforms under democratic regimes, it can also be doubted whether those 'helpful policies' were the *only* reasons for development. Maybe we also have to inquire global economical and historical links, and power structures in order to go beyond statistical connections and 'examine and scrutinize the causal processes that are involved in economic growth and development' (ibid.) like Sen urges us to do. Surely democracy is a 'good thing', but in a complex world where we are living we have to accept also complex answers.

Secondly I evaluated whether Sen's notion of freedom had analytical strength in comparison to other sociological and cultural critiques of modern societies. A capability to have normal political and social rights is extremely important in evaluating development. Furthermore, Sen is right in criticising for example Lee Kuan Yew (the former prime minister of Singapore) for claiming that there would exist different 'Asian values' that would justify authoritarian political arrangements in Asia. But when we go further in assessing Sen's notion of freedom, how valid it is?

To begin with, his notion human nature is extremely individualistic. It seems that in the last instance freedom means for him an ability to help oneself. Of course this ability to help oneself means also social and political arrangements that make it possible, and in this way it is a good way to measure development. But the limitations of that notion are possible to observe when he compares American and European social systems, where the social and political arrangements are probably the most developed. In this comparison he claims that, although Europe's basic social security system provides better basic health care than the social security system in the United States, nonetheless Europe's high unemployment rates would in America 'make a mockery of people's ability to help themselves' (p. 98). He continues that, 'the nature of the respective political commitments – and lack thereof – would seem to differ fundamentally between Europe and America, and the differences relate closely to seeing inequality in terms of particular failures of basic capabilities' (ibid.). Thus for him a social security system offering free basic medical services and a possibility to find a job and pay ones own medical services are comparable 'basic capabilities'! And this claim is right after he has told us that an African American male has lesser chances to reach maturity than men in developing countries like Sri Lanka and Costa Rica. Apart from the sheer arrogance of that claim, it is noticeable that he does not ponder in any larger sense

American political and social system, which could possibly tell him if there is any relation between high employment rates and low social security.

Hence, in evaluating Sen's notion of freedom as an indicator of human well-being, I found out that it has merits of evaluating development, but when used to evaluate already developed societies it proved to be too individualistic, and it also lacked analytical depth. In Sen's defence must be stated that his presentation was about development theory, and maybe it was quite simplistic for this reason. But anyway problems pointed above might also be harmful when used within development theory, in which case Sen's biggest weakness concerns his overvaluation of individual freedoms and undervaluation of collective capabilities and values, both in instrumental and intrinsic sense. In the words of Peter Evans (2002, 86), 'Sen's capability approach provides an invaluable analytical and philosophical foundation for those interested in pursuing development as freedom, but it is a foundation that must be built on, not just admired'.

From the point of view of this work, Sen's work is valuable in showing that it is possible to some degree measure development from the perspective of individual well-being. But it also showed how that measuring cannot be limited to a philosophical argumentation, but it has to be backed by a sociological and historical analysis about the context where the well-being is measured. If not supported by these, then the presumptions about the human nature are too wide and imprecise, and thus there is a danger that various evidences can be read in a too selective manner.

In the next chapter I will study the World Development Report 2000/2001. The WDR takes as its starting point Sen's philosophical argument about the development and tries to fit this argument in its own institutional context. So, at least at the outset, the WDR tries to incorporate Sen's argument into social analysis of real societies.

Chapter 4

4. World Development Report 2000/2001: Attacking Poverty

The World Bank publishes annually hundreds of different publications and reports. Most of these reports are case studies targeted for a specialised audience and are used to spread the research results of its over five hundred full-time professional consultants. However, some of the World Bank's publications are highly influential, above all its annually published World Development Reports (WDR). The WDRs have each year a different theme onto which they concentrate. For example, the WDRs prior to 2000/2001 were dedicated to the role of state in 1997, to the theme of knowledge for development in 1998, and to the challenges of the 21st century in 1999.

At the start of each decade the WDR concentrates specifically to the questions concerning poverty. Following this tradition the 2000/2001 WDR was subtitled 'Attacking Poverty' and it focused on presenting on the one hand how does the World Bank define poverty, and on the other hand what actions are needed to decrease the amount of poverty in the world (p. v).

Since the World Bank is such influential international institution (see chapter 2), the view of poverty that the WDR presents is not only important in the context of the World Bank's own activities, but the Bank's intervention proposals and conceptualisations about poverty will by a large degree guide also other donor institutions and governments.

Moreover, in the context of this work, the conception of poverty that the WDR sketch out is not perceived only as a scientific endeavour to define poverty as correctly as possible. The WDR 2000/2001 is treated as an example of a policy document that is made by a certain actor in international politics. This means that in analysing the WDR, in addition to analysing the conceptual scheme that the WDR proposes, it is important to scrutinise what is possible to say in the settings of this particular policy document. The fact that the WDR presents more the view of one institution than its several writers (they are more than thirty names listed in the overall preparation team) is underlined by the resignation of report's influential main editor, Ravi Kanbur, a few months prior to the publication due to the disputes concerning the content of WDR.

In a larger sense I will use the WDR as a general example of the concept of human nature presented in the sphere of the international politics. There are commentators who maintain that this particular WDR distinguishes the World Bank from the community of other main participants in the

Washington consensus (IMF, WTO and US treasury), and others who claim that the departure of Ravi Kanbur was a proof that the World Bank continues to subscribe to the politics close to the Washington consensus (Braathen 2000 and Denny 2000). Without going too deeply into this dispute, it is possible to say that the WDR belongs to the same discursive level as other policy documents of international politics and uses a same type of argumentation.²⁷

Hence, from the discursive point of view I maintain that the WDR belongs to the same community as other publications by the participants of the Washington consensus, and also to the same community with most participants in the sphere of international politics. Thus, the WDR continues the discussion about development and makes propositions that verify, challenge, or dismiss earlier propositions. Therefore it is not a problem that WDR is actually already three years old document and after that the World Bank has published many other documents including two WDRs. The main point is that the WDR expresses what are the background understandings of human nature in the sphere of international politics.

4.1. The object of the analysis

Main intention in this chapter is to analyse WDR through the frameworks of Pierre Bourdieu and Anthony Giddens that were presented in the first chapter. Thus, I will make a sociological analysis of the concept of a human nature in the WDR 2000/2001. More precisely I will try to see how does Bourdieu's concept of habitus (the way our inner structures interact with the societal norms) and Giddens' concepts of life-style and late-modernity (the way how social sciences need to adapt themselves to contemporary societal forms) are reflected in the WDR. Although most writers of the WDR probably are by education economist and the WDR is not a straight scientific text but a policy document, the reality it documents is a social reality and sociology is exactly a science that studies how to describe a social reality. Therefore I argue that it is legitimate to use the chosen approach into this subject.

Hence my aim in this text is to inquire how the WDR interprets human reality that is the object of its policy prescriptions. Every social scientific text, whether it is an ordinary research document or a policy document, makes certain interpretations about social reality that they document. These interpretations are partly affected by our everyday and unscientific perceptions of

²⁷ I use the term discourse in Foucauldian way, that is, 'the term discourse can be defined as the group of statements that belong to a single system of formation; thus I shall be able to speak of clinical discourse, economic discourse, the discourse of natural history, psychiatric discourse' (Foucault 2002, 120).

social life²⁸ and partly they are affected by the conceptual evolution of the social sciences.²⁹ For example our everyday thinking is inclined to explain different social phenomena according to imprecise concepts of rule, moral or law, whereas actually there normally are more complex processes in the background. One example of this is how the concept of ‘clash of civilizations’ has become in colloquial use even more blunted and imprecise than the original use of the term by Samuel Huntington.

In this discussion sociology could act as a non-partial clarifier that would elucidate and explain what is on the background of the different interpretations of the world and how different social structures and power relations affect different perceptions of the world. By clarification I do not intend any hermeneutical or existential project, which would illuminate the meaning of an individual experience, but rather to explain what is the social outcome of this embedded relationship between an individual and society. This sociological project has also political value, since the sociological explanation of social reality competes always with the explanations of other actors, like politicians, journalist and other social scientists.

In this chapter I will present firstly a brief summary about the WDR. Then I will analyse how the WDR conceptualises an individual using Bourdieu’s and Giddens’ thoughts as my theoretical framework. Thirdly will evaluate what are the larger political consequences of the way that the WDR conceptualises an individual and whether Giddens remarks about the changing nature of social sciences are taken into concern in the WDR.

The method that I am using in analysing the WDR could be roughly called philosophical analysis of the WDR backed up by my starting sociological premises. That is, I am trying to see whether the statements made by the WDR are valid statements from the point of view of social sciences and what are their starting premises. As a scientific method this kind of method is of course a bit problematic since the reader has to trust so much on my specific reading of the research material. Even though I try to present as many as possible direct quotes from the WDR, it is impossible to proof my reading of the WDR as a correct one. And the problem is aggravated by the fact that the WRD presents many different and even confronting viewpoints due to over thirty writers. But I am confident that I have succeeded in capturing the correct spirit of the WDR, with its good sides and bad sides.

²⁸ Norbert Elias (1978, 133) has stated, that ‘we always feel impelled to make quite senseless conceptual distinctions, like “the individual *and* society”, which makes it seem that “the individual” and “society” were two separate things, like tables and chairs, or pots and pans’.

²⁹ For example Gill & Law (1988, xviii) have argued that ‘political economy requires analysis of the way in which ideas of what constitutes the *political* and the *economic* have emerged historically’.

Because I have delimited my aim in that particular way, I will not focus on other ways to analyse the action of the World Bank. These other ways would include economical analysis (that concentrates whether the policy advices of the WDR are actually good and working), political analysis (that would concentrate more strictly on the position of the World Bank among other governmental and non-governmental actors), or philosophical and anthropological analysis (that could concentrate on the question how the World Bank uses its discursive power over the way individuals perceive themselves and their communities).

4.2. Summary of the WDR

The WDR contains an introduction and four parts that concentrate on the different dimensions of poverty. In the introduction the WDR defines poverty and the areas where poverty can be attacked. According to the WDR poverty appears in three different forms; firstly in the form of scarce opportunities, secondly in the form of deprived empowerment, and thirdly in the form of a lack of security. In the successive parts the WDR then concentrates to tackle these problems one by one. The fourth part is dedicated to the role of international actions in attacking poverty.

WDR's view on poverty that is presented in the introduction subscribes itself to the thinking of Amartya Sen, which put an emphasis on how poverty is capability deprivation. According to this broader notion of poverty, poverty does not mean only material deprivation and low achievements in education and health service, a position that the previous WDR concentrated on poverty in 1990 held. To view poverty as a capability deprivation means to broaden the concept of poverty to include also vulnerability, exposure to risk, and in addition voicelessness and powerlessness (p. 15). That is, all these aspects of poverty restrict in their own way the 'capabilities that a person has, that is, the substantive freedoms he or she enjoys to lead the kind of life he or she values' (Sen 1999, 87).

This broader understanding of poverty (in comparison to for example WDR of 1990) is not only philosophically more accurate, but more importantly it 'brings to the fore more areas of action and policy on the poverty reduction agenda' (p. 15). This proposition underlines how the WDR is not a pure scientific text, but a policy text that produces knowledge for instrumental use. This means that the knowledge on poverty and deprivation that WDR presents is instrumental knowledge that legitimises and justifies some specific policy.

All social scientific research has some practical influences on their background, at least a desire to demonstrate the existence of some social phenomena. But it is important to underline that

in the WDR the instrumental knowledge production views the poverty pathologically, that is, as a problem that needs to be solved and removed. The word ‘attack’ in the title emphasizes this aspect. Therefore, the main ingredient and the object of analysis in the WDR is an individual that is poor and needs help. Help to the poor comes in the form of expanding his or her opportunities, empowerment, and security.

Expanding opportunities means basically increasing and making more equal material opportunities for poor people. In practice material opportunities means ‘jobs, credit, roads, electricity, markets for their produce, and the schools, water, sanitation, and health services, that underpin the health and skills essential for work’ (p. 6). According to the WDR opportunities are expanded mostly through market reforms, but in societies with high inequality a state support is essential (ibid.).

Empowerment refers to the fact that providing opportunities is not enough if poor people do not have sufficient capabilities to take advantage of those opportunities, or if state and social institutions are not open or receptive to the poor. Empowering the poor means then action to improve the functioning of state and social institutions, that will reduce bureaucratic and social constraints to economic action and upward mobility. This factor refers most directly to Amartya Sen’s ideas about freedom having instrumental value in development.

Expanding security means ‘reducing vulnerability to economic shocks, natural disasters, ill health, disability, and personal violence’ (p. 7). Increasing security enhances both personal well-being and it also encourages investment in human capital and in higher-risk, higher-return activities.

4.3. WDR’s view on individuals

The individualistic leaning that the WDR presents was already perceptible in the Sen’s account of human nature that was presented in the previous chapter. Both Sen’s and WDR’s approaches represent human beings as individual actors whose interests and preferences are describable and calculable. For example the WDR states, that ‘(t)his brings to the fore the relative value of the different dimensions: how much income people are willing to give up for, say, a unit of improvement in health or in voice?’ (p. 19).

Whereas previously development thinking evaluated poverty in terms of incomes that were quite easily calculable, in the 1990s more complex and sophisticated indicators were invented to calculate the poverty, like the Human Development Index.³⁰ These new indicators were an

³⁰ Though the WDR does not use any composite indexes, such as the HDI (‘This report does not try to define a

enormous step in the development discussion, but at the same time one must stress that they continued the tradition of describing human well being as more or less calculable index, which stresses the technical nature of poverty over its political nature. This way of thinking about human beings is probably one implication of the expansion of economical thinking also to the domain of other social sciences. By the expansion of economical thinking I intend the process where economical argumentation claims to make universal and neutral claims about individual psychology and therefore claim to redescribe the social sphere as one object of economical analysis. This means a gradual enlargement of the territory in which the economical arguments are supposed to be valid. (See also Teivainen 2000, 52-54).

I do not claim that the description of the poverty in the WDR would reduce human beings into some abstract *homo oeconomicus* that would count his or her advantage purely on economical grounds. The WDR's concept of poverty has also the empowerment, security, and freedom aspects within it that make it more sensitive to the 'real' character of individuals. The point is, that the WDR turns also these more abstract aspects of individual experience into describable and calculable features of human beings. To put it rather harshly, it commodifies these features. But it must be stressed, that my research question is to enquire how feasible is this way of documenting social reality and thus I do not want to subscribe into post-developmental discussion about the ethical side of this commodification.

The approach to poverty that concentrates to individual's specific attributes and sentiments has many good sides. The biggest practical advantage is that with this approach it is possible to concentrate strictly on the individual well-being and freedom, which liberates it from the problems and complexities of communitarian thinking (see for example Taylor 1994). In addition it is quite neutral way of describing and measuring all the important things for human well-being. Nonetheless it is an undeniable fact that there exists a need for some kind of yardstick for the amount of poverty.

WDR from Bourdieuan perspective

But despite these advantages, the above mentioned individualistic approach can be questioned from sociological point of view. From the Bourdieuan perspective it is questionable whether it is possible to describe human action without taking into consideration those social structures that affect and produce our habitus. Bourdieu claims that the actual object of social sciences is not an individual,

composite index or to measure tradeoffs among dimensions' (p. 19)).

and not even any group of individuals, but the real object of social sciences is the relationship between individuals and social structures. (Bourdieu & Wacquant 1995, 158).

The practical significance of this is that our habitus is produced by certain social structures and these same social structures continue to reproduce themselves. The viewpoint that the WDR adopts is that poor individuals just by accident happen to be poor and therefore they need to be aided and given opportunities to empower themselves ('poor people live without fundamental freedoms of action and choice that the better off take for granted' (p. 1)). This picture is quite a static picture that takes one determined point in time and assumes that by making required corrections a new and more just era will begin. It does not take into account that the current situation is not only a causal outcome of various social structures, but it is actively *produced* by those social structures, unintentionally and intentionally. (See also ? yen 2002). These structures are for example unequal land owning patterns, inequality in schooling opportunities, and in a larger scale unequal trade and consumption patterns in the world. Looking at the picture from this point of view the target where we should attack poverty is more on the structures and not on the particular poor people that are affected by these structures.

In addition that poverty can be said to be produced by certain social structures, those structures also affect how we perceive the social world that surrounds us. And our perception of the world subsequently affects our empowerment. This means that major impediments to empowerment and organization cannot be reduced for example to the 'lack of time, resources, information, and access to outside sources of help', as WDR (p. 110) does in the 'Facilitating the growth of poor people's associations'- subchapter. In another section the WDR states, that 'active collaboration can be greatly facilitated by changes in governance that make public administration, legal institutions, and public service delivery more efficient and accountable to all citizens – and by strengthening the participation of poor people in political processes and local decisionmaking' (p. 7). All of these things help and therefore are needed, but at the same time this kind of notion of empowerment leads to a too naïve view about those major economical, political and cultural structures that obstruct the real empowerment of poor people in many developing countries. If we by empowerment mean possibility for an individual to deliberate and reflex his or hers actions and aspirations, we have to take into account that our aspirations are to a great extent influenced by the possibilities that our life offers for us. And many times the possibilities that the life offers us are to a great degree affected for example our socio-economical situation, the colour of our skin, our sex, or the continent where we were born, which all are mediated by social structures. For example the life aspirations of a young lower class Latin American girl seem to be more affected and restricted by the prevailing social structures, that is for example attitudes

concerning the relationship between man and woman, than 'lack of time resources, information, and access to outside help' (see for example Marchand 1995).

A real empowerment requires not only empowerment of a poor person, but also a change in the prevailing social structures that restrict his or hers life aspirations. Hence, the concept of empowerment that the WDR offers undermines those psychological inner structures that derive from larger social structures that continue to affect and restrict the choices that a poor can make even after he or she has a certain level of education and security. And this problem is not only limited to poor, but it affects also the more affluent part of our planet. From this point of view the protests against the World Bank are not targeted against the Bank's pro-poor action, but spring more from the feeling that the Bank as a big international organisation reifies these prevailing social structures and attitudes for example through its hiring system and general corporate culture.

WDR from Giddensian perspective

From the Giddensian perspective the individualistic approach can be assessed through the notion of lifestyle. As remembered Giddens defined a lifestyle as, 'a more or less integrated set of practices which an individual embraces, not only because such practices fulfil utilitarian needs, but because they give material form to a particular narrative of self-identity' (Giddens 1991, 81). The point behind Giddens' stress on the importance of lifestyle questions was that in the late-modernity societies traditions do not guide our actions as much as in the past. Therefore contemporary social systems, or globalisation, not only give us more freedom to make choices, but they actually force us to make choices. Choices that not only have material significance (what we eat or wear), but also cultural and political significance (who we are, how others see us). In other words, our choices have more existential significance than before.

The WDR follows Sen's thoughts and take individual freedom as its starting point in a fight against ethnical, gender, religious, and social discriminatory practices that usually are justified on traditional grounds. These discriminatory practices 'result in the social, political, and economic exclusion of people' (p. 131). Modern communication systems and the spatial stretching of social relations make already difficult to sustain traditional norms and practices that are oppressive. And enhanced empowerment and security are major factors in tackling traditional oppressive relations.

Hence, most notably in the part concerning empowerment, the WDR is susceptible to individual liberty and to the freedom to live the kind of life he or she values.³¹

But although the WDR does take on account the first part of Giddens' notion of late-modernity, it does not take into account the other development that Giddens describes. That is, how the changes connected to the period of late-modernity or globalisation not only facilitate our escape from the hold of tradition, but these same changes also force us to make choices. And since these choices have not only purely utilitarian effects, but affect in a larger sense our personal identities, they restructure profoundly previous patterns of social relationships. The freedom and the following necessity to make choices also make us more sensitive to the differences that different individuals have in their possible choices, and thus the necessity to make choices from the less good options can cause anxiety on individuals.

Of course it might sound irrelevant to speak about existential identities when we are talking about development questions and people who live with less than 2 dollars a day. But on the other hand, for a poor man or woman his or her identity might be the most precarious possession. That is why a compulsory choice making may lead to an anomalous action, like to an obsessive dieting, or to fundamentalism. Other example of the anomalous action that follows radical social changes and the following compulsory choice making is domestical violence. To take a random example of this, on a recent survey in Lima, the capital of Peru, almost twenty percent of all responders stated that their greatest fear in life is domestical violence. This was despite the sad fact that over 80 percent of the responders had experienced also street violence during last 12 months. Lima is a typical third world metropolis which has sucked almost one third of country's population during last fifty years as a result of a relentless rundown of traditional agriculture sector.

Fundamentalism means for Giddens a defensive or retreatist reinvention of tradition in response to the anxieties of a new situation. As such fundamentalism is nothing but 'a tradition defended in a traditional way' (1994, 84) and affects only those persons who retreat to fundamentalism as a defence mechanism. But in contemporary societies fundamentalist attitudes have more chances of clashing with other fundamentalist attitudes and this might create problems. One example of the problems that fundamentalism causes is the problems faced in many European countries where immigrants and also natives left without work or a proper social security have been forced to retreat in to the religious attitudes in a narrow-sighted way.

³¹ Though the effect would have been probably greater without some symbolic changes between the draft version (that was published in the internet) and the final printed version. For example in the draft version the 'Empowerment' part was the first theme to be presented, but in the final version it was presented only after the 'Opportunity' part, which make it seem that the opportunities to aspire a good life are more important than the actual empowerment that is the substance of a good life. (Braathen 2000).

Hence the problem of the WDR is that it does not consider the feeling powerlessness and psychological strain that an individual will face because of the radical changes that are associated with the phenomenon globalisation and sometimes supported by the World Bank, for example when concerning the market based reforms. ('In view of the urgent need to get countries onto dynamic, job-creating development paths, it is critical to that the difficulty of reform and the impossibility of compensating every loser will not lead to policy paralysis' (WDR, 76)).

There exist already studies about how the changes described by Giddens may make a life more difficult for example for working-class males in western societies, who may lack the emotional and cognitive skills to handle the new relationships in the era when the traditional working-class male occupational roles are declining (see Bryant & Jary 2001). Hence, if the WDR claims, that 'poverty is pronounced deprivation in well-being' (p. 15) it should take into consideration more deeply also the psychological dimension of well-being described above that is being hampered by current changes in economical, political, and social structures.

As was stated earlier the WDRs conception of poverty is build around a describable index that tries to take into account all factors of well-being, like education, health, nutrition, and incomes. What this kind of measuring omits is the effects of trade-off between a small increase in the human development index that is calculated in the offices in the capital and a maybe greater decrease in the individual psychological security. And furthermore this kind of measuring lacks an analysis of the way that this trade-off between an increase in the human development index and a traditional way of doing things was made. For example the point in the discussion about the effects of privatisations is not always whether privatisations produce more well-being for the poor in absolute terms, but how the actual process of privatisation is carried out and whether they create a feeling that the poor was again cheated and the rich got richer due to corruption. Privatisations usually produce more well-being for the whole society at least in a longer time period, but it is unfair to expect that the poor would have to wait many years those benefits. The WDR takes a quite straightforward stand on the issue, when it states, that 'market friendly reforms create winners and losers, and when the losers include poor people, societies have an obligation to help them to manage the transition' (p. 76).

At the moment human ideal presented by the WDR is closer to a picture of individual who when given enough resources and capacities can adjust oneself to almost any new circumstances that are offered to him or her. The strengths and weaknesses of this picture affect greatly the larger political presumptions that are predominant in the WDR.

4.4. WDR's political presumptions

In the previous section I analysed how the WDR presents an individual and whether this presentation was feasible from the sociological point of view. My aim was to analyse exactly how the WDR presents an individual and not how it presents a poor individual, since from the perspective of this study poorness is just one aspect of a individual that affects his or her position, that is, a specific aspect which is comparable to other sociological aspects like richness, sex, or colour of the skin. Now let us turn our attention into larger political presumptions that colour the WDR and which mirror the stance that the WDR presents on individuals. On the basis of the presumptions made in the first chapter this political stance can be presented to be influenced by four different aspects: political liberalism, suspicion towards a state, taking for granted the international state-system, and the stress on individuals' abilities. These aspects are elaborated more fully in the following.

Political liberalism

Firstly, the WDR takes the ideas political liberalism and liberal democracy for granted (see also Braathen 2000). The former forms the ideological background for report's arguments and the latter forms the political model to be applied. By political liberalism I intend the above-presented idea of empowerment, which suggests that individuals need certain political, social, and economic rights that are guaranteed by the nation-states whose citizens they are. In this sense political liberalism attacks those right wing ideologies which hold that poverty is an individual responsibility. But neither does it subscribe to the idea of a welfare state, because it condemns the idea of a strong state and rather supports the idea of decentralisation and deregulation with the help of the markets.

WDR's rejection of the welfare state model can be seen from its stress on different targeting policies. It does discuss lengthy about the use of public subsidies to increase the access to education for girls and for minority or poor children (pp. 83-85), but there is no discussion about the possible advantages or disadvantages of free universal primary education. This despite that (or because of) in the 1990s World Bank's sister organization the IMF had strongly and controversially pushed for the introduction of small school fees to fill development countries budget deficits (Stiglitz 2002, 85).

Targeting of public subsidies being the catch word of the day, the WDR is surprised to find that universal benefits actually have reduced poverty in Netherlands: '(e)specially striking are the low levels of poverty in the Netherlands, a result of universal benefits. Although the transfers have

large targeting errors – they go to the non-poor as well as the poor – they do not appear to have resulted in slower economic growth compared with the other countries’. (p. 114). Unfortunately there is no further discussion about universal benefits.

Liberal democracy is the political model that is the best applicable to this kind of liberalistic ideology. What liberal democracy and political liberalism have in common is that they are both more concerned with the procedural level than with the actual outcomes of the system.³² Thus the WDR argues, that ‘(r)espect for the rule of law, an efficient public administration, and high-quality political systems facilitate the emergence of state institutions inclusive for poor people’ (p. 115). And as the WDR is a keen supporter of decentralisation, it continues that, ‘(b)ut the impact of these factors on poverty depends on how effectively they are translated into empowerment at the community level’ (ibid.).

Suspicion towards state

Secondly, in the line with the political liberalism's tenets, the WDR proclaims a strong suspicion towards the state and a high trust for the neutral role of the markets. Because of this, WDR suggest decentralisation and market-based solutions to many questions ranging from economic efficiency to social services. ‘Sound governance, competition, and markets – and free entry for multiple agents, whether government, nongovernment, or private – are essential for effective service delivery, especially to the poor people’ (p. 85). As Einar Braathen has put it, ‘it [the WDR] recommends micro-corporatism rather than macro-corporatism’ (Braathen 2000, 38). States are almost by definition bad (‘states generally mirror the unequal political structure they are founded on, and government action often reflects this’ (p. 80)), and therefore state’s role needs to be restricted to the role of a ‘developmental state’ (p. 100). The unanswered question is of course that if states generally mirror the unequal political structure they are founded on, then what guarantees that the markets do not do the same?

One example of this praise for the supremacy of market solutions is the question of water services. From the beginning of 1990s the World Bank started eagerly to privatise water services, which action was still praised in the WDR 2000/2001 (p. 8). In reality private investment into water

³² Ronald Dworkin has made an analytical distinction between two kinds of moral commitment. Other is based on substantial commitment, that is a moral commitment about some aims or goals that we think that are important in life that we would like also others to share, like for example a equal right for good education or a fair income distribution. Procedural commitment acknowledges that we have a right to have certain personal ideals about good life, but we do not have right to impose them on others. We can only wish a fair treatment of different people and their opinions. (See Kymlicka 1999).

services of the developing countries have already from 1997 started to fall. And in the summer of 2003 a representant of the World Bank admitted, that 'we greatly overestimated the possibilities of the private sector in the development of the water sector' (quoted in Hukka & Katko 2003, 69).³³

Sovereignty of the state

Thirdly, although showing scepticism towards the state, the WDR does not question the role of a state in an international system. According to the accounts of the WDR, a state is a sovereign actor which triumphs or fails depending on the competence and the efficiency of the state and its leaders. Thus, states seem to function in a political and economical vacuum where influences from other actors of international sphere are minimal. For example the WDR does hardly even mention the role of the World Bank when discussing the economical reforms made in many countries after the debt crisis in the 1980s. Because of this it is hard to tell from WDRs presentation whether the political and economical advises given to for example Mexico (the World Bank's model student before the crisis in 1994) were incorrect, or whether the advices were right but their implementation was a failure. This rhetorical habit of presenting states as sovereign actors is comparable to previously discussed habit of presenting individuals as sovereign actors whose comportment is unaffected by social structures.

WDR's habit on concentrating to each country separately is seen also in the discussion about market reforms and trade liberalisation. It states that market friendly policies, such as openness to international trade, low inflation, a moderate-size government, and a strong rule of law, benefit poor people as much as non-poor inside one country. Only in the reference it is pointed out that '(T)here is some debate, however, over the cross-country evidence on the distributional impact of trade liberalisation' (p. 209n16). In other words, trade liberalisation might benefit some countries more than other countries, which effect though is not accounted in the framework of the WDR. Although these unequal effects of trade liberalisations are just those that produce unequal social relations inside the country that hinder real empowerment as was discussed earlier.³⁴

To sustain the sovereignty thesis the WDR presents current economical and political system as given, which functions under some economical imperatives that are same for all ('private capital

³³Though also different kinds of views have been expressed, see for example the www-page on url <http://faculty.haas.berkeley.edu/gertler/>

³⁴ However in the tenth chapter the tone is changed a bit, and the WDR acknowledges that, 'in general, trade reforms in poor countries have failed to deliver their full benefits because they have not been matched by reforms in the rich countries' (p. 180).

flows now dominate official flows in the world, but they reinforce positive economic development, either neglecting or punishing countries with weak economic conditions' (p. 33). This stance does not take into concern the different starting positions that states have, and the mechanisms how those positions are structured as political power in the sphere of international economical politics, which happens in the form of trade negotiations or in the ability to obtain loans from the international lending markets. For example, the debt problem and consequent negotiations for rescheduling it, which are affecting many developing countries, are a good example of how a factor that initially belonged mostly to the economic sphere is now a political problem. Hence, in reality positive economic development is not only in the hands of local governments but depends a great deal also from outside factors.

For instance in the part that considers economical crises, Peru is taken as an example of a country that failed to adopt a right macroeconomic policy in the mid-1980s (p. 166). At that time the government of Alan Garcia refused to realize an adjustment program recommended mostly by the IMF, which lead to the most severe economical crisis in Peru of the century. The WDR claims that the crisis was a result of incompetent policymakers, who driven by political considerations did not implement the needed adjustments until it was too late. Other writers have expressed less one-sided views and used Peru as an example of how a theoretically sovereign state is in contemporary economical and political system more and more under the control of outside economical and political effects which factor played a big part in the crisis in Peru. (See for example Teivainen 2000).

Concentration on individuals

Fourthly, the empowerment that the WDR suggests means specifically the empowerment of diverse individuals, and usually individuals whose only attribute is their poorness. Therefore other attributes of individuals, like their cultural or political characteristics are not taken into concern. The possible collective organisations that the poor people might have or form are mostly referred as 'poor people's organisations' or 'civil society organisations'. In other words, it assumes that when given enough assets it is possible in the first place for individuals to formulate and assess their personal values and preferences, and secondly to pursue those individually formulated preferences either independently, or with the help of 'poor people's organisations'.

This approach is in accordance with Amartya Sen's position that concentrates strictly on individuals' capabilities to lead the kind of life they have reason to value. The approach makes it

possible to evaluate the development of societies by the amount of freedom and capabilities that individuals have, whereas the economic performance has only instrumental value. This conceptualisation of poverty is based on the assumption that economic growth and market-system do not enhance individual's well-being if they do not have required freedoms and capabilities to take advantage of it.

Though the WDR's stance on the primacy of freedoms and capabilities over economic performance is less constant. For example it states, that '(n)ational economic development is central to success in poverty reduction. But poverty is an outcome of more than economic processes.' (p. 37). This wording makes one easily measurable correlating factor (economic growth) to seem more important than the actual relationship between real independent factor (poverty reduction and development meaning promoting the basic freedoms) and real dependent factors (enhancing opportunities, empowerment, and security).

By stressing purely individual capabilities the WDR takes as given some assumptions about human behaviour. For example wage increases and consequent inequalities on wages are seen as natural outcome of free markets. For instance the WDR points out how the distributional effects of trade reforms have been hampered by the fact that 'the wages of skilled workers have grown faster than those of unskilled workers' (p. 71). Prime example on this is the United States, where the wages of unskilled workers have fallen in real terms by 20 percent since the 1970s, despite rapid growth in economy. However, the phenomenon of motivating and awarding skilled workers with wage increases is taken as natural and acceptable, although on the other side of the coin are inequalities and under-waged co-nationals who supposedly just need an investment in their skills, 'to enable them to take advantage of the new opportunities that technological change brings' (ibid.). Hence, the WDR is very careful and suspicious against inequalities that its policy prescriptions might bring, but takes inequalities that are associated with personal skills and abilities as given. However, as stated earlier, from the sociology's point of view personal skills and abilities are not in the end that personal.

On the flipside of the stress on individual empowerment is the suspicion against organised collectivities like labour unions and political parties. The WDR discusses about and supports loosely defined 'poor people's communities', woman's groups, local communities, and NGOs. These collectivities are supposed to work as some kind of civil society level that would support and strengthen the activities of the state, in the spirit of micro-corporatism suggested above by Einar Braathen. Discussion of labour unions or party politics is instead ambiguous in the WDR. On the one hand their merits are mentioned briefly ('political and social ideologies shape the extent to which democratic systems actually reduce poverty' (p. 113), and further that, 'labour markets can

also be made more effective by improving relationships among labour markets partners ... and by strengthening collective bargaining and contracting' (p. 154)). But on the other hand their merits are precisely just mentioned briefly and not elaborated any further. Their merits can even be questioned in other parts of the text ('empirical evidence on the economic benefits of unionisation and collective bargaining is generally quite mixed and suggest that both cost and benefits are complex and contexts specific').³⁵

Thus, in general WDR's political stance includes a rejection of old Washington Consensus type of economic liberalism, which advised market reforms without proving enough social support to sustain the negative effects of reforms. Instead the WDR endorses a market economy with human faces, that is, with an effective social policy. This social policy is based on free individuals, who given enough or at least minimal level social and economic assets form the necessary civil society sector, that forms a mediating level between state and its citizens. The civil society level is based on voluntary action, as this type of liberalism condemns strong state action, because of its inefficiency and corruptness. The markets instead are endorsed as neutral and efficient. And all this happens inside clearly limited state-borders, where only interaction with the outside world is through trade or in some cases through economic disasters that are comparable to natural disasters (chapter 9 is titled 'Managing Economic Crises and Natural Disasters').

4.5. Theoretical critic against the WDR

As we saw this political stance was coloured by some inconsistencies and ideological biases. Some of these were already mentioned, but in the following I list three major points how the WDR challenges or simply does not take into account some major macro-sociological viewpoints.

Firstly, against the viewpoints of Immanuel Wallerstein and Anthony Giddens, the WDR does not pay enough attention to how countries or societies are not anymore sovereign actors in the sphere of international politics. And this point does not refer solely to the reduction of formal sovereignty for example in the forms of international treaties or by the evermore-important position of international organizations like the United Nations (and especially its side organizations) or the

³⁵ Two years after the WDR was published a World Bank study called 'Unions and Collective Bargaining' by Aidt and Tzannatos (2002) stated however, that '(S)ince labor is often a poor person's main or only asset, equitable access to safe and well-paid employment is a key method of reducing the risk of unemployment and poverty for individuals. Formalization of the labor relationship is reflected in labor standards, including the freedom of association and the right to collective bargaining. Sound industrial relations between employers and employees can lead to a stable economy and prevent settlements that are detrimental to the functioning of the economy'.

IMF. This aspect refers even more to the informal reduction of states sovereignty, like in the form of international trade relations that have already from the 16th century structured the relations between different states and reduced their factual sovereignty, as Wallerstein has presented in his world system theory (see for example Wallerstein 1984). Because of these trade relations many developing countries have been and continue to be producers of primary materials for industrialised countries. This kinds of factors have not only hindered their economical development, but additionally, and maybe in a more damaging way, turned many third world countries into heavily segmented societies where a small minority (usually with European origins) controls country's economy, like is the case in many Latin American societies.

Of course the WDR is not a social scientific study but a policy text and for this reason it has to concentrate on those aspects over which it has power, that is the national policies of its borrower states. But since these existing inequalities create a hostile and unreceptive environment for many market reforms that the World Bank prescribes it should take these aspects more in the concern and try to for example support more national political institutions and labour unions. Although the World Bank supports relatively much different anti-corruption programs and programs for good governance, these programs usually stay on an instrumental level and do not challenge those factors that produce previously mentioned inequalities and consequently corruption.

Secondly the WDR shows a great deal of hypocrisy when it takes for given inequalities that are associated with personal skills and education. One reason for this maybe is that the World Bank was until early nineties famous for the generous salaries that it gave to it workers. The WDR is highly optimistic when it states that an extra investment in the education of low skilled workers enables them 'to take advantage of the new opportunities that technological change brings' (p. 71). Many studies about post-industrialist labour situation have been more pessimistic about the possibilities that there will be created more jobs that require high skills. Instead they have argued that most post-industrial era's new jobs are monotonic low-skills manufacturing jobs, or that they are jobs in the service sector. (See for example Castells 1996 and Lash & Urry 1994).

Thirdly, the WDR's stance on the ineffectiveness and corruptness of state and on the contrary the trust for the effectiveness of markets is left without a thorough explanation. Of course a state system can be corrupt and bad, but as for example recent events in some major big U.S. companies have shown, also the private sector can be in the same way corrupted. Since the reasons for the corruptness and incompetence of the public sector lay probably more in some sociological, historical, and cultural explanations than in some de facto ineffectiveness of the public sector, also a real public sector reform should possible and the only possible answer is not privatisation. Other

question of course is how much activity a state should have, but this discussion should be carried out without some mystic dogma about the pathological ineffectiveness of the public sector.

4.6. Conclusions

In this chapter I have analysed the content of World Development Report 2000/01, which is a very influential document that the World Bank publishes every year. I have tried to see whether from that particular document it is possible to deduct some guidelines about the concept of a human nature in the discursive sphere of the international politics. The World Bank is only one organization in the sphere of international politics and the WDR is only one, although probably the most influential, document that the World Bank publishes. Notwithstanding, I claim that it is possible to say also something general about aforementioned discursive sphere based on the findings on this particular document. This is because the WDR is policy text that takes part in the discussion specifically in the sphere of developmental politics but to make valid and convincing arguments it has to be based on the same concepts and ideas as other text in the sphere of international politics. Other, a more sociological reason, is that the writers of the WDR probably has similar education background as other individual actors in international politics and so, in the Bourdieuan terms, they share the same habitus.

According to my analysis the WDR is not good social scientific text. It has some inconstancies and it makes some claims without justifying them. This proves the fact that sociologists have to compete in the interpretation of the social reality with other viewpoints that might not have the same analytical strength but have more institutional support. The institutional support also might bias these other interpretations, as is the case of policy texts like the WDR, where the social reality is interpreted from the viewpoint of what the World Bank can do. In the case of the human nature presented in the WDR it was argued that the way WDR views individuals did take into account all the important freedoms that constitutes a good life, but did not consider enough those aspects that prevent individual from having a good life, which were not maybe as easily changed from the institutional approach of the World Bank.

Therefore, the concept of human nature that the WDR presents is flawed as it stresses too much the abilities of individuals and makes some strong ideological presumptions without factual base, like the almost blind support for market economy- based solutions. Hence, the WDR takes the philosophically sound concept of development by Amartya Sen, and builds its own presentation about development around it. In the case of Sen there was a lack of a thorough sociological and

historical analysis about the context of development, but in the case of WDR the reasons for its inconsistent presentation are more complex, and will be scrutinised more deeply in the fifth chapter.

However, the points presented in this chapter are probably the answer to my question on the Introduction about the reasons for protesting against the work of some international organisations or against groupings like the G-8. The protesters probably wanted to correct these flawed presumptions and make clear their opinion about some ideological ideas that the G-8 group presented.

But the second question that I presented in the Introduction is thus not yet answered. The second question was whether the idea of development that is presented in the WDR reflects or mirrors in some ways our 'western' lifestyle. That is, where does the concept of human nature that the WDR presents come from, and how does it influence our lifestyle. And maybe most importantly, should our lifestyle be under negotiation? I will try to give answers to these questions in the last chapter.

Chapter 5

5. Should our lifestyle be under negotiation?

In the last two chapters I analysed the concept of human nature that was predominant in two influential texts about development policy. First text was a more philosophical presentation about the concept of development and a good life, and the second text was a policy text that tried to apply in practice those previously presented concepts. In other words, I analysed how third world societies were presented in those texts and how they were supposed to develop, that is, to reach living standards of the western societies.

The reason why I was interested in this presentation of human nature was not only to examine whether and/or how the operations of the World Bank have at times be failures. There exists already various good presentations about this subject, so I did not want do that work again (for example Caufield 1996 & Bridgen 2001).

My intention was rather to see whether this presented picture would give us some hints about our own ideals and accepted lifestyles or how we perceive other human beings. The possible inconsistencies and flaws that would be found in the presentations of development policy would then derive in some parts from the inconsistencies in our own conceptions. Like I will present later, we normally expect that other person acts more or less in same way as we ourselves, and the only way to 'go inside the head' of other person is to think what we would do in a same kind of situation. According to this reasoning the aforementioned protesters in the G-8 meeting were not only protesting because the meeting was doing badly its job in aiding the development of the third world, but they were also protesting, more or less consciously, against the way of thinking that had created these unhelpful policies.

Does the concept of human nature presented in Amartya Sen's texts and the WDR then reflect our own ideologies and accepted lifestyles?³⁶ To start with, this question needs to be cut in two parts. Firstly we can ask whether those texts reflect our ideologies in more political sense, that is, whether for example we as political actors make the same mistake as the WDR and do not sufficiently conceptualise the multidimensional relationships between supposedly sovereign states. This question moves quite near the traditional question posing of the International Politics.

³⁶ By us I intend a loosely defined group of relatively affluent western or northern people that are usually countered against almost as loosely defined group of southern or third world citizens.

Secondly, we can enquire whether the aforementioned texts reflect our ideologies and presumptions as private individuals. That is, our ideals about a good life and the ways how we try to achieve them, or our consumption patterns, which actually form a great part of how we seek our life-ideals in contemporary world.

Further, the both aforementioned questions have two dimensions. First dimension is whether the supposedly found inconsistencies only affect ourselves, that is, figuratively make us bang our heads on the wall. Or do those inconsistencies affect also other people and make their life more complicated? Although, like the opening quote from André Brink tried to illustrate, these two dimensions are usually intertwined. Many needs and desires that we think to be strictly personal, have usually other side that affects many other people as well. An example of this might be our obstinate support for our national agricultural sector, which for us serves as a building stone of our 'national identity' in the era of uniting Europe, but which in the same time means that our agricultural products are dumped to the third world countries causing troubles for their development.

I would say that in the field of IR my work situates itself next to different feminist approaches that try to provide a new perspective of seeing things. Many feminist approaches have underlined how we derive our knowledge from our experience in the world (Wibben 1998, 76-89). Apart from being a male experience, the experience of IR scholars has normally also been a western experience.³⁷ And in a similar fashion as feminist writers try to incorporate the voices and experiences of the marginalized and to make 'strange' the predominant discourse, my aim is to make 'strange' the predominant ideas about the relations between individuals towards states and each other.

5.1. Discourse in the sphere of international politics

The first question was whether it is possible to conceptualise the contemporary discourse in the sphere of international politics through my analysis of the WDR and Amartya Sen's ideas. Does their discourse contain some specifically western elements or other elements that bias some actors, and which would be common to other discourses in the sphere of international politics?

One way to start answering the question is through some basic hermeneutical presumptions. Alfred Schütz is a philosopher who incorporated philosophical hermeneutic thought with

³⁷ As such the feminist perspective does not make a revolutionary challenge to the IR theory, since already one of the founding fathers of the discipline, Hans Morgenthau, admitted that the general and systematic concepts he used depended on the specific historical era and on the certain political and cultural context (Apunen 1991, 144).

sociological thinking (and whose thoughts has influenced a lot Pierre Bourdieu's work). Without going too deeply into his thinking we can borrow his ideas about 'common sense thinking'. His main point is that, 'my knowledge of the social world is not my private affair but from the outset intersubjective or socialized' (Schütz 1953, 7; quoted in Wibben 1998, 73). This intersubjectivity is based on two propositions. Firstly, we believe in the interchangeability of standpoints, in other words, that it is possible to go inside the head of other people and take their point of view. Secondly, it is based on the idea that 'both of us have selected and interpreted the actually or potentially common objects and their features in an identical manner or at least 'empirically identical' manner, namely sufficient for all practical purposes' (Schütz 1953, 8; quoted in Wibben 1998, 73). In other words, our common sense, from which our experience of the world derives, is based on the proposition that an investigator or a common functionary in some organization can make propositions about whether other person is having a good life or not. And consequently they can make propositions about how to evaluate the building factors of a good life.

The role of social sciences is on the one hand to enquire how and in what sense my personal experience can be turned into knowledge about other people, that is, to problematise this relationship. On the other hand the role of social sciences is to widen our knowledge base by studying aggregate phenomena, that is, studying larger structures caused by the action of many individuals. For example when we have the phenomena of shopping, we can study firstly what kind of pleasure we get from shopping; do we just fulfil our 'natural' desires by shopping or do we shop because we do not have other ways to express ourselves. Secondly, we can study shopping as a more large scale phenomena, that is, explain shopping deriving from changes that have happened in contemporary societies; more free-time, the loosening of traditional ties, increased trade relations between countries and so on. And consequently we can study how our shopping culture might affect people in the other part of the world.

Hence we have two interrelated questions; firstly how have Amartya Sen and the writers of the WDR turned their own personal experience into knowledge about other people's personal experience? And secondly, how does those texts take into consideration larger structures that are affected by their schemes?

How Amartya Sen turns his personal experience into general knowledge

Amartya Sen's main proposition, about 'the expansion of the capabilities of the people to lead the kind of lives they value – and have reason to value', has two dimensions. Firstly it suggest that we

should have enough objective ‘capabilities’ to reflect our position, and additionally it proposes that we also should reflect our position. Hence, in the end it subscribes quite unproblematically to Schütz’s idea about common sense, that is, that we interpret common objects in an identical manner, at least if given enough capabilities to reflect.

It is worth noting that to be able to give an advice like that, the adviser himself must have enough capabilities to reflect his position and subsequently to lead the kind of life he have reason to value. Of course as a Nobel-awarded scientist Sen probably has capabilities to reflect his own position and to develop a view about good life. This personal view about good life is based on the amount of freedom that the members of the society enjoy, since ‘the success of a society is to be evaluated ... primary by the substantive individual freedoms that the members of the society enjoy’ (Sen 1999, 18). The idea behind the stress on freedom is that given enough freedom people can through discussion evaluate their social choices, and further that social choices are possible only through discussion.

Thus, Sen actually evades the hermeneutical challenge about how one’s personal experience is changed into general scientific knowledge about good life. He makes a proposition that is based only on virtual, if-then-reality, that is, a proposition whose truth-value is wholly conditional on some unknown conditions. In other words, he avoids to give to the idea of good life or development any other content than an abstract idea of freedom, which is dependent on public discussion. And like discussed in the third chapter, the problem is that Sen does not develop the idea of public discussion sufficiently; to put it bluntly, for Sen public discussion is needed only to give a justification for the idea of development! Because of this evasion he is unable to engage for example into feminist-type of attempt in bringing the voice of the marginalized heard. So, although Sen has devoted a lot of his writing to the rights of women, he has not sufficiently comprehended that the idea behind having women’s and other marginalized groups voices heard is not only to give them right to say their opinion, but also to study how their voices can be made more accurate.

Surely Sen’s commitment individual freedom covers a wide list of elements, like a functioning state, political and social organisations, community-based arrangements, non-governmental agencies, the media, and the institutions that allow the functioning of markets and contractual relations. Which all together probably aid enormously that the marginalized can get their voices more accurate. But his indifference to the *nature* of public discussion prevents him from seriously facing some challenges that threat contemporary democracies, like discussed in the chapter three.

Hence, Sen’s concept of human nature is actually quite biased. It presupposes a vantage point that is western and male in the sense that it does not problematise the current status quo situation. In this sense it also echoes quite much George Bush sr.’s view that, ‘our lifestyle is not open to

negotiation'. If we play upon words neither Sen nor Bush sr. do engage hermeneutically into negotiation or conversation with others about their values. Or actually they deny that our whole self-understanding and ideas about good life is product of dialogue with other people.

The WDR and the hermeneutical challenge

What about the World Development Report then? How does it respond to the hermeneutical challenge of turning personal experience into general knowledge? It takes from Sen the idea that poverty is capability deprivation and consequently its aim is to enhance the poor's capabilities in many-sided ways. Like Sen, the WDR says very little about individual well-being, but rather it concentrates on the instrumental aspects that help individual to achieve well-being.

Like stated in the fourth chapter this approach has many advantages. The WDR 2000/01 does take in to account many different aspects of poverty and makes reasonable propositions of how to alleviate the position of those in need. But in a similar fashion as in the case of Sen, the WDR trusts that given enough resources and freedom people can themselves figure out what is good for the whole community. That is, they can reflect their position and lead the kind of life they have reason to value.

This desire to stay on a clearly procedural level (see footnote 32 earlier) and to stay out of political questions can be seen for example from the way the WDR is cautious of discussing the role of political parties in the development, but rather praises the role of vaguely named poor people's organizations. This longing to stay above the politics is understandable because of the World Bank's position, yet it is clear that the lending projects have also a political dimension; the lending decisions are driven by politics and even more importantly the use of the loaned money is politicised inside the country.³⁸

It might be argued that the WDR concentrates this way only on instrumental aspects of human well-being because it is the only area that it can influence. To a certain degree this is true, but at the same time that prevents the World Bank from engaging into profound discussion about the development. On the contrary the Bank has turned itself into a modern cavalry that it always ready

³⁸ One of the aspects of populist policy is that different state projects are personalised by country's president, and hence also World Bank-lended projects can be used to strengthen the image of current president no matter how badly he is otherwise doing his job. For example Alberto Fujimori used this trick to reinforce his position as Peru's president in the 1990s (see for example Teivainen 1999). I also personally encountered signs of this when I was in Peru in the summer 2003. Currently Fujimori's popularity is much higher than Peru's current president, although he is charged of corruption, murders and drug-trade. When I asked from Peruvians reasons for his support, they could for example point to some road and say that Fujimori gave us this road.

to correct mistakes made in the past or soften the effects of unfair global trade patterns. This does not only limit the World Bank's action, but it also distorts the WDR's view on some issues as was discussed in the fourth chapter.

Hence, Amartya Sen's writings and the WDR both embody Alfred Schütz's idea about common sense without enquiring too much on what grounds it stands. As was stated earlier social sciences could problematise this common sense in two ways. Firstly through hermeneutical thinking by enquiring those grounds on what our beliefs stand, as Pierre Bourdieu has more or less done. Secondly social sciences can study aggregate phenomena, and make propositions based on a larger perspective than common sense thinking, as Anthony Giddens has done.

As was seen both the WDR and Sen evade the first type of problematising by concentrating on giving to the agents' enough resources to correct themselves current unjust power structures.

Both presentations try to engage into the second type of problematising by making propositions based on a larger perspective than common sense. Amartya Sen has many excellent insights about the concept of development based on his long career. The insights of the WDR are less constant. It makes for example a good presentation about the advantages of the decentralization based on many case-studies, but in the next page there can be more ideologically than empirically based promotion of the advantages of the privatisation of water services. But to give a more precise answer to the second question would require more extensive empirical studies that would study whether the WDR or Sen are right about their empirical claims about development.

Hence, the answer to the first question of whether the WDR and Sen's texts reflect our individual common sense political ideologies is positive. Neither of the texts' sufficiently conceptualises the social nature of an individual nor the way in which the presumptions of the writers affect the texts. The problems caused by this have been dealt in chapters three and four.

5.2. Common sense discourse

But what is then our individual common sense? If the WDR and Sen's text reflect our common sense political ideologies, is it possible to conceptualise that common sense in any way. Now it is time to face the second question posed at the beginning of the chapter.

The common sense thinking that presumably those two texts reflect is a vast idea. I intend by common sense thinking the ideals that have developed over centuries about right and wrong, about the roles of men, women, and children, about our 'natural' instincts, about our economic

behaviour, and so on. This common sense thinking has been affected by different cultural values, by scientific thinking, by different class structures among others. For example Charles Taylor has described the synthesis of economical thinking and common sense in the following way:

‘There are certain regularities which attend our economic behaviour, and which change only very slowly... But it took a vast development of civilization before the culture developed in which people do so behave, in which it became a cultural possibility to act like this; and in which the discipline involved in so acting became widespread enough for this behaviour to be generalized... Economics can aspire to the status of a science, and sometimes appear to approach it, because there has developed a culture in which a certain form of rationality is a (if not the) dominant value.’ (Taylor 1985, 103).

Because a thorough description of what is meant by common thinking would be a too large project my aim in the next lines is to concentrate on those aspects in which common sense thinking about social phenomena hampers or restricts the propositions of the WDR and Amartya Sen. Common sense thinking and scientific knowledge about society are not of course totally separate. Anthony Giddens (1979) has made on useful separation between ‘mutual knowledge’ and ‘common sense’. Mutual knowledge makes possible a dialogue between social sciences and society, and in addition it allows scientific critic of common sense thinking.

How does common sense thinking affect Sen’s idea

One example of common sense thinking restricts Amartya Sen’s though can be seen from his view on poverty. As already discussed his otherwise insightful presentation suffers from his habit of treating poverty as a technical problem rather than a political problem.

From one point of view this view reflects our linguistical inclination to make distinctions between an individual and society, because we do not have better concepts to describe social intertwining (about the relationship between our everyday perception and linguistic abilities, see Bourdieu & Wacquant 1995, 35-37).

In line with our linguistic inclinations there is a long history of attitudes that hold the poor as responsible for their own disadvantaged position. Early endeavours to aid the position of the poor from 19th century onwards were grounded on a belief that the poorness was caused by the personal traits of individuals. The poor were seen to be those who lacked skill, were morally or physically

weak, and lacked the motivation to work. Therefore early charity organizations sought to ease the position of the poor by providing them different skills, resources, and assets to work. Only in the 1970s the traditional conception of poverty was challenged by claims that there would be structural reasons for poverty. Exponent of this structural view claimed for example that the lack of motivation to work is actually a consequence of the poor's position in the society and not a cause of it. According to these views the poverty is reduced by distributing income and resources more equally throughout society and not by changing individual outlooks. (Giddens 2001, 318).

It is difficult to say which view about poverty is more accurate. But anyway it seems that it is easier for our common sense to conceptualise the poverty as caused by a personal inadequacy than as a structural problem. This might reflect our linguistic inclinations as suggested above or more profound cultural understanding as presented by Charles Taylor.

Amartya Sen makes some valuable insights concerning for example the relation of the growth of GNP and poverty from the above-presented structuralist standpoint, but his leaning towards common sense viewing of poverty as individual trait permits him make some rather dubious statements for example about 'American social ethics', which presumably could support large differences in income distribution.

Apart from the question of poverty, Sen has a quite straightforward attitude towards capitalistic virtues as stated in chapter three. In this he follows the common sense thinking of explaining different complex social phenomena with imprecise concepts like capitalist virtues. Like Bourdieu has stated: 'Perhaps the subtlest pitfall lies in the fact that agents readily resort to the ambiguous vocabulary of the rule, the language of grammar, morality and law, to explain a social practice which obeys quite different principles. They thus conceal, even from themselves, the true nature of their practical mastery as learned ignorance (*docta ignorantia*), that is, a mode of practical knowledge that does not contain knowledge of its own principles.' (Bourdieu 1990, 102).

Because of this imprecise use of concepts it is possible for Sen to read his evidences in a selective way and to make statements that lack scientific rigor. This way of argumentation is unfortunately also very common in ordinary discourse in the international politics. The harshest example of this is at the moment probably George Bush jr's discourse about 'enemy states'.

The WDR and common sense thinking

Since the WDR is in many aspects a practical presentation of Amartya Sen's thoughts, it also shares many same mistakes. Like Sen, the WDR also views poverty largely as individual problem. It states

that, '(t)o attack poverty requires promoting opportunity, facilitating empowerment, and enhancing security' (p. 37). That is, poverty reduction is discursively viewed starting from the individual and not from the society.

Apart from that, the WDR takes a quite common sense view on some controversial notions like the relationship between markets and states, the sovereignty of the states in the international system, the relationship between the growth of the GDP and reduction in poverty, and the advantages of trade liberalisation, as discussed in the fourth chapter.

In the first place it gives insufficiently little space to the analysis of these complex and important phenomena. For example, as pointed out the WDR dedicates only one reference to the question of how trade liberalization might benefit different countries in different ways.

Secondly, the WDR's stance on the inevitability of these phenomena is frustratingly volatile. In the tenth chapter that is dedicated to the 'harnessing global forces for poor people' it shows how the lives of the poor people are affected by forces originating outside their countries borders. But even in these eight pages (of 204 pages), the WDR mostly tries to develop mechanisms of how individual countries could for example reduce their vulnerability to external risk. The primary function of the international community is 'to ensure that financial markets and the public have timely and reliable data for making decisions – and to ensure that financial institutions run effectively' (p. 181). Hence the WDR continues to be concerned more on the procedural level of the system, than on the substantial level, that is, on the actual outcomes of the system.

Thus global economic phenomena are taken to be equal to the natural disasters that are inevitable facts of life against which we have to be prepared.³⁹ This view is understandable from the point of view of common man on the street that has to make decisions for example concerning his housing mortgage according to the current interest level. But a huge international organization like the World Bank would not have to take economic occurrences as inevitable happenings but could develop arrangements to prevent economic disasters.⁴⁰

³⁹ Actually it might be stated that not even most natural disasters are inevitable facts of life, but also they are many times caused by human action, like for example the diverse effects of greenhouse effects.

⁴⁰ For example the Asian economical crisis that began in 1997 had raised again in the headlines a plan for the idea of currency transaction tax, that would make the volatile financial markets more stable and increase the autonomy of states' monetary policy (Patomäki & Teivainen 2002, 162). The WDR mentions briefly that 'priority must be placed on increasing the momentum for international systemic financial reforms that promote stability ...', so it is probably not totally against the idea of currency transaction tax, but unfortunately there is no further discussion.

The philosophical backbone of the stress on procedural level

The above-presented common sense view that is concerned more on the procedural level than on the actual outcomes of the system is actually quite widespread. It has strong support in the economics and moral philosophy. In the economics the famous ‘invisible hand’ of Adam Smith was already presented. A more sophisticated version of it can be found in the so-called Coase’s theorem. The economist Ronald H. Coase, who was given a Nobel Prize for his work, argued that well-defined property rights are essential in order to achieve efficiency. The explanation for this is, that if a person gets some economic assets and does not know how to manage them well, then in a society with well-defined property rights that person would have an incentive to sell them to someone who could manage the assets efficiently. In other words, as long as procedural level is functioning, the total efficiency is guaranteed. (Stiglitz 2002, 164).

In the sphere of moral philosophy the stress and the trust on the procedural level is utilised by some authors in the discussion about the problematic of our responsibility on global scale. This debate got started in 1972 when Peter Singer in philosophical article provocatively proposed that we are morally responsible to give money and aid as much as we can to help those in need in other part of the world, since ‘unfortunately for those who like to keep their moral responsibility limited, instant communication and swift transportation have changed the situation’ (Singer 2000, 108).

An American philosopher James Fishkin took Singer’s proposition seriously and found that Singer’s argument disturbed and caused problems for moral philosophy because it dealt with large numbers. In a similar way as democratic theory had to be reformulated radically through the notion of representation to be applicable to large-scale nation-states, in a similar way the ethics of individual responsibility and obligation must also be reformulated if it is to be properly applicable when a large number of people are involved.

One way to deal with the problem is to assume that we as individuals need a certain sphere of moral indifference where we do not have to worry morally about consequences of our action. Fishkin presumes that under normal conditions what kind of food we serve at our dinner party or what law school my brother decides to attend does not pose a moral problem. If we would give up this robust sphere of moral indifference ‘our moral assumptions must require us, as individuals, to take on the full burdens of massive social problems – problems that might better be handled by nation-states and other institutions that can more effectively ensure large-scale social cooperation’ (Fishkin 1982, 170). And this would mean that, ‘a recognizable form of life would result, but one that is distinctly foreign to modern secular Western culture’ (ibid. p. 155).

Thus Fishkin's argument is that Singer's proposition about our moral commitment to those in need in the other part of the world is so radically different than our current way of thinking that it need to be abandoned. Instead he proposes that we need to start looking for solution to this moral dilemma by presuming a certain sphere of moral indifference for individuals which would let us of constantly thinking the moral consequences of our action and trusting that governments or other large institutions take more efficiently care of those in need.

Fishkin's argument is not only remarkable as such, but it is noteworthy since it illustrates what is the moral backbone for the worldview that the WDR presents. That is, since it would require for us too much sacrifices to assume the position that Singer presents, we need to carry our moral responsibility by developing functioning institutions. And besides, as economic theory has presented, we can help other people maybe even more efficiently through functioning international institutions and nation-states.

But is the argument valid? Do we need to limit our obligations, as Fishkin's book's title suggests? As stated earlier, neither Sen nor the WDR reflect Singer's challenge, that is, the effect of large numbers and instant communication on our moral commitment. Sen discusses the question of morality in a society solely as a sociological phenomenon, where his argument is that sufficiently free conditions in a society turn the members of that society as responsible citizens who take care of those in need in their community. The WDR looks the question of global morality from factual base, that is, is criticises strongly for example the subsidies that western countries give to their agricultures, but does not propose any alternative.

My intention in this thesis has been to develop an alternative approach to the challenge that Singer's thesis poses. I have argued that it is possible to analyse human action as social action by studying those underlying structures that guide our action, and by studying those structures that are caused by our action. Both at the micro-level and at the macro-level. Therefore our social being does not happen in a social vacuum, but it is caused and affects other people. And if our social being and action has such strong social ties, then the sphere of moral indifference proposed by Fishkin loses its significance since there are stronger social reasons for our action than our personal moral judgements. For example the phenomenon of student movement in the late sixties can be explained apart from the rising social consciousness of the youth, also by the more mundane and complex social factors, like the rising living standards of youth, students' frustration because an university diploma did not anymore guarantee a job for them, etc.

Thus the sphere of moral indifference is not a solution to Singer's challenge, since Fishkin does not conceptualise the moral deed wholly enough. And since in our normal life we can never become totally conscious about the causes and consequences of our action, Fishkin's thesis that the

dropping of the idea of sphere of moral indifference would lead to a psychologically problematic moral fanaticism is not valid.

Hence, discussing our lifestyle choices on a global scale as a moral question is not impossible. Firstly, it is not impossible since it actually does not require from us any heroic acts as Fishkin claims. This is because neither Fishkin nor Singer contemplates the other side of globalisation. Yes, it is true that instant communication and globalisation has widened the sphere of our responsibility, but on the other side of the coin is that globalisation has also multiplied the ways that our affects the life of those in the other part of the world. Thus the question is not only about whether one should give half of his or her money to the starving children in Ethiopia, but also about smaller choices, like should one lesser the proportion of meat in the diet, which would affect the global agricultural trading patterns and would guide our eating habits into more economical direction.⁴¹ And consequently this might help the starving children in Ethiopia in a similar way.

Secondly, reflecting our life-style morally does not mean changing radically the basis of our self-identity as Fishkin proposes. Putting our life-style under negation does mean literally that we accept that our personal choices are influenced by our social surroundings and that we can ponder over them.

But even if there are reasons for claiming that there are no grounds for rejecting personal responsibility, this does not refute totally the claim that functioning international institutions are the best way to develop societies as Fishkin proposes explicitly and Sen and the WDR propose implicitly. That is, if we have effectively working institutions, they bring benefits to all no matter of our personal commitments.

But the first problem with this kind of thinking is that we are far from having effectively working institutions, if that even is possible. Even the economic theory, where the intellectual roots of this thinking are, has had the most recent advances in demonstrating that the conditions under which effective institutions bring benefit to all are highly restrictive. (Stiglitz 2002, 73).

Secondly, effectively working institutions actually have two functions. They handle the large scale problems, like a division of labour or development aid as efficiently as possible, and secondly also reflect our desires and needs as effectively as possible. The second point brings some problems that Fishkin does not wholly conceptualise. This problematic may be illustrated by considering for

⁴¹ In line with economical theory the problem of malnutrition comes from the fact that poor countries have to export their agricultural products to get valuable incomes from trade. In this sense a change from meat-based diets to vegetable-based diets would not solve the problem of malnutrition or development, since these poor countries still would have to export their agricultural products, whether they are maize to feed Australian cows or maize to feed Australian vegetarians. But since cultivating vegetables uses fewer resources than animal husbandry, a change in our diets would make agriculture more resource effective and consequently we could allocate our resources better.

example the connection of 2003 war in Iraq and travelling by air. Under effective institutions we could safely assume that even if flying is slightly harmful to environment, this factor is considered firstly in the restrictions that states put on flying and secondly on the prices of the airplane tickets. Because of this we could with a good consciousness take the advantage of new extra-cheap airplane tickets, if we really have a good reason for example to visit London. But the matter became a bit complicated if we think about the underlying reasons for the American attack on Iraq and its growing military presence on other oil-producing countries. These war-campaigns are partly justified, at least implicitly, by United State's governments concern for having the world oil supply guaranteed. And consequently United State's concern for the oil supply is justified among other factors by the growing numbers of air passengers, although when we are buying an airplane ticket we are not explicitly giving our consent to George Bush jr,'s politics.

Thus, effective institutions by themselves are not enough to guarantee that the prosperity is divided sufficiently around the globe. They need to be backed by thorough reflection on personal decisions. Thus the cautiousness that the both WDR and Sen have on proposing changes that might affect other people than those in need, has no philosophical justification.

5.3. Conclusions

In this chapter I have tried to analyse what are the philosophical background conceptions about human beings, that are on the base of both Sen's and the WDR's presentations. The presentations are written for different purposes and the WDR has over thirty writers, so my aim has not been to make any psychological descriptions about their conceptions. Rather I have tried to see if they have some common features that are not only specific to them, but that are common in wider perspective in the discursive sphere of international politics.

I found out that neither the WDR nor Amartya Sen's presentation did not take sufficiently into concern the special nature of social sciences, that is, that their object of study is a human being. Because of this, they are unable to see that the problem of the poverty is not only a technical problem, but it is also a political problem that has complex solutions. This common sense thinking prevented for example them from conceptualising accurately the notion of poverty and led them to use several imprecise concepts like 'capitalist virtues'.

Furthermore, I found out that this common sense thinking was based on a specific moral conception, which held that it is morally impossible to criticise our personal lifestyle choices and our concern for the other must be mediated trough effectively institutions. This moral position gave

justification and made natural to concentrate in the development thinking only on those who already are poor.

My claim was that this conception was not only philosophically unsound, but that it also prevented third world countries from developing. Instead of trying to define some personal morally indifferent sphere and putting limits to our obligations, we should admit the social character of our existence and accept that all our action has moral consequences.

Conclusion

So here we are, the study is over. My initial question in this study was why there are so many protests surrounding contemporary political meetings even if their manifest object is to aid the developing countries. I suspected that the reason for this was that the protesters were against the meetings, because they thought that the meetings were doing more harm than good in helping developing countries. From this premise I formulated the actual research question; why in the sphere of international politics there is made so many decisions that lead to poverty and suffering, even if at the manifest level most of the politicians wish well to everybody?

My starting hypothesis was that this was because the decisions in the international politics would somehow unconsciously reflect our western lifestyle that consequently would in itself be based on contradictory presumptions. These biased presumptions about the human nature would then be the reason why decisions in the international politics would sometimes bring more bad than good.

I started to verify my hypothesis by demonstrating firstly my own presumptions about human nature. My presumptions were that human action is produced by multifaceted social factors and structures that are best grasped by the theory of action by a French sociologist Pierre Bourdieu. His basic idea is that social structures constrain our action and likings, and produce our habitus. Habitus then reciprocally constrains and produces our social choices. As a result, I claimed that it is possible to study human action scientifically as a product of various social structures that are not totally perceivable to our common sense.

Secondly I demonstrated my own presumptions about the societal level, that is, what kind of social structures are shaping our life choices. My proposition was that the most important societal phenomenon that is currently affecting our life choices is globalisation. In the concept of globalisation most important feature for my thesis is firstly the fact that contemporary societies are evermore interdependent and consequently our existence has an ever-growing affect on the life of other people. Like the effects of our habitus neither this interdependency is not that easily perceivable to our common sense.

The second important effect of globalisation is that current societies are not anymore analysable with the concepts and theories that were developed in the era when the relations between countries were formed differently. This point was important because my assumption was that the

discourse in the international politics had not wholly grasped how much societies had changed in the last 20 years.⁴²

Thus, I had my own presumptions cleared. I claimed that human action and its consequences can be presented from two perspectives *scientifically*, that is, outside of our common sense thinking. Firstly from the perspective of how social structures affect to our behaviour, and secondly from the perspective of how our action is interdependent and causes aggregate phenomena.

Next I ventured to study my empirical objects, which were two texts that dealt development policy. My thought was that texts concentrated on development would reveal presumptions about human nature most easily, because they would in a sense mirror our own western ideals and conceptions. I purposefully chose two texts that presented relatively progressive outlooks, that is, the views of Amartya Sen and the World Bank.⁴³ My idea was that these texts would take a reasonable receptive attitude to the idea of development, and thus one could not reject them solely because of their factual errors. The protesters outside the G8-meeting probably had also many concrete charges against the G8-countries, but my intention was to study if even organisations and writers with a relatively well-meaning reputation could be criticised from some less easily perceivable inconsistencies in their texts.

In the third and fourth chapters I then examined one major work by Amartya Sen and one yearly published World Development Report by the World Bank. My initial intention was to seek if it would be possible to sketch some guidelines of the lifestyle that those texts presented as an accepted one, in other words, what kind of 'forms of life' they sought to sustain. But after I had studied those texts I found out that they gave very few explicit guidelines for what lifestyles they sustained. For example, I did not find any assertion that would have specifically stated that a modern family requires for its well-being a single-family house, a car, and a shopping centre.

Hence I found out that the WDR and Amartya Sen did not specifically impose any 'western' lifestyle with their writings concerning development. So, in this sense it is very hard to say that the development policy would mirror our western lifestyle and thus my initial hypothesis was not correct.

Instead of finding explicit statements about the 'western' lifestyle that these text would have wanted to sustain, I found inconsistencies in their statements, imprecise concepts and some more ideologically than factually based statements. These together caused that those texts gave inaccurate

⁴² That is, discourse in the practical level of international politic. I am not making any claims about the discussion in the academic sphere of International Relations.

⁴³ As a proof of its progressive nature the World Bank has listened to its critics and corrected its opinions to a some degree on many issues already after the 2000/2001 WDR, as I have tried to demonstrate.

or even false advices concerning development. In the case of the WDR one reason for this was institutional constrains that restricted WDR's advices. But since the aim of my work was not to describe those institutional constrains but to describe the philosophical backbone of WDR's thinking, I had to move forward.

In the last chapter I tried through philosophical analysis to see if there was a common root for these inconsistencies and discrepancies. I found that both of the texts took a quite straightforward attitude to the study of human societies. They did not seriously problematise the special position of social sciences, and neither they did not always give enough attention to concepts that they were using. In other words, those texts did not give enough attention to the way how our common sense thinking is affecting our presumptions, and how limited consequently our common sense might be in the area of social sciences.

Thus, though my initial hypothesis was wrong, one answer worth of consideration to my initial question (if the leaders of G8-countries are not pathologically bad people, why their action causes so much injustice and inequality?) can still be delivered from my study. The action and declarations of the actors in the international politics are probably based on policy texts like the WDR, or to the ideas of more philosophical texts, like Amartya Sen's texts. And if these texts demonstrate the above-mentioned weaknesses from the point of view of social sciences, then these weaknesses filtrate to the discourses in the international politics. Thus, if the presumptions of the actors in the sphere of international politics are incorrect or inaccurate, consequently their decisions might cause more inequality and injustice, even if they wanted to do the contrary.

One specific issue that rose from my study was the question of individual responsibility. Both Amartya Sen and the WDR were very cautious on making any claims about the relationship between individual action and larger international structures. They treated individual countries as separate units and inside countries they treated the question of poverty more as a technical problem than political problem. By doing this they denied firstly the social nature of human being, and secondly they did not consider seriously enough how the globalisation has changed our relationship with other people. And these two areas are just those fields where social sciences can clarify and elucidate our views.

From the perspective of International Relations the previous points highlights that in studying contemporary societies, also from the point of view of IR, one should not restrict the analysis only on state-level. The globalisation has not only weakened the role of state as an analytical unit, but it also has put individual action into more prominent role, thus blurring the distinction between IR and other social sciences. A thorough consideration of this would allow us to analyse the contemporary occurrences of world politics not only through complex (and maybe theoretically more exciting)

constructivist theories and the like, but also through individuals that actually are those who make the history and decisions. This type of question posing is not important only academically, but it has also a moral significance. By studying the sphere of international politics only through the action and the structures of states, or state-like institutions, we also make discursively a claim that individuals have no responsibility or part to the occurrences of the international politics. That consequently reifies the common sense thinking that it is impossible to criticise our personal lifestyle choices. If instead IR would concentrate more on clarifying how our individual action is affected and affects global relations, or indeed the international relations, then it could also change the common sense view about personal responsibility.

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