

Development, Sustainability & Culture (WM0942TU): work group 1a

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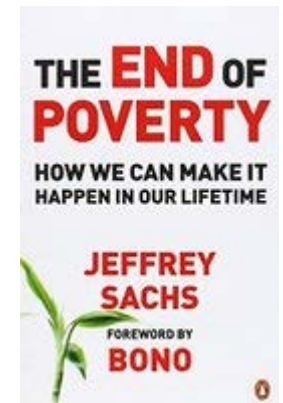
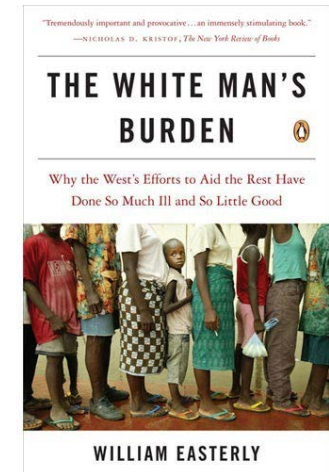
Section Ethics & Philosophy of Technology

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Today's programme

- You have read:
 - Sachs Ch 4: Clinical economics
 - Easterly Ch 10: Homegrown development
- You are recommended to look at the other chapters of these books as well
- Today's case: Sachs & De Jolie in Sauri, Kenya
- Assignments, esp. Development & Poverty Analysis
- First, short introduction to the weekly assignments, the Analyses, and the final assignment: the Feasibility Report



**Introduction to the workgroups
based on the
Guide for making the Feasibility Report
using five types of analysis**

Main questions

- Under which conditions is a development project successful?
 - Focus on internship: How can my internship project become a success; i.e. result in a successful innovation?
- Under which conditions does a development project contribute to development?
 - Focus on internship: How can the internship project become a useful contribution to development?

Types of Analysis

1. Development & Poverty Analysis (Sachs & Easterly: poverty diagnosis & homegrown development)
2. Institutional Analysis (Acemoglu & Robinson: inclusive vs extractive)
3. Cultural Analysis (Hofstede, Trompenaars & Kroesen: cultural dimensions)
4. Civil Society Analysis (Hansen, Hyden & Sardan: fair & open playing field)
5. Innovation Analysis (Hekkert: functions)

1. Development & Poverty Analysis

Read & use: Sachs, Chapter 4 & Easterly, Chapter 10

Focus on country:

1. The nature and distribution of poverty and its ultimate causes / potential risk factors – including commodity price fluctuations and ‘climate shocks’
2. Physical geography – including transport conditions, agronomy, population density and the disease landscape
3. Government policies and capacity to invest in infrastructure
4. Governance patterns and failures, especially civil rights and corruption
5. Cultural barriers – especially gender and ethnic divisions
6. Geopolitics – especially cross boarder threats (wars / refugees) and also trade relations
7. Historical backgrounds – especially colonialism, state formation & nation building

2. Institutional Analysis (part 1: the country)

- Read and use: Acemoglu & Robinson, Chapter 3
- What is the character of the political institutions? Inclusive or extractive?
 - Democracy (one person one vote / equal rights) or autocratic rule (favours & corruption)?
 - Pluralism or control by elite?
 - Meritocracy or heredity?
 - Private or state property?
- What is the character of the economic institutions? Free market / level playing field vs monopolies / state-owned companies
- What is the measure of centralization of the state? Is there a strong state, able to enforce law and order? Or are the institutions “empty”, not working?

2. Institutional Analysis (part 2: the internship project)

- Which institutions are relevant for your internship project?
- Make an assessment of these institutions in terms of inclusive and extractive
- Which reforms are necessary to guarantee the development success of your project?
- Or, practical, what can you do to neutralize negative institutions?

3. Cultural Analysis

Read & use: Kroesen, Chapters 1, 6 & 7

- Which cultural dimensions are enablers for
 - Development projects & development in general
 - Your internship project in particular?
- Which are barriers? (Same sub-questions)

4. Civil Society Analysis

Read & use: Hansen, Hyden & Sardan

- What is the situation in your country in terms of the alignment of individuals and organizations independent from family loyalty and state authority?
- How is that important for your internship work?

5. Innovation Analysis (part 1: the internship project)

- Read & use: Hekkert
- How does the economic or technological sector of your project scores at the seven functions* and what actions are necessary for the successful implementation of your internship?

*Entrepreneurial activities, Knowledge development, Knowledge diffusion through networks, Guidance of the search, Market formation, Resources mobilization, Creation of legitimacy / counteract resistance to change

5. Institutional Analysis (part 2): the country

- What is the business system like?
- How do markets function?
- How is education organized?
- How is research organized?
- What networks of infrastructure are present and what is their state?
- What are the framework conditions? (Financial environment, taxation & subsidies, propensity for innovation & entrepreneurship, trust, mobility and literacy)

In sum

- Feasibility report, ca. 12 pp:
- Introduction: description of your internship project, 1 p.
- Five types of analysis, focussed on your project in particular and the situation in your country in general (5 x 2 pp.)
- Conclusion: answers to two questions of the course, both in general and focussed on your project (1 p.)
- Appendices (max. 5 pp.)

Overlap: Innovations (1/2) & Culture dimensions

Sector	Country	Dimensions
1. Entrepreneurial activities	1. Business system	<ul style="list-style-type: none">• Productivity paradigm & Civil Society:• universalism• competition• risk taking• status by achievement• sequentialism• internalism• egalitarianism• individualism
2. Knowledge development	2. Education & research system, Intermediate organizations	
3. Knowledge diffusion through networks	3. Idem	
4. Guidance of the search	4. Framework conditions	
5. Market formation	5. Demand	
6. Resources mobilization	6. Infrastructure & Framework conditions	
7. Creation of legitimacy / counteract resistance to change	7. Framework conditions	

Overlap: Innovation (part 2) & Institutions

Variables

- What is the business system like?
- How do markets function?
- How is education organized?
- How is research organized?
- What networks of infrastructure are present And what is their state?
- What are the framework conditions?

Inclusive or extractive

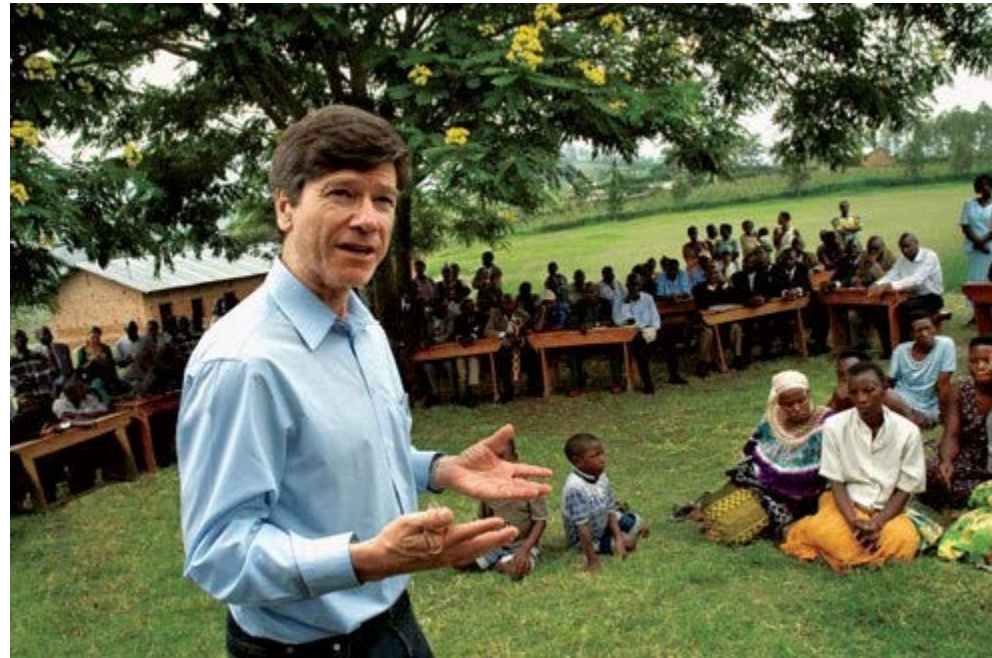
- Free enterprise or government monopolies?
- Free markets or regulation & planning?
- Open or elite?
- Private and public parties for the benefit of society? Or for state interests?
- Functional for society? Or for the elite?
- Efficient for development purposes? Or in the interest of the elite?

Reviewing

- Two reviews per Analysis, one page long
- Be active: select group of which you think has the right expertise because of affinity in theme or approach
- Deadline of the review: week after assignment delivery, on Friday
- Applies to each assignment, except the Innovation Analysis
- Before putting in the Feasibility Report, revise Analysis on the basis of the review

Today's case

- Video on Sauri



Questions about the case

- What is the problem?
 - What do we know about the problems in Sauri?
- What can be done about it?
 - What is the approach in Sauri, Kenya?
 - What is the development strategy behind?
 - Do you think it will or can be successful? Why yes? Why no?

Questions about how to analyse development problems

- How does Jeffrey Sachs diagnose development countries and problems?
- What do we know about the problems in Kenya?
- In the country of your internship?

Questions about development approaches

- What other development approaches are there?
- What are weak and strong points of all these approaches? Esp. those of Sachs and Easterly.
- Could they be combined? How?
- How could you use these approaches in your project?

Group work

- Discuss in your (internship) groups the issues of the Development & Poverty Analysis

1. Development & Poverty Analysis

Read & use: Sachs, Chapter 4 & Easterly, Chapter 10

Focus on country:

1. The nature and distribution of poverty and its ultimate causes / potential risk factors – including commodity price fluctuations and 'climate shocks'
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Assignments

- This Friday: submit Development & Poverty Analysis on TU Delft OpenResearch.net
- Before next week workgroup: read Acemoglu & Robinson Ch 3: Making Prosperity & Poverty
- Next week: submit two feedbacks on Development & Poverty Analysis on TU Delft OpenResearch.net