

The Politics of International Development: Towards a New Grand Compromise?

April 18, 2005
12:00-13:15
SS 125, Greek Campus

Meeting called by: Middle East Studies (MES) Program, in collaboration with the Department of Political Science, at AUC

Type of meeting: Lecture

Panelists:

- Chair: Dr. Bahgat Korany, Director of the MES Program at AUC
- Speaker: Prof. Jean-Philippe Therien, Universities of Montreal and Mexico

The Politics of International Development Prof. Jean-Philippe Therien 12:00

- Prof. Therien began his presentation by explaining that claims of a new grand compromise in international development embody three assertions. These are that the north-south divide is a thing of the past, that common sense has triumphed over ideology, and that the result is the post-Washington consensus.
 - However, Prof. Therien intends to show that the changes do not amount to a strong development consensus, by combining a theoretical approach (relating to the history of ideas, and the concept that politics is driven by ideas) with an empirical approach (showing how multilateral institutions' norms and ideas translate into international trends).
- Briefly, the history of development can best be understood as a dialogue or conflict between the UN and the Bretton Woods paradigm. While the former emphasized social justice and political regulation, the latter focused on economic growth and the free functioning of markets. In terms of institutional structure, the UN was based on a one nation-one vote mechanism, whilst Bretton Woods institutions were dominated by developed countries.
- The new compromise is based on a convergence argument, which postulates a more harmonious climate in the international system, as opposed to the international civil war over structural adjustment programs (SAPs) in the 1980s. The compromise argument is that there is now common ground and intensified cooperation in development policy between the UN and Bretton Woods institutions – the former has become less hostile to markets, while the latter has taken on a social dimension.
 - One manifestation of this compromise is in the area of poverty reduction, where there has arisen a global consensus and a common roadmap. The UN's Millennium Summit (and resultant Millennium Development Goals) and the Monterey Conference on Financing for Development were matched by the IMF and World Bank's Poverty Reduction Strategy Papers (PRSPs), which emphasized a people-centered approach to making growth pro-poor. Another example in the area of trade, is that the WTO has been paying more attention to the concerns of developing countries since Seattle – so much so, that the Doha Round has been called the "Development Round." Meanwhile, the UN has become more market-friendly, exemplified in donations by Ted Turner and Bill Gates, in addition to the flagship Global Compact Program and concern with corporate social responsibility and voluntary regulation.
 - This convergence goes back to changes within both the UN and Bretton Woods institutions. With regards to the UN, the relative success of liberalization policies combined to decreases in development assistance as compared to rises in public-private assistance may have prompted reassessments of strategy. Meanwhile, the Asian crisis made Bretton Woods less arrogant, and they were spurred to action by the UN Global Conferences on the Environment in Rio, and on Population in Cairo. Finally, center-left governments in the US and Europe may have forced the Bretton Woods institutions to modify their stance.
- Nevertheless, the Washington/Copenhagen/Monterrey Consensus is extremely fragile, and cannot be seen as a "grand" compromise.
 - The two paradigms have distinct values. The UN focuses on inequality as a structural issue, while Bretton Woods institutions concentrate on poverty as a problem of individuals who are maladapted to the market. In this sense, the poverty reduction emphasis may be seen as a victory of the Bretton Woods paradigm. Nonetheless, there is still skepticism on the UN side, which views PRSPs as no more than new packaging for SAPs.
 - The two paradigms have different approaches to the state and market. The UN highlights the risks of globalization

and favors more intervention, while the Bretton Woods institutions highlight the opportunities of globalization and promote “New Globalizers” (who are proactive liberalizers).

- The two paradigms have different reform agendas. The UN looks at the systematic conditions of development, pursuing a sort of Marshall Plan for the Third World, increased emphasis on the Economic and Social Council, changes in voting mechanisms of the IMF and World Bank, and global taxes on arms and financial transactions. Meanwhile, Bretton Woods looks to domestic conditions of development and self help, promoting good governance over corruption.
- In conclusion, there is no such thing as the post-Washington Consensus. The UN and the Bretton Woods institutions are unprecedentedly more aligned, but the alignment remains fragile.
- Prof. Therien then turned back to theoretical matters, arguing that despite the end of the Cold War, the left-right divide continues to explain political views.
 - For instance, the IMF lies more to the right than UNICEF/UNDP, and the UN Secretariat lies more to the left than the WTO Secretariat.
 - There are three good reasons to use the left-right divide:
 - It highlights the connection between domestic and international politics, portraying neoliberalism and the right vs. social democracy and the left.
 - It views the development debate in terms of the political spectrum, rather than in terms of discrete oppositional categories (e.g., realism vs. liberalism). Thus, the consensus appears to be on the center-right, which demonstrates that the UN has made more concessions.
 - It accounts better for the normative dimension of the development debate, because it looks at the different views of equality.

Q & A Session

- Is the stance of multilateral institutions dictated by mandates or leaderships?
 - Social forces matter more than individuals. Although institutions can move around to a certain extent (e.g., the World Bank under Wolfenson), but they still remain on the left-right spectrum.
- Does this mean that rightist leaders in the US hate the IMF/World Bank?
 - It is necessary to ask what the right is. The beauty of left-right notions is that they are relative; the left in France is different from the left in Mexico. Thus, as an analytical framework, the spectrum can fit many different situations. Even within the UN system, not all institutions stand on one point on the spectrum. From left to right, the institutions would be ordered as follows: UNRISD (furthest left), ILO, UNCTAD, UN Secretariat (left, but closest to the center), World Bank (right, but closest to the center), IMF, WTO (furthest right).
- The history of ideas cannot explain everything.
 - That is true, and it is necessary to go back to what has happened in the ground.
- How can compromise be at one point on the center-right, when each part of the UN system is at a different point?
 - We must generalize at the global politics level for the purposes of analysis.

Additional Information

Special notes: --

Minutes prepared by: Lamis Abdel-Aty