

Seven Factors that Influence the Effectiveness of International Development

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Abstract

This literature review analyzes the global issue of poverty and the various factors that are influencing the ability of nations to effectively achieve development. The many interpretations of what development is, as well as the categories and forms of poverty, are examined to show the scope of the issue. Seven factors: politics, economics, institutions, culture, geography, aid, and globalization are explored as to their impact on the effectiveness of development around the world. The review of the literature found that effective development is influenced by each one of these factors and it is necessary to consider them when planning and implementing development efforts internationally.

Seven Factors that Influence the Effectiveness of International Development

Introduction

Picture development as a ladder. The rungs each represent a step on the path to economic well-being. The higher a nation climbs, the more developed it is. Sadly “there are roughly one billion people around the world, one sixth of all humanity, who live... too ill, hungry, or destitute even to get a foot on the first rung of the development ladder.”¹ This is an incredible challenge the international community is facing. The good news is “in 2017, global economic growth is estimated to have reached 3 percent when calculated at market exchange rates... the highest growth rate since 2011.”² As a result, many nations are climbing the development ladder. This provides some hope to the situation, despite the immense progress that still needs to take place in many nations. Their situations are very bleak and the poverty they are experiencing impacts their ability to function well in society. Ending poverty would “not only [be] the end of extreme suffering but also the beginning of economic progress and of the hope and security that accompany economic development.”³ This is the goal for many nations who have yet to achieve essential development progress.

Development is a word which is difficult to define in one simple way. Depending on who you ask, development can take on many meanings because it is multidimensional.

¹ Jeffrey D. Sachs, *The End of Poverty: Economic Possibilities for Our Time*, (New York, NY: Penguin Books, 2005), 18.

² United Nations, “World Economic Situation and Prospects 2018,” (New York, NY: United Nations Publication, 2018), 1. Online: https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/WESP2018_Full_Web-1.pdf. Accessed on November 8, 2018.

³ Sachs, *The End of Poverty*, 24.

Historically, development has been defined at a basic level as progress and modernization. Contemporarily it looks quite different, with many modifiers attached to the word. Economic development is defined as a “sustainable increase in living standards that encompasses material consumption, education, health, and environmental protection.”⁴ Then there is human development which is defined as “people-centered development, where the focus is put on the improvement of the various dimensions affecting the well-being of individuals and their relationships with the society (health, education, entitlements, capabilities, empowerment etc.).”⁵ Sustainable development is development that “meets the needs of the present without compromising the ability of future generations to meet their own needs.”⁶ Increasing “economic, political, and civil rights of all people across gender, ethnic groups, religions, races, regions and countries” is how the World Bank defines development.⁷ For the purposes of this paper, development will be defined as the actions taken to improve the overall well-being of individuals, communities, and nations through the alleviation of poverty.

⁴ Mark McGillivray, “What is Development?” In *International Development: Issues and Challenges*, eds. Damien Kingsbury et al., 3rd ed. (London, UK: Palgrave, 2016), 36.

⁵ Lorenzo G. Bellu, “Development and Development Paradigms: A (Reasoned) Review of Prevailing Visions,” *Food and Agriculture Organization of the United Nations*, (2011), 3. Online: http://www.fao.org/docs/up/easypol/882/defining_development_paradigms_102en.pdf. Accessed on November 8, 2018.

⁶ Robert W. Kates, Thomas M. Parris, and Anthony A. Leiserowitz, “What is Sustainable Development? Goals, Indicators, Values, and Practice,” *Environment: Science and Policy for Sustainable Development*, vol. 47, (2005), 9-10. Online: <http://125.22.40.134:8082/jspui/bitstream/123456789/2959/1/WhatIsSustainableDevelop.pdf>. Accessed on November 8, 2018.

⁷ McGillivray, “What is Development?” 36.

The lack of a standard definition for development contributes to the complications faced in this field as to whether effective development is taking place. Development is difficult to measure with its varying definitions which create changing standards of progress. This consequently impacts development outcomes. In addition to the ambiguity in understanding what development is, many different factors influence the effectiveness of development. This review of the literature examines the various factors that influence the effectiveness of development around the world.

Poverty and Prosperity

When you look at a map you will see 195 different countries recognized by the United Nations, some large and some small, all dispersed around the world.⁸ What is it that comes to your mind when your eyes rest on a particular nation? Is it the language they speak? The type of government they have? The natural landscape? The culture? Or memorable landmarks? It is uncommon that the economic state of that country is what first comes to mind. Not many people would ask themselves if the people of this country live in poverty or prosperity, or if they fall somewhere in between. But because the answer to that questions shapes the lives of the people that live in that country, it should be a more prominent concern of people all around the world. If this question was asked more often, then it would probably be easier to determine what it is that leads some countries to be prosperous, others into poverty, and still others somewhere in between.

⁸ United Nations, "Member States," Online: <http://www.un.org/en/member-states/>. Accessed on October 6, 2018.

The following review of literature will provide insight into that question. There are many factors that influence the effectiveness of development around the world and determine the economic state of a nation. These factors include politics, economics, geography, institutional choice, culture, aid, and globalization. The immense scope of poverty throughout history and how it is currently viewed is summed up well by the World Bank:

It is an issue that has been facing our world for thousands of years. People have been taking actions against poverty for about the same amount of time. More recently has it become a goal of the world to eradicate poverty completely. This lofty goal has led to even more intense efforts to reduce poverty. Although the 20th century saw great progress in reducing poverty and improving well-being... at the start of the new century, poverty remains a global problem of huge proportions.⁹

New Sustainable Development Goals have been set to eradicate extreme poverty and promote shared prosperity by 2030.¹⁰ These new goals are building off of the unrealized Millennium Development Goals and working to achieve what they did not.¹¹ Many are greatly discouraged because “overall absolute poverty figures have changed much less than they should have done in recent decades, while inequality has increased significantly.”¹² This is a serious problem. The dichotomy between significant global

⁹ World Bank, *World Development Report: Poverty*, (New York, NY: Oxford University Press, 1990), 5-6.

¹⁰ World Bank, *World Development Indicators 2014*, (Washington, DC: International Bank for Reconstruction and Development, 2014), iii.

¹¹ United Nations Sustainable Development, “Transforming Our World: The 2030 Agenda for Sustainable Development,” (2015).

¹² David Cox and Manohar Pawar, *International Social Work: Issues, Strategies, and Programs*, 2nd ed., (Los Angeles, CA: SAGE Publications, 2013), 230.

progress in most parts of the world and continuous extreme poverty in other parts is baffling. If the world is going to continue to make progress in so many other areas, the issue of poverty must be addressed as well. It should no longer be one of the largest and most important areas where the world has yet to see significant progress. With that being said, poverty can only begin to be eradicated if the global community has a better understanding of the factors that influence poverty and progress around the world.

The United Nations Committee for Development puts forth a list every three years of the Least Developed Countries (LDCs). Currently, there are 47 nations on the list. These countries are defined as those “confronting severe structural impediments to sustainable development. They are highly vulnerable to economic and environmental shocks and have low levels of human assets.”¹³ The criteria used to identify which countries belong on the list fall into three categories. The first is income, which consists of the Gross National Income (GNI) per capita.¹⁴ The second category is human assets. Fifty percent of this is the health index, which is made up of the under-five mortality rate, the percentage of the population undernourished, and the maternal mortality ratio while the other fifty percent is made up of the education index, which includes gross secondary school enrollment ratio and the adult literacy rate.¹⁵ The last category, the economic vulnerability index, is determined by the exposure index and the shock index. The

¹³ United Nations, “Least Developed Countries (LDCs),” Online: <https://www.un.org/development/desa/dpad/least-developed-country-category.html>. Accessed on September 5, 2018.

¹⁴ United Nations, “LDC Identification Criteria & Indicators,” Online: <https://www.un.org/development/desa/dpad/least-developed-country-category/ldc-criteria.html>. Accessed on September 10, 2018.

¹⁵ Ibid.

exposure index is calculated by the population, remoteness, merchandise export concentration, share of agriculture, hunting, forestry, and fishing in the GDP, and the share of population in low elevated coastal zones.¹⁶ The shock index is determined by the instability of exports of goods and services, the victims of natural disasters, and the instability of agricultural production.¹⁷ All of these indicators are used to determine which countries are included on the LDC list. These countries will need to understand the many factors that affect their ability to effectively develop. If they do this, they will be more likely to lift themselves out of poverty and graduate from the list of Least Developed Countries.

Categories of Poverty

Poverty discriminates. It affects certain groups of people more than others. Women and children are more affected by poverty than men. Ethnic minorities also experience poverty at higher rates than those in the ethnic majority. People who live in places prone to internal conflicts and war, as well as natural disasters, are more likely to experience poverty than those who do not live in those places. In addition, people who live in places with a lot of ecological degradation and have high population growth rates are impacted by poverty more extremely. When these factors are compounded, poverty adversely affects those in its grip even more profoundly.

¹⁶ United Nations, "LDC Identification Criteria & Indicators."

¹⁷ Ibid.

Feminization of Poverty

Poverty disproportionately affects women. The statistics show “poverty has a decided gender bias.”¹⁸ Women are leading households on their own even though they are less educated and less represented in the economic world. Women are severely disadvantaged in the areas of education, employment, health, and nutrition, which all contribute to why women are highly impacted by poverty. Even when compared to poor men, women are economically disadvantaged because of their standing in society.

Thus the fundamental issues of women’s poverty go beyond lack of access to paid employment outside of the family; they stem from the fact that women are poorer in rights than are men, not just in relation to land and capital, but even in relation to their own persons in their own right, in ways that take into account the complexities of integrating getting a living with raising children and taking care of others.¹⁹

The eradication of poverty will not be possible without gender equality.

Vulnerability of Children

Children are particularly vulnerable to the negative impacts of poverty. The “overall situation for children has not improved significantly over the last decade, with some progress on many fronts being endangered by the recent global economic crisis.”²⁰

Poverty endangers a child’s future and his or her ability to achieve education, intellectual and physical development, and health. Children do not have the means to help themselves

¹⁸ United Nations Development Programme. *Human Development Report 1990*, (New York, NY: Oxford University Press, 1990), 22.

¹⁹ Diane Elson, *Public Action, Poverty and Development in a Gender Aware Analysis*, (Aldershot, EN: Avebury, 1995), 75.

²⁰ Cox, *International Social Work*, 251.

out of poverty and are thus reliant on others to help them survive. The largest and most rapidly growing youth populations in the world can be found in the LDCs. Today about 60 percent of the population in LDCs is under the age of 25.²¹ This number is expected to continue increasing by more than 60 percent between now and 2050.²²

Ethnic Minority Group Status

Uneven proportions of poverty are seen amongst minority groups. Within both developed and undeveloped countries, ethnic minorities experience the most poverty. For example, in the United States, “39 percent of African-American children and adolescents and 33 percent of Latino children and adolescents are living in poverty, which is more than double the 14 percent poverty rate for non-Latino, White, and Asian children and adolescents.”²³ The same is found in Laos. Ethnic minorities fall behind in all areas of welfare when compared to the Lao-Tai ethnic majority, leaving them in poverty.²⁴ Indigenous people experience poverty at much higher levels than any other group.²⁵ In the United States “more than one-quarter of the American Indian and Alaska Native population is living in poverty, a rate that is more than double that of the general

²¹ Michael Herrmann, Jose Miguel Guzman, Sabrina Juran and Daniel Schensu, *Population Dynamics in the Least Developed Countries: Challenges and Opportunities for Development and Poverty Reduction*, (New York, NY: United Nations Population Fund, 2011), 10. Online: <https://www.unfpa.org/sites/default/files/pub-pdf/CP51265.pdf>. Accessed on October 8, 2018.

²² Ibid.

²³ American Psychological Association, “Ethnic and Racial Minorities & Socioeconomic Status,” Online: <https://www.apa.org/pi/ses/resources/publications/minorities.aspx>. Accessed on October 8, 2018.

²⁴ World Bank, “Lao Poverty Policy Brief: Why Are Ethnic Minorities Poor?” 2017, Online: <https://www.worldbank.org/en/country/laos/publication/laos-poverty-policy-brief-why-are-ethnic-minorities-poor>. Accessed on October 8, 2018.

²⁵ Cox, *International Social Work*, 252.

population and one that is even greater for certain tribal groups (e.g., approaching 40%).”²⁶ This trend continues all throughout the world.

The Impact of Conflict and War

There is an evident association between poverty and conflict. Conflict is often found between nations where there is great poverty. This conflict hinders development efforts, making it even more challenging for those nations to get out of poverty and possibly bring an end to the conflict they are facing. “Since the Second World War the number of conflicts in the world has increased more than fivefold, more than 90% of them internal.”²⁷ Although you would think the violence of war is the most destructive part of the conflict, research shows many more people die from indirect causes like a lack of food, water, and health services because normal processes have been disrupted by the conflict.²⁸ This threatens those who are poor more than those who are financially stable because the poor do not have the resources to access these necessities from any other area.

The Impact of Natural Disasters

Our world is experiencing an increase in natural disasters. Those who experience the worst of natural disasters are those in poverty. The World Bank reported:

²⁶ Michelle Sarche and Paul Spicer, “Poverty and Health Disparities for American Indian and Alaska Native Children,” *Annals of the New York Academy of Sciences*, vol. 1136, (2008).

²⁷ United Nations Development Programme, *Human Development Report 1996*, (New York, NY: Oxford University Press, 1996), 24.

²⁸ *Ibid.*

Poor people and poor communities are frequently the primary victims of natural disasters, in part because they are priced out of the more disaster-proof areas and live in crowded makeshift houses. The incidence of disaster tends to be higher in poor communities, which are more likely to be in areas vulnerable to bad weather or seismic activity. And there is evidence that the low quality of infrastructure in poor communities increases their vulnerability.²⁹

The incidence of natural disaster often leads to increased or continual poverty because of the high costs of repairs and damage done to the infrastructure which supports income. It is a vicious cycle.

The Impact of Ecological Degradation

The poor are very vulnerable to ecological degradation. Many people are living in areas where “arable land is scarce, agricultural productivity is low, and drought, floods, and environmental degradation are common” and consequently so is poverty.³⁰ The opposite association is also true. Poverty is causing further ecological degradation. The World Commission on Environment and Development explained it well in *Our Common Future*:

There has been a growing realization in national governments and multilateral institutions that it is impossible to separate economic development issues from environment issues; many forms of development erode the environmental resources upon which they must be based, and environmental degradation can undermine economic development. Poverty is a major cause and effect of global environmental problems without a broader perspective that encompasses the

²⁹ World Bank, *World Development Report 2000/2001: Attacking Poverty*, (Oxford, UK: Oxford University Press, 2001), 170. Online: <http://siteresources.worldbank.org/INTPOVERTY/Resources/WDR/English-Full-Text-Report/toc.pdf>. Accessed on September 5, 2018.

³⁰ World Bank, *World Development Report: Poverty*, 30.

factors underlying world poverty and international inequality.³¹

This will be hard to overcome. It is necessary for poverty to be significantly alleviated in order for the environment to survive which is only possible if ecologically sustainable development is used as a method of poverty alleviation and prevention. Sustainable development, for both the environment and poverty alleviation is the goal.

The Impact of Population Growth

High population growth is seen more significantly in low-income countries. As the world's population continues to grow, the highest growth is found in the LDCs. David Cox and Manohar Pawar, experts on International Social Work, believe:

High population growth rates in many of the poorest areas of the world are certain to exacerbate existing poverty and result in larger numbers of people living in poverty. External intervention seems to be essential to push up education and health levels, and so bring down population growth rates before most of these countries can embark on significant development and hence significant poverty reduction.³²

These two issues are intertwined with one another and will continue to impact the globe significantly as time goes on. The least developed countries have “the highest population growth rate in the world - triple that of other developing countries... growing today nearly twice as fast as that of the developing world.”³³ These same countries are the ones least able to meet the needs of a rapidly growing population. Research shows the correlation between fertility, population growth, and poverty. Fertility rates are often

³¹ World Commission on Environment and Development, *Our Common Future*, (Oxford, UK: Oxford University Press, 1987), 3.

³² Cox, *International Social Work*, 258.

³³ Herrmann, *Population Dynamics*, 7.

higher in poorer families within a society and the countries with lower average income have higher average fertility leading to high population growth.³⁴

Forms of Poverty

Income Poverty

Income poverty is what is most commonly referred to in the poverty discussion. According to the United Nations, the criteria for being considered income poor is when a family's income falls below the poverty line, which is having income sufficient for a specified amount of food. This type of poverty is researched and discussed most often partly because "income levels are comparatively easy to identify and measure, partly because it is consistent with the dominant role of economics in the field of development, and partly because it permits a degree of comparability of poverty levels across regional, national, and other boundaries."³⁵ Income poverty is the form of poverty being referred to solely as poverty for the scope of this paper, although additional forms and varying ways to measure poverty exist and are discussed below.

Human (Quality of Life) Poverty

Human poverty, also known as Quality of Life poverty, is the "denial of opportunities and choices most basic to human development- to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self-respect, and

³⁴ Abhijit Vinayak Banerjee, Roland Bénabou, and Dilip Mookherjee, *Understanding Poverty*, (Oxford, UK: Oxford University Press, 2006), 125.

³⁵ Cox, *International Social Work*, 259.

the respect of others.”³⁶ Human poverty encompasses poverty of income in addition to poverty of basic needs and capabilities. The quality of life indicators used to measure this type of poverty include the percentage of adults who are illiterate, the percentage of malnourished children under five, the percentage of people with access to health services and safe water, and the percentage of people expected to die before age 40.³⁷

Basic Needs Poverty

This form of poverty considers “which basic needs are essential for survival, and then determines whether people have access to what is required by them to meet those basic needs.”³⁸ Many people believe this perspective on poverty is too minimal and is not truly beneficial to anyone in terms of development goals. Being able to eradicate this type of poverty would leave large gaps since it would still be far away from an acceptable standard of living. This poverty focuses on the bare minimum necessary for survival which is what most people in poverty are already facing.

Capability Poverty

Capability poverty can be defined in many ways, but the UN defines it as “the absence of some basic capabilities to function- a person lacking the opportunity to achieve some minimally acceptable levels of these functionings.”³⁹ This form of poverty

³⁶ United Nations Development Programme, *Human Development Report 1997*, (New York, NY: Oxford University Press, 1997), 5.

³⁷ Cox, *International Social Work*, 260.

³⁸ *Ibid.*, 261.

³⁹ United Nations, *Human Development Report 1997*, 16.

is fought through empowering people to be self-reliant. The various areas of functioning and capabilities will be different from definition to definition but that is not important. What is important to focus on in regard to this form of poverty is what can be done to empower people to gain additional capabilities of functioning in order to lessen this form of poverty.

Relative Poverty

Relative poverty is the last form of poverty discussed here and is quite different from the other forms of poverty described previously. This type of poverty is “based on a comparison between the standard of living of the poor and the standard of living of other members of society who are not poor, usually involving some measure of the average standard of the whole society in which poverty is being studied.”⁴⁰ In many societies, most of the people living in relative poverty would not be considered poor by global poverty standards. This usually describes the poor in developed countries. While they may be poor, they are experiencing relative poverty, because they are only poor in relation to those who live around them. By the global standards, they would not fit the category of living in absolute poverty because they are living on more than \$1- \$2 a day.⁴¹ In the field of international development, this type of poverty is not what is targeted, but it may need to be the focus one day when absolute poverty has been eradicated. The next step would be to lessen relative poverty. While this is a lofty goal to achieve, if the international development world gets a grasp on the factors influencing

⁴⁰ Pete Alcock, *Understanding Poverty*, ed. Jo Campling, (New York, NY: Palgrave, 1997), 69.

⁴¹ Herrmann, *Population Dynamics*, 5.

effective development and accomplishes the goal of eradicating poverty by 2030, then this really would be the next logical step.

The Impact of Development on Poverty

With such a vast dimension of various types of poverty and how they impact certain populations all around the world, development should be a more prominent discussion. While development can encompass many areas, in the broad sense it is a method of fighting poverty. Despite it being a well-liked solution to poverty, “global forces for development are bypassing hundreds of millions of the world’s poorest peoples.”⁴² The most desperate people are not the ones benefitting from development but instead are being overlooked by it. Essential development is missing the world’s poorest people and nations due to factors like poor governance, geography, a reliance on primary commodities, rampant disease, the international trade system, and rapid population growth. Economic development has been successful in many cases, but these factors as well as others limit the effectiveness of development and determine how well and quickly a nation can achieve it. Many believe “until we find ways to achieve sustainable forms of development, near-universal good governance, an end to conflict between communities of people, and the effective redistribution of available resources, poverty will continue to be a major global phenomenon affecting hundreds of millions of people.”⁴³ This statement demonstrates the scope of poverty and the challenge it is to overcome the factors that limit the effectiveness of development.

⁴² Cox, *International Social Work*, 235.

⁴³ *Ibid.*, 262.

Factors that Influence Effective Development

Effective development, as a means to lift the least developed countries out of poverty, is impacted by many different factors. Because of the vast scope of poverty, it crosses various disciplines and requires a diversified approach in order to tackle it. An awareness of the many components that influence the effectiveness of development is essential to being able to begin addressing the issue of poverty. This section focuses on political, economic, institutional, cultural, geographical, aid-related, and globalization-related factors and examines their impact on development and poverty alleviation.

Political Factors

The first factor that influences effective development is politics. Politics is “the process by which a society chooses the rules that will govern it.”⁴⁴ Government and its policies largely impact the development of a country. History has shown this and continues to prove it in the present day. Those in power are the ones most often controlling the development activities. They ensure the benefits of development remain in their circle which may extend to their families, social class, or their ethnic group, but not to those who truly need it. Many LDCs have “experienced civil war or at least political instability, to a greater extent than other developing countries, often resulting from poor governance, ethnically or religiously diverse populations, and low levels of social cohesion.”⁴⁵ Political institutions are important, especially in underdeveloped countries

⁴⁴ Daron Acemoglu and James A. Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*, (New York, NY: Crown Business, 2012), 79.

⁴⁵ Cox, *International Social Work*, 234.

because those institutions determine who will be in power over the society and how that power will be used to either develop the country or keep it in poverty. It is the government's responsibility to make decisions which benefit development and when it does not, the nation as a whole will suffer. The state's failure to maintain peace and safety, encourage investment from private business, and deliver social services can lead to instability. With state failure, the economy most often fails as well. Governments that fail to invest in social development programs directed at human capital accumulation will be unable to reach the poorest of the poor or offer them a hand up.

Economic Factors

The role of economics in influencing development is vast. Open and inclusive markets “give people freedom to pursue the vocations in life which best suit their talents but also provide a level playing field that gives them the opportunity to do so.”⁴⁶ This freedom allows for additional income generating activities which boost the economy and create better economic outcomes for a nation. The ability for a government to “invest in public goods and services like primary health care, roads, power grids, ports, and the like” is often hindered by a lack of financial means.⁴⁷ This infrastructure is essential for economic growth, but cannot be instituted because of a lack of finances. This creates a vicious cycle in which developing countries are often trapped.

⁴⁶ Acemoglu, *Why Nations Fail*, 76-77.

⁴⁷ Sachs, *The End of Poverty*, 59.

Institutional Choice Factors

One of the newer perspectives in the field relates to the part institutions play in creating either poverty or prosperity in a country. Institutions play the central role in the development of a country because public services, property rights, the ability to trade, and the law, all rely on the state in order to exist and function for the benefit of the people. The public services under the control of institutions include roads and avenues for transport and trade, an economic infrastructure, and regulations, to some degree, that prevent fraud and misconduct. Inclusive economic institutions are more beneficial to development than extractive ones that make decisions that hinder development. Inclusive economic institutions encourage productivity growth, generate economic activity, and seek economic prosperity for their nation. Private property rights are controlled by the institution. Inclusive institutions see the importance of private property rights and their role in reassuring individuals it is to their benefit to invest in the economy and increase productivity. Since institutions are the only ones with the “coercive capacity to impose order, prevent theft and fraud, and enforce contract between private parties,” they play a large role in whether or not people are comfortable and confident enough to be active participants in the development of their nation.⁴⁸

One of the biggest potential problems with institutions is the leadership who makes the decisions. The problem lies in the leaders because “economic institutions that create incentives for economic progress may simultaneously redistribute income and

⁴⁸ Acemoglu, *Why Nations Fail*, 75-76.

power in such a way that a predatory dictator and others with political power may become worse off.”⁴⁹ When they have their own interests in mind and not their nation’s, it is to their own benefit to institute extractive political and economic institutions instead of inclusive ones. Development only moves forward if it is not blocked by those who perceive their economic privileges will be lost and by the politicians who fear their political power will lessen. Good leaders are necessary for inclusive institutions to make choices which encourage development.

Cultural Factors

Some researchers argue culture does not play a part in the development of a nation because when looking at two countries which have similar cultural values, one can be better off than the other. Are some cultures, and consequently countries, better equipped to translate opportunities into prosperity than others who remain in poverty? Research shows a relationship between culture and development. The “fundamental principles of a culture, the story it accepts as true, its people’s dreams, ideals, and vision, provide the foundation for its development.”⁵⁰

Many researchers who emphasize institutional and economic influences on development minimize or even dismiss the role of cultural values in allowing nations to create these recommended inclusive institutions and in helping the people who live in the nation function in the most productive ways. They disassociate cultural influence from

⁴⁹ Acemoglu, *Why Nations Fail*, 75-76.

⁵⁰ Darrow L. Miller, *Disciplining Nations: The Power of Truth to Transform Cultures*, (Seattle, WA: YWAM Publishing, 2001), 47.

the other factors they credit to impacting development when they are inexorably connected. These opponents state: “those aspects of culture emphasized- religion, national ethics, African or Latin values- are just not important for understanding how we got here and why the inequalities in the world persist.”⁵¹ They believe the cultural hypothesis is unhelpful in explaining the poverty and prosperity of different countries. This is unfortunate because although “institutions modify cultural values” the reverse, that “cultural values also create and modify institutions,” is also true.⁵² Without recognizing this, those advocating for better development by improving economics, government, and institutions, will be less effective in their methods.

Researchers who dismiss the influence of culture on the economic state of a nation have trouble explaining why certain countries have implemented the ideas that research has shown leads to economic success, while others have not. The explanation of the success of certain nations in implementing the researched ideas while not for others “seems to come down to mere luck, or what they sometimes call ‘contingency’.”⁵³ Others emphatically believe culture plays an instrumental part in economic development. David Landes, an economist and historian, stated, “if we learn anything from the history of economic development, it is that culture makes all the difference.”⁵⁴ Additional research

⁵¹ Acemoglu, *Why Nations Fail*, 57.

⁵² Wayne Grudem and Barry Asmus, *The Poverty of Nations: A Sustainable Solution*, (Wheaton, IL: Lighthouse Books, 2013), 310.

⁵³ *Ibid.*, 311.

⁵⁴ David S Landes, *The Wealth and Poverty of Nations: Why Some Are So Rich and Some So Poor*, (New York, NY: W.W. Norton & Company, 1999), 516.

has determined there are specific cultural beliefs which have shown to contribute positively to economic development internationally. These beliefs fall into the categories of beliefs about religion, morality, human nature, family, the earth, change, productivity, buying/selling, learning from others, and government.⁵⁵ When the cultural beliefs in these categories are rejected by a nation, their ability to develop will be hindered to some degree. For example, cultures that value truthfulness have higher per capita income than those cultures that have lower levels of trust and consequently significantly lower per capita incomes, because most business transactions depend on trust.⁵⁶ As a result of the deeply held values of a nation, they will either be successful in implementing the solutions offered in the research or not. Cultural barriers limit individual and group access to opportunities for development. The social norms which a nation adheres to “related to culture, matter and can be hard to change and they also sometimes support institutional differences... [along with] the extent to which people trust each other or are able to cooperate.”⁵⁷ An individual and a nation’s “worldview does more to shape their development, their prosperity or poverty, than does their physical environment or other circumstances.”⁵⁸

⁵⁵ Grudem, *The Poverty of Nations*, 317.

⁵⁶ William Easterly, *The White Man’s Burden: Why the West’s Efforts to Aid the Rest Have Done So Much Ill and So Little Good*, (New York, NY: Penguin Press, 2006), 79-81.

⁵⁷ Acemoglu, *Why Nations Fail*, 57.

⁵⁸ Miller, *Disciplining Nations*, 34.

Geographic Factors

One of the widely accepted explanations for world inequality is geography. Many of the United Nations' classified Least Developed Countries (LDCs) have geographic commonalities which are believed to contribute to their lack of prosperity and stunted development. Most of them are what people have coined "geographically disadvantaged." This most often includes being landlocked and being subject to "extreme climatic phenomena" like drought, flooding, or other natural disasters.⁵⁹ Geography shows "many poor countries, such as those in Africa, Central America, and South Asia, are between the tropics of Cancer and Capricorn. Rich nations, in contrast, tend to be in the temperate latitudes."⁶⁰

Research shows "38 percent of the people living in the bottom-billion societies are in countries that are landlocked."⁶¹ This is one of the reasons why they struggle with poverty. These nations are at a disadvantage because as a landlocked country they lack accessible and low-cost transport routes and must pay high costs as a result. In addition to being landlocked, nations that lack navigable rivers, do not have good natural harbors, are located in high mountain ranges, or do not have long coastlines, will be faced with the same issues and increased economic burden. Being landlocked also means a country is trapped by their neighbors since they are dependent upon them for international trade

⁵⁹ Cox, *International Social Work*, 234.

⁶⁰ Acemoglu, *Why Nations Fail*, 48-49.

⁶¹ Paul Collier, *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It*, (Oxford, UK: Oxford University Press, 2007), 54.

assistance and local markets as well. Paul Collier discovered in his research “in general all countries, landlocked or not, benefited from the growth of their neighbors: growth spills over. [So] if a country’s neighbors grew 1 percent, the country grew 0.4 percent.”⁶² This relationship works inversely as well. When a country’s neighbors are not growing and prospering, they, especially when landlocked, have much less of a chance of growing themselves.

The natural resources donned on a country based on their geography also impact their potential for development. While every nation has to fight disease, the nations that lie within warmer climates must face more extreme cases of disease in greater severity. Tropical climates are a breeding ground for diseases like malaria and dengue fever which adversely impact health and consequently labor productivity, further damaging income and the economy as a whole. Also, warm climates and tropical soil hinder productive agriculture which is an important method of development.

Critics argue geography is not a sufficient explanation for the inequalities seen among various countries around the world. Economists Daron Acemoglu and James Robinson believe history shows there is “no simple or enduring connection between climate or geography and economic success” because the tropics have not always been poorer than cooler climates.⁶³ While geography may not be the only explanation, it certainly plays a part in influencing the effectiveness of development around the world.

⁶² Collier, *The Bottom Billion*, 56.

⁶³ Acemoglu, *Why Nations Fail*, 49-50.

Aid Factors

Three main types of aid exist. The first is known as humanitarian/emergency aid. This type of aid is “mobilized and dispensed in response to catastrophes and calamities.”⁶⁴ The second type of aid, charity-based aid, is “disbursed by charity organizations to institutions or people on the ground.”⁶⁵ The third type of aid, known as systematic aid, is “aid payment made directly to governments either through government-to-government transfers (in which case it is termed bilateral aid) or transferred via institutions such as the World Bank (known as multilateral aid).”⁶⁶ Depending on the situation and the type of development that needs to take place, these various types of aid are distributed to the least developed countries.

The role aid plays in the world of development is a hot topic around the globe. “In recent years [aid] has probably been overemphasized, partly because it is the easiest thing for the Western world to do and partly because it fits so comfortably into a moral universe.”⁶⁷ Trillions of dollars have been spent on aid; some would say successfully while others would adamantly disagree. It is difficult to measure the impact of the outcome of aid, but many believe since poverty has not been solved around the world it

⁶⁴ Dambisa Moyo, *Dead Aid: Why Aid is Not Working and How There is a Better Way for Africa*, (New York, NY: Farrar, Straus and Giroux, 2009), 7.

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ Collier, *The Bottom Billion*, 123.

has been unsuccessful. This is a tragedy! William Easterly, an economist specializing in development, reports the reality of the situation:

The West spent \$2.3 trillion on foreign aid over the last five decades and still had not managed to get twelve-cent medicines to children to prevent half of all malaria deaths. The West spent \$2.3 trillion and still had not managed to get four-dollar bed nets to poor families. The West spent \$2.3 trillion and still had not managed to get three dollars to each new mother to prevent five million child deaths.⁶⁸

How can this be? Aid is ineffective at meeting the needs of poor nations and helping them move towards development and prosperity. Good intentions are not enough and have led to more harm than good. The call for the “West to do more for the Rest” has not been as effective as desired.⁶⁹

Much of the world is indifferent to the poverty taking place around the globe, but even those who do care are supporting ineffective efforts of reducing poverty, so everyone is losing out. One of the problems with aid is those who are funding aid projects have little knowledge of people who are poor and what they need. There is a “mindset that pervades the West – that aid, whatever its form, is a good thing” when the numbers refute this.⁷⁰ Statistics show “aid is subject to what is called ‘diminishing returns.’ That is, as you keep on increasing aid, you get less and less bang for the buck: the first million dollars is more productive than the second, and so on.”⁷¹ The serious problems associated

⁶⁸ Easterly, *The White Man’s Burden*, 4.

⁶⁹ *Ibid.*, 6.

⁷⁰ Moyo, *Dead Aid*, 7-8.

⁷¹ Collier, *The Bottom Billion*, 100.

with aid and its limitations are becoming more evident around the world. While aid has many supporters due to its merits, it also has many critics because of its drawbacks.

One of the issues with aid is a lack of accountability and an apathy towards best practice models. This question posed by economists Glenn Hubbard and William Duggan shows some of the reality of the situation: “Why is it that the only thing the aid system can think of to do is more of the same, even if it doesn’t work?”⁷² This is such a hard question because it makes you wonder why, despite extreme funding of aid all across the globe, there has yet to be significant changes to the poverty levels around the world. Nobody was held accountable when the Millennium Development Goals were unmet although progress was made. Unlike a business which would re-evaluate the situation, fire people, and make serious changes when essential goals aren’t met, not much changed as they set the goal for the next 15 years. “The setting of utopian goals means aid workers will focus efforts on infeasible tasks instead of the feasible tasks that will do some good.”⁷³

While aid may not be resulting in progress like most expected, it has at least been holding development operations in place and preventing them from completely falling apart. The bottom billion has seen an annual growth rate increase of one percentage point over the last thirty years because of aid. Without that aid, there would have been a

⁷² R. Glenn Hubbard and William Duggan, *The Aid Trap: Hard Truths About Ending Poverty*, (New York, NY: Columbia University Press, 2009), 85.

⁷³ Easterly, *The White Man’s Burden*, 20.

decrease in the growth rate, leaving people poorer than they are today.⁷⁴ Most people would agree aid is not really solving the problem of poverty, as hoped. Economist Paul Collier stated it clearly when he said, “aid alone is really unlikely, in my view, to be able to address the problems of the bottom billion, and it has become so highly politicized that its design is often pretty dysfunctional.”⁷⁵ This is a huge challenge facing the global community today. Aid agencies will not be the ones to end global poverty but they can help progress towards development through meeting immediate needs.

Globalization Factors

Globalization is a complex phenomenon which has spread around the globe “comprising economic as well as cultural, political, demographic, and technological dimensions.”⁷⁶ Globalization is a “two-way process [where] local, or particular, practices influence universal, or global, practices and universal practices impact particular practices.”⁷⁷ Ideas and practices from these dimensions have expanded outside of their national boundaries and reached nations all around the world. While the most prominent dimension of globalization is the economic aspect, other areas of globalization are influential as well. Globalization is “not only concerned with economic exchanges, but reflects innovations in communications, greater exposure to the world’s diverse cultures,

⁷⁴ Collier, *The Bottom Billion*, 100.

⁷⁵ *Ibid.*, 99.

⁷⁶ James Midgley, *Social Welfare for a Global Era: International Perspectives on Policy and Practice*, (Los Angeles, CA: SAGE Publications, 2017), 42.

⁷⁷ Iyall Smith, Keri E ed, *Sociology of Globalization: Cultures, Economies, and Politics*, (New York, NY: Routledge, 2018), 2.

enhanced political cooperation, increased migration, and growing awareness of the world as a single place.”⁷⁸ The effects of a movement like this around the world are, without a doubt, complicated. Many argue globalization has positive effects on the world while critics of globalization can name many harms it has done.

Those who believe globalization brings positive changes to our world point out globalization “stimulates economic growth by fostering investment, creating employment, and raising standards of living.”⁷⁹ They believe without a doubt when domestic markets are integrated into the world market, prosperity will follow. Multinational companies have created more job opportunities. International trade provides a wider market for buying and selling goods. Critics of globalization offer evidence in opposition to the belief globalization is a positive phenomenon in our world. Some people believe globalization disrupts internal trade markets and the least developed countries have no chance of being competitive in the international market.

Beyond the economic side of globalization, the issues become even more complicated. Most people can see both sides to the benefits and drawbacks of the other dimensions of globalization. “Highly reputable commentators on globalization warn that it can and does have adverse effects, depending, in the eyes of many, how it is handled and regulated.”⁸⁰ In discussing communication technologies, the expansion of the internet

⁷⁸ Midgley, *Social Welfare for a Global Era*, 42.

⁷⁹ *Ibid.*, 46.

⁸⁰ Cox, *International Social Work*, 236.

around the globe has allowed for mass communication and access to information which is an incredible benefit, but at the same time, it has exposed many vulnerable women and children to online sexual exploitation. Cultural diffusion is another issue. The spread of Western culture around the world may “undermine cherished values, and as cultural identities are weakened, many people become insecure, frustrated, and angry.”⁸¹ On the other hand, cultural diffusion is also increasing cultural awareness which leads to further tolerance and appreciation of diversity. While all of these aspects of globalization have opposing benefits and drawbacks the scholars who are adopting a more balanced view “believe that it is possible to minimize globalization’s negative impact and harness its power for the good of all.”⁸² This would be a way for globalization to positively influence development.

Conclusion

Research shows poverty is a complex issue with many factors and circumstances influencing effective development. There is not an easy answer for why some countries are developing and why others are not. Poverty is persistent throughout the world and will continue to be influenced by various factors. Politics, economics, institutions, culture, geography, aid, and globalization are impacting international development and influencing whether a country is able to progress up the development ladder. Someday, hopefully, all nations will be climbing the ladder.

⁸¹ Midgley, *Social Welfare for a Global Era*, 48.

⁸² *Ibid.*, 49.

For this to take place, further research needs to be conducted on the effectiveness of various development practices. Organizations attempting development need to be educated on best practice models and be encouraged to adapt their programs accordingly. One of the issues that stood out in the research is the narrow focus of development programs on one factor impacting development instead of recognizing the interrelated nature of several factors influencing development. In order for effective development to take place, a multidimensional approach needs to be taken in order to address the issues identified in all seven areas influencing the effectiveness of development. Holistic approaches would be best when considering what is impacting a specific development project as it is being implemented and evaluated. International professionals in all of the fields that play a part in development need to get involved in this global work and contribute to the research and scholarship regarding this global issue.

Despite the progress that has been made over the years in alleviating poverty and working towards development, there is still extensive work to be done. For sustainable change to take place in a way that impacts the lives of the most desperate people, more focused efforts in the area of development will need to be implemented. Through best practice models that consider the seven factors influencing development, effective development is possible to achieve.

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