

# The Role of Culture in Neoclassical and in the New Paradigm of Development Economics

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## Introduction:

Neoclassical development paradigm, which was essentially based on the ideas of modernism and classical liberalism fail to take social, psychological, historical, institutional, and cultural factors into account in explaining the development process. In the neoclassical development paradigm of the 1950s and 1970s, it has been asserted that economic development is an autonomous process of economic growth. According to this paradigm, the notion of economic development has the same meaning as the notions of westernisation and modernisation. And parallel to this idea, the neoclassical development paradigm has offered ethno-centric, linear, and universal development patterns to all of the world communities.

According to this development paradigm, culture has largely been regarded as an epiphenomenal and subsidiary factor in explaining changes of social movements and development process. Such a view goes back to the 19<sup>th</sup> Century economic determinism of Marxist provenance, according to which culture as an ideology was actually a reflection of the substructure.

But during the last two or three decades, there has been a substantial change in favour of the recognition of culture in explaining socio-economic movements both in the western world and in developing countries. There has also been a growing concern about the aspects of culture in economic development among social scientists. The notion of development is no longer seen as an automatic result of economic growth. So, parallel to this change, there has been a new paradigmatic shift, which takes culture into account in all development efforts.

This paper aims to examine the role of culture in the neoclassical and in the new paradigm of development economics within a historical perspective. To this end, these development paradigms are comparatively analysed in terms of their basic assumptions and their theoretical background. Then, the role of culture in these development paradigms is put forward and discussed.

## 1. Neoclassical Development Paradigm

The basic characteristics of neoclassical development paradigm will firstly be dealt with in the first sub-section in order to evaluate how this paradigm views culture. In the second sub-section, the theoretical background, which influences the formation of the basic characteristics of the neoclassical development paradigm will be surveyed. The knowledge in these sub-sections will then be used in order to examine how the neoclassical paradigm views culture.

### 1.1. The Basic Characteristics of the Neoclassical Development Paradigm

The most crucial characteristics of neoclassical development paradigm are:

- *homoeconomicus*: In the neoclassical development paradigm, it is assumed that the individual is *homoeconomicus*. In this paradigm, the individual is a rational being who is aiming to maximise his/her own interests, a being who is materialistic and autonomous.
- *regulation based on market mechanism*: In the neoclassical development paradigm, exchanges that take place among individuals who are economically autonomous and materialistic beings, are entirely of economic nature, and hence, these exchanges can be regulated by the market mechanism (Kim, 1993: 82).
- *deterministic view of the development process*: The neoclassical development paradigm has an economically deterministic characteristic. Since this paradigm accepts the laws of economics as the sole scientific knowledge, within the framework of this paradigm, underdevelopment phenomenon is explained *only* by these laws. Again under this paradigm, economic growth and economic

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development are seen as one and identical, and it is assumed that economic development will also bring along the overall development of the society and the individual.

- In the neoclassical development paradigm, there is confusion of means and end. Although in the early studies in the literature of development economics it has been indirectly or directly stated that *development for human* was the main aim and that in order to achieve this goal, sustained growth of production was an instrument, in the formation of the neoclassical paradigm, mainly, studies that emphasise the aim of sustained growth of production have been dominant. Hence in this paradigm, it has been ignored that the aim of sustained positive growth would bring along some problems such as alienation and the deterioration of the world ecosystem, and that the individual who uses nature and technology to achieve sustained positive growth would live increasingly under the constraints of nature and technology. Under this paradigm, although *development for human* has been taken into consideration, *human development* which is as important as development for human has been ignored.

- *commodity-centric view of the development process*: The neoclassical development paradigm which sees the development of societies and individuals in the economic development and more accurately in sustained positive growth, has a viewpoint which is far from being *homo-centric* and which is *commodity-centric* aiming to maintain a sustained growth of production. In other words, the main aim of the neoclassical development paradigm is not to achieve development for human, but to maintain a sustained growth of commodity production.

- *Euro-centric view of the development process*: The neoclassical development paradigm holds a *Euro-centric* viewpoint along with the *commodity-centric* viewpoint. The Euro-centric viewpoint asserts that in the process of development there is an absolute and universal path, valid for all societies and economies, and that due to this, the “development” cannot differ among societies and cultures. And of course, this universal development path must follow the experience of European nations.

This viewpoint ignores the fact that people could perceive development differently according to their identity (gender, religion, ethnic identities) or to the communities to which they feel they belong. In other words, in the Euro-centric viewpoint an attitude which is closed to the difference of human existence and hence to its incomparability is displayed (Cakmak, 2003: 50).

- *Positivist view to the economic development process*: According to the neoclassical development paradigm, economic development is an a priori process, which needs to be defined, analysed, explained, and planned, and it would not be sensible to judge this process. In the economic development process, good–bad, positive–negative, right–wrong opposition is in Hume’s words as meaningless and unscientific as the discussion of whether vanilla ice cream or chocolate ice cream is better. This kind of judgement would only be an outburst of emotions such as approval–non approval, like–dislike (Markovic, 1993: 50).

## 1.2. The Theoretical Background of the Neoclassical Development Paradigm

There are some basic cultural/philosophical developments underlying the formation of the basic identifying characteristics of the neoclassical development paradigm. The development theory of neoclassical economics and the modernisation theory which is considered to be its equivalent, are based on the three crucial cultural/philosophical developments which occurred in Europe between the 17<sup>th</sup> and the 20<sup>th</sup> centuries.

**1.2.1. The Enlightenment:** The Enlightenment is the most important philosophical/cultural development behind the neoclassical development paradigm. The Enlightenment is “a set of interconnected ideas, values, principles, and facts which provide both an image of natural and social world, and a way of thinking about it” (Hamilton, 1992: 21). Although there are various discussions, the basic ideas of the Enlightenment can be summarised as follows: *reason* is the process of rational thought and principal way of organising knowledge; *empiricism* is all knowledge based on empirical facts and which can be apprehended through the senses; *science* is the knowledge which is the key to expanding all human knowledge; *universalism* is reason and science producing general principles and laws which can be applied to all situations everywhere; *progress* is the natural and social condition of humans which can be improved through the application of reason and science; *individualism* is the situation in which the individual cannot be subjected to a higher authority; *secularism* is secular knowledge and structures replacing traditional religious authority; *toleration* is all humans being

essentially the same, and the understanding that the beliefs of other races are not necessarily inferior to European Christianity; *uniformity of human nature* is the concept that the principal characteristics of humans are always and everywhere the same; *freedom* is the opposition to feudal and traditional constraints on beliefs, trade, communication, and ownership of property (Schech & Haggis, 2003: 5).

It can be observed that the basic factors of the Enlightenment are influential in the formation of the basic characteristics of the neoclassical development paradigm of the 1950s and 1960s. For example, the impact of Enlightenment ideas such as “reason, science, empiricism” on the economic deterministic characteristic of the neoclassical development paradigm and the regulatory view of this paradigm based on market mechanism is apparent. Or the effect of the “uniformity of human nature” on the formation of the neoclassical development paradigm’s characterization of the individual is observed or the effect of rational–empiricist philosophical characteristics of the Enlightenment behind positivist development concept based solely on systematic scientific knowledge is observed. Similarly, the Enlightenment idea of universality is clearly apparent behind the Euro–centric viewpoint of the neoclassical development paradigm. Or along with the technological improvements of the 19<sup>th</sup> and 20<sup>th</sup> centuries, the impact of the idea of progress embodied in qualitative values such as increase in commodity production, increase in productivity, increase in consumption, on the formation of the commodity-centric characteristic of the neoclassical development paradigm is apparent.

**1.2.2. Classical Liberalist Philosophy:** Alongside the Enlightenment, the secondary philosophy which fostered the formation of the neoclassical development paradigm is classical liberalist philosophy. According to all major classical liberal philosophers, human nature contains greedy, selfish, possessive, aggressive individualistic elements. Old classical liberalist philosophers who considered these values of the individual as universal values independent from time and space, have dealt with the concepts of freedom and state within the framework of the protection of these universal values. In the old classical liberal philosophy, while saving and ownership rights were the main focus in the determination of individual freedoms, the state was mainly viewed as an institution which protects these rights of the individuals<sup>1</sup> (Korsgaard, 1993: 57).

On the other hand, this view of classical liberal philosophy to the individual and the state has been criticized by the new liberalist philosophy<sup>2</sup>. New liberalist philosophers such as J. Rawls, have emphasised the freedom of individuals experiencing their own autonomies, ideals, and identities and human development in individual freedoms and have emphasized the development of the human, and they have claimed that at this point, the actual role of the state is solely to monitor the fair allocation of primary goods necessary for each citizen to pursue his/her own good (Korsgaard, 1993: 58). In other words, while within the framework of classical liberalist philosophy, development for the human has been taken as a basis in the concept of freedom and state, in the new liberal philosophy, quite a different understanding of individualism has been followed, taking human development as a basis. The individualism in classical liberal philosophy is indissociable from the theme of equality, that is to say individuals are perceived not in terms of their particularities, origins and projects, but rather in terms of their uniformity, what makes them autonomous in relation to their background, from which modernisation seeks to separate them as completely as possible (Touraine, 1988: 444). As has been observed, the intellectual roots of the understanding of individual freedom of the neoclassical development paradigm rests on the 17<sup>th</sup> and 18<sup>th</sup> Century liberalism. So that, in the neoclassical development paradigm, rather than the freedom of experiencing individual autonomy and individual identity, freedom of saving and ownership, and economic policies practiced in order to protect these freedoms have been emphasised.

Similarly, the neoclassical development paradigm has defined a human profile which is obsessed with goods, and conspicuous production and consumption; which has fostered an individualistic understanding, which underestimates the social rights of other societies and individuals, and which takes up the development of the (western) human, allowing the freedom to plunder nature limitlessly, without committing to any social responsibility to protect nature (Markovich, 1993: 47). When viewed from this point, one of the basic characteristics of the neoclassical paradigm, the aim of development for the human and the effects of the classical liberal thought behind the confusion of “means-end” of this paradigm can be seen.

**1.2.3. Utilitarianism:** Weber has put forward the role of the protestant ethics in the increase of the sustained commodity production which has created the development of capitalist society. Along with Weber many social scientists have also claimed that, the protestant ethics is influential in fulfilling the hard work, the saving and the daily heavy living conditions necessary for the primary accumulation and unlimited production of capital. While the Protestant ethics is preparing the necessary background for the primary accumulation of capital; at the same time, for capitalism to progress, the political culture which would justify market enlargement and excessive consumption is also needed. Hence, for the capitalist system to work effectively, puritan capitalism and secular Hobbesianism somehow needs to be combined (Bell, 1976; Kim, 1993). At this point, the utilitarian philosophy of classical liberalism comes into the picture (Markovich, 1993: 48). According to the utilitarian philosophy of classical liberalism, all of our actions which increase utility are good so long as they increase our utility. In this approach, the utility is defined as more satisfaction for a larger number of people. As classical utilitarian analyst, Bentham advances, the satisfaction that is acquired from various goods has the same value and these can be measured and added quantitatively. For example, the utility obtained from thumbtack consumption and poetry reading mean the same and because of this the utility obtained from each can be added quantitatively (Markovich. 1993: 50). When viewed from this point, neoclassical development policies' aim of creating more production and more consumption for more people and satisfaction, reveals the utilitarian philosophy that lies behind the neoclassical paradigm.

In the utilitarian approach, the idea that the individual singularly pursues his/her own interest and aims to maximise his/her individual utility is also underlined. In this approach, there is no room for helping out each other, for awareness of public spirit, for altruism, etc. Still, from this viewpoint, the intellectual root of the *homoeconomicus* and the *commodity-centric view* which are the basic characteristics of the neoclassical paradigm can be clearly seen.

### 1.3. The View of the Neoclassical Paradigm with Regard to Culture

The common viewpoint of the studies which appear in the neoclassical development paradigm towards culture is that it is considered as an epiphenomenal concept and that it is dealt with as a secondary role in explaining social events (Kim, 1993: 80). In fact, culture is an indispensable base of each country's modernisation project. Yet, the determining role of culture on socio-economic events, by the effect of a modernist/positivist tradition, has been limited in both the neoclassical development literature and the Orthodox-Marxist literature. However, although a consensus has more or less been reached concerning the secondary role that neoclassical development economists attributed to culture in influencing social events, there has been no consensus in the direction and intensity of this role. At this point, two main arguments are being brought forth. According to the first argument, culture is a factor preventing economic development. This is because, continuing and obstructive persistence of tradition would block substantial modernisation as traditional values and institutions are incompatible with modernity (Dube, 1988: 506). According to the other argument, culture is considered to be a secondary policy tool in the economic development and the modernisation project. In fact, in both arguments, the traditional values and institutions of less developed countries have negative impact on the process of economic development. However, the most important difference in the second argument is that a linear transformation process from a traditional society to a modern society is unavoidable and that because of this, traditional structures which have a negative effect on economic development would not leave their marks in history and cultural policies would be secondary policies in this linear transformation process. The first view emphasized the immutability of tradition, the second considered it of no special consequence in halting the process of history. The former view continued to persist, though with a slight shift (Dube, 1988: 506).

M. Weber (1952) who asserted the positive effect of Protestantism on the progress of capitalism was one of the first modernist social scientists who claimed that culture would be an obstacle to economic development. Weber has made little mention of the dynamic structure of culture (Schech & Higgs, 2001: 21). Weber found that Protestant religious teachings, and the secular interests generated by it, substantially contributed to the development of the spirit of modern capitalism. And, he argued that the spirituality and otherworldliness of Hinduism, along with its associated caste system, were not compatible with this system (Adams, 2001:153). Later on, some of the modernist social scientists who followed Weber have also tried to assert the negative preventive effects of certain eastern cultures on development. For example, D. McLelland (1971), R.Kluckhohn, and F.

Strodbeck (1961) have put forward that societies which have more rational values grew faster. Similarly, R. Mishra (1962) stated that *karma* philosophy, and societies which adhered to this philosophy were bound to remain underdeveloped. Following Mishra, W. Kapp (1963) also tried to assert that traditional social institutions (such as kinship relations, caste, large family relations) of Hinduism and other eastern cultures prevent economic development<sup>3</sup>. (Alexander & Kurman, 1992:22).

On the other hand, there is the second view which considers the dynamic structure of culture in the neoclassical paradigm and which asserts that cultural change is unavoidable in a linear development paradigm. Also according to this view, culture would be dealt with as a secondary factor in the economic development process. For example, W.W. Rostow, sees culture as a secondary policy tool which needs to be dealt with in the obtaining of the stages of growth, modern science and technology (Rostow, 1971: 18). Rostow who claimed that cultural change would certainly come about throughout the linear stages of growth, sees culture of traditional societies as an obstacle to the modernisation and westernisation path of less developed countries and asserts that the individuals of these countries need to change their old cultures in order to adapt to modern institutions and activities: "Psychologically, men must transform the old culture...The face to face relations and warm, powerful family ties of a traditional society must give way, in degree, to new, more impersonal systems of evaluation in which men are judged by the way they perform specialized functions in the society (Rostow, 1971:58-59). Similarly, just like Rostow, H. Leibenstein (1978) dealt with a cultural change process as a condition of transformation from a traditional society into a modern capitalist society. Leibenstein thought of modernisation as a basic condition of transformation from a traditional society where non-economic criteria are valid, into a society where rational individuals who tend to take risks exist and hence at this point stated the necessity for old culture to change (Leibenstein,1978: 136-138). Similarly in his book entitled *Asian Drama*, G. Myrdal (1968) asserted that traditional societies would not modernise as long as they do not change their traditional values, beliefs, and institutions, and considered cultural change as a policy tool in the economic development process.

In fact, while most neoclassical economists such as Lerner (1958), Myrdal (1968), and Rostow (1971) presented a uniform, linear development path on the way to economic development, some exceptional ones such as Leibenstein (1963), and Lewis (1963) have accepted the existence of multiple development paths. Although they recognize the possibility of multi-linear paths of development, their vision regarding the place of culture and tradition in the higher reaches of modernisation is extremely blurred. The economic calculus of contemporary theories of development does not place culture in its inventory of human needs (Dube, 1988: 508). Moreover, in these studies which are developed under the neoclassical development paradigm and which advance the possibility of multiple development paths, neither a criticism has been made to the core/essence of the paradigm, nor has a development path alternative to the modernist/capitalist view of the neoclassical development paradigm been suggested. On the other hand, it has been observed that the anti-modernist development policies have been practiced by many governments especially after World War II. Countries where the socialist Soviet model has been practiced can be given as an example to this. But as it is known, in socialist development projects, the culture component has also been ignored. However, in certain Asian, African and Latin American national regimes or in third world revolution models, intellectuals of these countries have placed importance on multi-culturalism, and have imposed a model which protects it (Touraine, 1988:451). However, theoretical and powerful criticisms to the problems that the neoclassical development paradigm contains in viewing culture have only been brought by the approach of basic needs ethics which has been shaped in the 1990s, and due to this approach, the formation of a new paradigm alternative to the neoclassical development paradigm has begun.

## **2. The Formation of the New Development Paradigm**

Because of certain problems that the general structure of the neoclassical development paradigm contained and specifically because of the way it viewed culture, this paradigm and its outlook on culture have entered a process of dissolution and has been subjected to questioning from various perspectives. For instance, some economists claiming that the way neoclassical development paradigm views culture does not answer the needs of the capitalist system which has entered a phase of globalisation, to regenerate itself, have revealed the economic dilemmas of the neoclassical view.

(Claval, 1981; Amin & Thrift, 1995; Eraydin, 2002). On the other hand, some social scientists asserted that the capitalist system's unlimited commodity production demand made possible by secular Hobbesianism, does not meet the ethic aim of society which emerges from puritan capitalism and by claiming that there is conflict between the socio-economic and cultural areas of modern capitalist society, they have put forward the sociological dilemmas of the neoclassical view (Kim, 1993; Markovic, 1993). However, the neoclassical development paradigm and the way it views culture, have yet another important problem which we shall try to examine in this study. This is the ethical problem that the neoclassical development paradigm carries within itself, as it accepts that western culture is the only culture suitable for human civilisation and as it views the engagement of other cultures into the dominant culture through cultural imperialism as a natural process of industrial development (Oruka, 1993: 76).

The ethical aspect of the way neoclassical development paradigm views culture has been questioned especially after the 1990s by certain development ethics studies, which could be labelled as the basic needs ethics and the doors to a new paradigm have been opened. With the literature of development ethics and the approach of basic needs ethics, issues such as human rights, equality, identity, local cultures, local values, and minority rights started to be dealt with widely in the concept of development. However, the effect of the first studies of the development ethics, which tried to consider the source of the problems found generally in modernism and particularly in the neoclassical development paradigm, has remained limited. However, in order for these issues to lead to more profound discussions, for the issues discussed to become more distinct and clearer and for the conflicts concerning these issues to be revealed, there has been need to conduct theoretically based studies against modernism and the neoclassical approach. Consequently, in later development ethics studies, the aim was to connect and refine different principles concerning issues mentioned above, and to build systematic theoretical alternatives (Des Gasper, 1996: 645). The neoclassical development paradigm has been systematically and profoundly discussed under two main alternative theories, and the explanation power of these theories in the face of reality has been revealed. While the first of these theoretical alternatives has been based on Kant's analysis of ethics, the other has been based on Aristotle's analysis of ethics. Although in this study comparisons with Kant's analysis will be occasionally used, the formation process of a new paradigm based on neo-Aristotelian ethics theory will mainly be dealt with. In order to take into account this process, firstly the basic characteristics of the new paradigm will be studied. In the second sub-section of this section, the theoretical background which has been influential in the formation of the basic characteristics of this new paradigm will be studied. Later on, this knowledge will be evaluated and the way this new paradigm views culture will be dealt with.

## **2.1. The Basic Characteristics of the New Development Paradigm**

The basic characteristics of the new development paradigm can be laid out as below:

- *non homo-economicus*: In the new paradigm, the view that the individual is solely a homoeconomicus is refused. Since in the framework of this paradigm concepts of the awareness of public spirit, helping each other also exist, the individual is not a materialistic being who is only pursuing the maximisation of his/her interest.
- *regulation which is not based solely on market mechanism*: Since in the new paradigm, concepts of helping each other, of awareness of public spirit, etc. are also emphasized, the exchange that take place among individuals is not solely of economic nature and hence, the exchanges among these people cannot be regulated only by the market mechanism.
- *non-deterministic view of the development process*: The new paradigm is not reducing the development process only to the laws of economics; in the economic development process, alongside economic structure, culture, the factor of religion or the importance and impact of institutional or social structure are also asserted. On the other hand, within the framework of this paradigm, while economic growth and economic development are not seen as same and identical, the difference between economic growth and economic development is also underlined. In other words, the idea that economic development would bring about development as a whole is being rejected.
- *human-centred view of the development process*: The new paradigm which makes the distinction between the concepts of economic development and development, refuses the viewpoint of the

neoclassical development paradigm which aims for economic growth and economic development, and the commodity-centric viewpoint which sees sustained positive growth and unlimited commodity-production increase as a policy tool to reach this aim. In this paradigm, it is emphasized that in the development process not only the economic dimension but also all other dimensions (social, cultural, etc.) should also be considered and that essentially human development should be aimed.

- *multi-patterned view of the development process*: The new paradigm has taken a critical stance towards the Euro-centric viewpoint which places western culture as the protector of other cultures by claiming that there exist a good culture or a set of cultures over all other cultures and that cultural dominancy is a function of economic-military-political power and a critical stance towards the single type development project imposed by this viewpoint. Moreover, some social scientists have defined this modernisation project which is advanced by the neoclassical paradigm as a “despotic enlightenment project” (Touraine, 1988). Under this paradigm, the possibility of anti-modernist development patterns which consider country specific factors such as multi-cultural, institutional, social, religious factors and which protect these has been emphasized.

## 2.2.The Theoretical Background of the New Development Paradigm

While objecting to modernist/neoclassical approaches which present absolute and universal knowledge, the new paradigm which has been shaped by the approach of basic needs ethics has ignored neither cultural choices and cultural identities, nor individual choices and individual identities, and within this framework has considered the difference between individuals, cultures, and societies; at the same time, it has refused the post-modernist<sup>4</sup> way of presenting knowledge which sees relativity as the primary characteristic and hence misses some universal forms. In the formation of this new paradigm, there lie two significant analyses.

**2.2.1. Sen’s capability analysis:** The study which is accepted as most significant in the formation and development of the approach of basic needs ethics and which formed the basis to this approach is Amarta Sen’s (1983, 85) capability approach. In fact, Sen’s capability approach is not a study which has been presented as a “needs ethics” approach. Yet, this approach has led the way to the studies of “development ethics” and in this context to the studies of “basic needs ethics” and moreover in his later studies, Sen (1993) himself established connections between his approach and the basic needs ethics.

According to Sen’s capability approach, the development process is the process of actualisation and improvement of individual functionings such as the individual being able to *actualise* what he/she can do (performing a fulfilling job and profession) and the individual being able to *reach* his/her potentialities (reaching a specific aim). The improvement of these functionings, on the other hand, depends on the individual being able to make free choices among various alternatives. As for freedom, it is closely related with the improvement of *individual capabilities*. In other words, capability refers to a situation in which the individual is able to use his/her possibilities and his/her power in the degree and the ways he/she chooses (Sen, 1993: 31). These capabilities are classified as; (1) well-being achievement, (2) agency achievement (obtaining other aims other than well-being), (3) well-being freedom, (4) agency freedom (freedom of pursuing aims other than well-being). According to Sen’s capability approach, the individual’s set of capabilities need to be considered not as the actualised aims shown in items (1) and (2), but need to be considered mainly as choice of opportunities shown in items (3) and (4) (Gaertner, 1993: 64).

Under these four main distinctions, the difference between classical-liberal utilitarian approach and the capability approach is clearly seen. What this means is that, in the capability approach the individual achieves well-being and agency goals and has the freedom to pursue well-being and agency goals. In other words, within the framework of this approach, the sole aim of the individual may not be to maximise his/her utility or his/her well-being; the individual may have other aims whose aim-values may be as valuable as the aim of achieving well-being and which are determined through his/her own freewill. Therefore, the individual’s aims and related needs of commodities that he/she has determined by considering various factors in line with his/her own measure and values will vary according to the society he/she lives in, the culture he/she is in, to the individual identity, and to time, etc. (Sen, 1993: 47). In other words, the basic needs that will provide individual development or “commodities and

capabilities relation” will show variation among individuals, societies and cultures. In this context, Sen’s capabilities approach has shown the way to abandon the standard liberal utilitarian approach and at the same time to abandon the Euro-centric viewpoint put forth by modern approaches, which are absolute, universal and not flexible to change.

### **2.2.2. The Neo-Aristotelian Analyses of Martha Nussbaum**

As Sen himself and many theoreticians have stated, Sen’s capability approach is an incomplete approach (Sen, 1993: 47). The scope of the capability approach has been improved and expanded even in Sen’s own studies. By examining studies based on Smithian, Marxist, Hegelian, Kantian or Aristotelian tradition which improved and expanded his studies, Sen more systematically expanded some points of his own approach under the light of these studies. On the other hand, Sen himself claimed that the version of the capability approach, improved and extended while remaining faithful to the original, is the neo-Aristotelian analysis developed by M. Nussbaum (1992) (Sen, 1993: 46).

In Aristotle’s approach, the individual is not considered solely a “homo-economicus” but also as a social being involved in social interaction. Unlike Kant<sup>5</sup> who refuses that the human is equipped to reach happiness, Aristotle, like all ancient Greek philosophers claims that the highest aim of all our efforts is to reach happiness and hence to actualise “a good life.” While in the Aristotelian understanding of ethics, there is a discussion of a “good life”, the lifestyles and values of societies under different conditions and traditions are also evaluated (Des Gasper, 1996: 647)

Nussbaum (1992, 1995) who develops her analysis from a neo-Aristotelian framework aims to develop a picture of factors necessary for an individual to have a “good life” and defines a set of necessary functions for such a life. In her study, Nussbaum argues for the necessity of functions which are structurally quite different from functions presented by the standard utilitarian approach, such as the individual’s forming his/her own concept of good; having critical sufficiency to plan his/her own life; defining himself/herself sexually. Within the framework of Nussbaum’s theory, these functions show variation according to individual preferences or local cultural concepts. Although there is ambiguity in this discussion of a “good life”, Nussbaum states that her theory of good which is itself ambiguous should be preferred over theories such as the homo-economicus model which are absolutely wrong (Nussbaum, 1992: 215).

On the other hand, many social scientists such as Wallach (1992), O’Neill (1993), Des Gasper (1996), and Khan (2004) have pointed to the dangers in adapting Aristotle’s views to different structures. As follows, the more the pictures of the human good are expanded, the more difficult it will be for compromise over basic needs to actualise. However, on the basis of the capability approach, Nussbaum claimed that basic human needs cannot be limited by locality, that the individual in the modern world is not only a member of a local community but also a member of an increasingly globalising human community. (Nussbaum, 1995: 26).

To summarize, while adapting the strong form of individualism, Nussbaum asserts the universal needs of a good life (or of basic human needs) and by extending Sen’s capability approach under a neo-Aristotelian analysis, she enriched the theoretical background of the new paradigm. Functions such as the individual living his/her own life, the individual not meeting with interference in specific critical decisions that he/she will take, are according to Nussbaum, universal necessities required for a good life. But, individual and cultural differences in reaching these universal necessities and therefore reaching a “good life”, must be taken into consideration. In other words, Nussbaum has claimed that universality and locality are factors which must be considered together.

The basis of the studies of Sen and Nussbaum have later been revisited by many theoreticians such as Doyal and Gough (1991), Glover (1995), Cohen (1993), Gaertner (1993), Crocker (1991), Erikson (1993), Korsgaard (1993), Nussbaum (1995), Des Gasper (1996), Elwan (1999), and Khan (2004) and basic needs ethics has gained importance as the formation of a new paradigm. Along with these studies, important values/issues such as freedoms, justice, human rights, cultural rights, and cultural development have been carried on to the literature of development economics. Hence, starting from the 1990s, because of intense discussions which occurred concerning approach of basic needs ethics, the issues mentioned above have been included in the economic development and cultural development policies of various international organisations and national governments.



### 2.3. The View of the New Paradigm with Regard to Culture:

In the formation of the new paradigm which aims to both abolish the neoclassical paradigm's elitist attitude towards the western culture and to challenge the economic deterministic approach of orthodox Marxism, culture is neither a factor preventing economic development nor is it a secondary instrument in the process of economic development, nor is it a factor independent from economics and politics. In the new paradigm which considers culture's treatment in the economic development process as a secondary policy instrument or as a parasite, as anachronistic, culture is seen as being related to techno-economic structure, sometimes as the initial factor, other times as the reactionary factor and as a dynamic component in the determination of development conditions. From this perspective, culture is a network of representations –text, images, talk, codes of behaviour, and the narrative structures organising these- *which shapes every aspect of social life* (Schech & Haggis, 2003:26). In this paradigm culture is productive, in the sense of being an active component in the production and reproduction of social life.

The new paradigm, as emphasised in the previous sections of this study, asserts that within the development concept, quality of life should be increased for all world communities and individuals under criteria such as human rights, equality, diversity, identity, local cultures, local values, minority rights, democracy, and welfare. Within the framework of this paradigm, any consideration of quality of life will be meaningless if it does not take into account deeply held cultural values. Similarly, human resource development has vital cultural underpinnings. The notion of basic or minimum needs again is originally linked to culture. And most human situations and goals lean on cultural definitions and valuations (Dube, 1988: 508). Since, culture has important aesthetic, psychic, creative, and integrative functions, according to this paradigm, culture cannot for any reason be given a secondary role (Dube, 1988: 509).

The new paradigm which considers the process of development in its entirety emphasizes the necessity of cultural development<sup>6</sup> and human development besides economic development. Within this paradigm, while culture is considered as a dynamic component related with techno-economic structure; the possibility of multi-cultural economic development patterns which will protect various identity differences among societies, individuals and cultures has been asserted.

On the other hand, while the new paradigm presents a development pattern based on multi-culturalism by taking into account differences among cultural identities and considering the cultural development of different cultures as one of the criteria of quality of living, at the same time it refuses the post-modernism which proposes relativity as the primary characteristic. While under this approach, the understanding of unity in the difference and the grasping of the generality are aimed through accepting and considering the existence of the difference, the dynamic nature of culture is absolutely taken into consideration. Within this paradigm, culture is an organism which has an internal dynamism, which is variable and living; and hence a culture which wants to survive and develop, needs to adapt its thoughts, values, and practices continuously according to changing conditions and time. In other words, one must not get buried in history for the sake of protecting cultural identity. An approach to the contrary would lead to isolation, self reservation and in the final analysis, to aggressiveness, breakdown of communication, nationalism, and fanaticism (Agazzi, 1993: 27).

#### Conclusion:

The neoclassical paradigm which has roots going back to the economic development/growth analysis of classical economists such as Smith or Marx was mainly shaped by the development economists of the 1950s and 1960s. And, it has acquired its theoretical background from the Enlightenment, classical liberal philosophy, and utilitarian thought. On the other hand, the failure of policy implications of this development paradigm, its inability to respond to the needs of continuously changing capitalism or its ethical problems have caused this paradigm to be severely wounded after the 1970s.

Especially, starting from the 1980s, the ethnocentric structure of the neoclassical paradigm which accepts that western culture is the only culture suitable for human civilization and which views the engagement of other cultures into the dominant culture through cultural imperialism as a natural process of industrial development has been criticized by many social scientists. However, with the coming of the 1990s, the ethical problems created by the ethnocentric structure of the neoclassical

paradigm have increasingly been exposed by theoretically based studies and the doors have been opened for the formation of a paradigm alternative to the neoclassical paradigm. In the formation of this new paradigm, the process of development has been accepted as a whole, and during this process, under the criteria of quality of life, the protection and development of cultural identities, and the need to accept the fact that all cultures have equal economic and development rights have been taken as a basis.

In the formation of this new paradigm which asserts that local values such as culture, religion, and tradition, and the coexistence of many voices cannot be ignored during the development process, at the same time, it has been argued that in the modern world the individual is not only a member of a local community, but also a member of an increasingly globalising human community. Under this paradigm, in the light of local conditions, it has been stated that just as certain human goods are particular to the “local-specification”, and that again under local conditions and tastes, other human goods are particular to the “plural-specification” (Nussbaum, 1995: 94).

As much as cultural identity is important, the dangers of exaggerating the politicisation of local cultures should not be discarded, the dangers of self reservation, aggression, and conflicts should be taken into account. At this point, through cultural development policies with the aim of continuous interaction and exchange of culture with all other cultures, the need to take the “one world, one citizen” slogan as the main aim should not be ignored.

#### **Footnotes:**

1. For example, according to Locke who is considered to be the true founder of the 18<sup>th</sup> Century Enlightenment and one of the greatest classical liberalists, individuals must hold the saving and property rights of land or other production means etc. which they use or consume. However, the right of other individuals should not be damaged through excessive demand for property. As a major representative of the classical liberal understanding which states that the primary duty of the state is to protect the freedom and property rights of its citizens, Locke states that the property rights of the individual need to be guaranteed by the state (Korsgaard, 1993: 58).

2. As it is known, the viewpoint of classical liberal philosophy to the state is different from that of the new liberal philosophy. According to the new liberal philosophy, the primary duty of the state is neither to educate its citizens for a good life as in the Aristotelian theory of the state, nor is it to turn citizens into the right people as in the Marxist theory, and again within the framework of these aims the state does not have the right to use force. One of the new liberal philosophers J. Rawls asserts that in the liberal state theory, the primary duty of the state is only to control the fair allocation of primary goods necessary for each of its citizens to pursue his/her own good. At this point, the new liberal understanding, as Locke and Kant have proposed, refuses the old classical understanding which claims that the primary duty of the state is to protect the freedom and property rights of the individuals, and it considers the old liberal understanding too conservative. Here, two major objections come into play. The first objection is that the property right, which according to old liberalism should be protected under the guidance of the state, is a human right independent from the state and born before the existence of the state. The second objection is that the understanding of freedom of old liberalism proposes a depressing understanding of freedom. If the state proposes a guarantee for freedom rather than for good life to its citizens, then this means that the state does not guarantee to provide certain services such as food, health which are necessary for a good life or for freedom, and it is hard to consider this type of a theory as a liberal welfare state theory (Korsgaard, 1993: 59).

3. There are also other theories in the development literature asserting the opposite of these theories which claim that Hinduism or other eastern cultures prevent economic development. For example, Srinivasan (1958) or Dube (1963, 1976) have argued that certain factors of the eastern culture motivate economic development.

4. Post-modernism has looked critically upon the extreme scientific attitude, which places an absolute distinction between the knowing subject and known object, and which sees knowledge about known object as absolute and universal. The most important criticisms directed towards Post-Modernism concerning the literature of development can be listed as follows: its destruction of all ways of knowing while it criticises ways of knowing, its disregard of the whole to which the singular belongs while emphasising the singular, its failure to perceive social realism as a holistic process, its disregard that both the Enlightenment and modernisation are meaningful concepts in a historical process while it criticizes them (Ercan, 2001: 220-221).

5. Kant refuses the claim of most ethics disciplines which state that nature has created the human with the aim of reaching happiness. This is because, in order for the human to be happy, his/her impulses are enough. As

a matter of fact, animals also lead their own lives with their impulses. However, other than their instincts humans also have *intelligence*, and this power called intelligence is not a good guide to make humans reach happiness. Hence, according to Kant, “nature will have considered something other than happiness for the human” (Gökberk, 1994: 406).

6. Although the cultural development process is essentially defined as the process of continuing and developing all distinguishing material, spiritual, intellectual and emotional characteristics and wealth of all societies, again under this definition, the importance of seeing and developing the distinguishing characteristics and wealth of all other cultures which need to be considered as having the same rights, the same dignity, the same living standards and at this point engaging in cultural exchange with other cultures has been especially emphasized. Although a definition of cultural development has more or less been clarified, considering the quantitative criteria of this development is still problematic. This is because, the most profound and typical cultural values are in essence qualitative. Measuring values such as intellectual creativity, moral honesty, beauty, the spirit of solidarity, civil responsibility in cultural structures and taking advantage of opportunities for the development of these cultural values is quite a problematic area and hence it is difficult to determine cultural development programmes.

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