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Critical Theory and Global Development

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Critical Theory and Global Development (The Palgrave Handbook of Critical Theory [2017], ed. M Thompson). Chapter 31: 677-96.

David Ingram

The purpose of this essay is to examine what, if any, contribution critical theory can make to current discussions about the ethics of global development. In arguing that it can make an important contribution to this topic, this essay underscores a unique feature of critical theory, namely, its diagnosis of the fundamentally ambiguous nature of development within modern capitalism that simultaneously portends global underdevelopment. The diagnostic power of critical theory, however, extends beyond exposing the contradictions of capitalism as an engine of progress. It encompasses the entire range of modern institutions and their underlying assumptions about rational agency. Using a critical theory of recognition, this essay examines an agential paradox associated with developmental assistance to women and concludes by addressing what many have regarded as a paradox within critical theory itself, which can be formulated as a question: Can critical theory ground its critique of modern conceptions of development in a philosophically defensible norm of rational agency that is not racist, sexist, classist, or ethnocentric? Can its enlightenment faith in the progressive social emancipation and self-realization of individuals be redeemed?

I. Standard Approaches to Development

Before discussing critical theory proper, let me begin with a simple statement of two alternative approaches to development. These approaches, as I understand them, do not radically criticize the basic background institutions and commonplace notions of agency underlying the global order. The first approach, long favored by the World Bank, equates development with increases in average national household income. What matters to this utilitarian way of thinking about development is aggregate growth in productivity and consumption. Left out of consideration is how wealth gets distributed within nations and within families. This is a concern because economic growth typically benefits some sub-regions and demographic groupings more than others, with men typically consuming more household income than women. Only by factoring in marginal utility calculations can utilitarian defenders of global development like Peter Singer advocate for egalitarian distributions. Singer's call for massive assistance involving great personal sacrifice, however, is opposed by neo-Malthusian utilitarians, such as Garrett Hardin, who, invoking "lifeboat ethics" for an overpopulated and under-supplied world, denounce the "tragedy of the commons."

By contrast, the second approach, descended from Rawls's social contract theory (Rawls: 1999), focuses discussion of development on precisely the *justice* of economic distributions, and specifically on their *institutional structuring*. Just as important, it expands the goods that should be justly distributed beyond per capita income to include other factors relevant to development, such as basic rights, education, healthcare, longevity, environmental security, and other resources that are needed to nurture and sustain a broad range of human capabilities essential to leading a minimally decent, if not necessarily flourishing, life (Nussbaum, 2000; Sen, 1999). Rawls himself famously adduces principles of justice and

fair cooperation that rational agents would choose under ideal conditions, without knowledge of the historical details of the real world and their place in it. These principles are then qualified as the “veil of ignorance” is lifted. His followers who write on global development proceed somewhat differently; they begin with more concrete intuitions regarding rights and duties that cohere with very modest norms of human flourishing or with moral ideas of equal respect and reciprocity and show how these are violated by legally sanctioned global institutions and various kinds of economic practices.

For example, Thomas Pogge (Pogge, 2008) argues that global trade agreements, resource extraction privileges, and borrowing and lending conventions continue a long-standing tradition of colonial and imperial domination in which the governments of affluent nations deny the global poor their human right to a fair share of resources necessary for living a humanly fulfilling life. Adopting a somewhat different tack, which focuses on special duties of justice based on global interdependencies linking rich and poor, Richard Miller (2010) adds that sweatshops and other commercial arrangements that positively benefit the poor by providing subsistence paying jobs in high unemployment economies can still be criticized for being unjustly exploitative, violating universal moral duties to treat vulnerable co-partners with equal respect – a line of argument he extends to an analysis of the disproportionate benefits developed countries have reaped from industrialization, the effects of which (in terms of the accelerated growth in global warming) have disproportionately harmed the poor.

Critical theorists (Forst, 2012, Fraser, 2010) frequently cite much of this standard literature in criticizing the global order. However, in pressing their indictment against global institutions that violate the human rights of the poor and neo-liberal poverty reduction programs (formerly known as structural adjustment programs) that enrich the wealthy without significantly improving – and in some cases severely worsening – the lives of the poor, Pogge and Miller do not question whether the non-exploitative free trade regime they endorse can significantly succeed in reducing poverty within a capitalist framework¹. (Miller, in fact, concedes that the imperial hegemony – virtually insuperable, in his opinion – that generates strong duties to the global poor paradoxically stands as the greatest obstacle to fulfilling them [Miller: 226, 236]. If development requires establishing conditions for global human flourishing within a sustainable economy, then a growth-oriented economy such as capitalism may not be compatible with human development in the long run, given what we know about the dynamics of global warming, which poses the greatest threat to poverty reduction. Indeed, Miller’s belief that developed countries should curb their economic growth for the sake of allowing developing countries like China to catch up contradicts his own sober understanding of the political economy of American capitalism (Miller: 116).

Besides overestimating the potential for development within capitalism, Rawlsian theorists view underdevelopment exclusively through the lens of *injustice*. In so doing they neglect an aspect of underdevelopment that might properly be classified under the heading of *pathology*. If development implies empowerment, or agency enhancement, and agency enhancement implies more than accessing welfare and other primary goods necessary for expanded choice, but also implies having one’s sense of self esteemed by others (as neo-Hegelian critical theorists like Honneth claim), then the social stigma attached to poverty will typically be experienced as alienation from self and society. The problem here goes beyond not being treated with equal moral respect and concern, which can indeed be

conceptualized as a matter of social injustice; rather the problem is that conforming to social norms that confer respect may require relinquishing other aspects of one's agency.

Finally, Rawlsian social contract theory – especially in the ideal form presented by Rawls himself in his discussion of domestic and international institutions – can be faulted for ignoring or at least underappreciating the full extent to which racism, sexism, Eurocentrism, and imperialism pervade conceptions of rational agency that shape models of development (McCarthy, 2010). The enduring and pervasive impact of race, gender, and culture on developmental theory and practice cannot be properly criticized using methods of moral reasoning that take as their point of departure an ideal world that abstracts from these historical determinations of social life.

II. The Marxist Critique of Capitalism

A good place to begin discussing the failings of both utilitarian and Rawlsian approaches to development is by turning to critical theory's classical Marxist critique of capitalism. The concept of human development as a process that is ambivalently promoted by modern capitalism has been at the center of critical theory since its inception. Marx took over the concept from his progenitors in the German Idealist tradition, who equated development with progress in enlightenment and emancipation. In fact, Marx's notion of a form of human emancipation existing beyond the level of civil and political emancipation achieved by modern liberal democracy premised on a capitalist economy appealed to a protean conception of human nature derived from Hegel:

. . . Hegel grasps the self-development of man as a process . . . grasps the nature of work and comprehends objective man . . . as the result of his own work. The actual, active relation of man to himself as a species-being . . . is possible only so far as he actually brings forth all his species-powers—which in turn is only possible through the collective effort of mankind, only as a result of history—and treats them as objects, something which immediately is again only possible in the form of alienation (Simon, 1994:84).

The self-development of human needs and capabilities through industry and labor is a theme that runs through all of Marx's work. Under capitalism as in previous class societies, the objects and relationships in which human capabilities are expressed assume an alien and inhuman form. Consequently these needs and powers are at best partially developed, in a way that belies their essential nature as social, universal, and unlimited powers. As one of Marx's most famous declarations puts it, only

In a higher phase of communist society, after the enslaving subordination of the individual to the division of labour, and thereby also the antithesis between mental and physical labor, has vanished; after labor has become not only a means of life but life's prime want; after the productive forces have increased with the all-round development of the individual, and all the springs of common wealth flow more abundantly—only then can the narrow horizon of bourgeois right be crossed in its entirety and society inscribe on its banners: From each according to his abilities, to each according to his needs (Simon: 321)

Subsequent generations of critical theorists have divided feelings about the sentiments expressed in these passages: they generally embrace their vision of human development – the creation of free, unalienated individuals bound together by relationships of undistorted social recognition – but reject their formula for achieving it. The Weberian understanding of modernization to which many critical theorists subscribe questions the very enlightenment ideals underpinning Marx's theory, not the least being Marx's faith in the emancipatory power of scientific and technological reason (Adorno and Horkheimer, 1973). The requirements of mastering nature through objectifying technology, they maintain, logically extend to society itself, in the form of scientific management and behavioral manipulation. Moreover, it remains an open question whether the hierarchies of knowledge and power correlative to technological expertise exacerbate the undemocratic division of mental and physical labor that was of concern to Marx (Feenberg, 1999).

Most critical theorists also believe that the scientific management of a crisis-prone, conflict-ridden capitalist economy under the auspices of the welfare state has largely resolved the economic and political contradictions diagnosed by Marx, thereby enabling the state to generate steady growth and prosperity for all, including the proletariat. In their opinion, however, progress in the development of productive forces and in the satisfaction of material needs only brings greater domination and unfreedom, not human emancipation. In short, late capitalism has turned Marx's ideal of development on its head: one kind of scarcity – widespread material deprivation – has been replaced by the never-ending scarcity of a prosperous consumer society. However, far from reducing the need to toil under dehumanizing conditions, consumer-driven capitalism operating under the imperative of planned obsolescence only magnifies it (Marcuse, 1964).

Having witnessed the destructive impact of globalization and neoliberal economic policy on affluent welfare states over the past forty years, Habermas and a younger generation of critical theorists have subsequently revised their appraisal of late capitalism's capacity to manage its crisis tendencies in a decidedly more orthodox Marxian direction. For it has now become apparent that the fiscal crisis of the welfare state that Habermas and others diagnosed forty years ago (Habermas, 1975) cannot be managed without raising taxes (thus precipitating disinvestment in the domestic economy and migration of private capital abroad) or cutting services to the middle and lower classes. Hence growing inequality and poverty - domestically and globally - have once again become divisive political concerns (Habermas, 2009).

Their diagnosis of capitalism's crisis tendencies aside, critical theorists have been on firmer ground in questioning Marx's naïve belief in laboring activity as the principal force behind development. Learning through trial and error – the primitive core underlying experimental science – increases our capacity to control and dominate nature. But reflection on human flourishing and development in the moral sense of the term – what Marx meant by human emancipation – depends on a different kind of learning activity, one that is more aesthetically attuned and geared toward democratic discussion about 'true needs,' generalizable interests,' and 'the good life' (Marcuse: 1964; Habermas, 1975). Again, critical theorists are probably right to insist that forms of modernizing development that give rise to greater

freedoms and material well-being also come with legal regimes and market economies that inevitably confront those subjected to them as alien forces, susceptible to only partial democratic control. So they realistically conclude that alienated labor, especially the division between mental and physical labor deplored by Marx, is indeed likely to persist to some degree in any rationally efficient economy.

Nonetheless, as I noted above, critical theorists were probably hasty in dismissing Marx's contention that poverty is endemic to capitalism. Marx's observations about capitalism causing impoverishment still hold true today, even if the impoverishment has been transported to the developing world. The simple explanation for this fact revolves around the necessity of unemployment in a capitalist economy. Competitive advantage achieved through cost-cutting reductions in wages - the chief purpose of labor-saving technology - creates a tendency towards unemployment, which in turn functions as the ultimate threat in disciplining workers' wage demands. Moreover modern monetary policy dictates a level of 'natural unemployment,' which it defines as the lowest sustainable unemployment compatible with a rate of inflation sufficient to maintain levels of borrowing requisite for steady investment. The structural entrenchment of unemployment in a capitalist economy for the above reasons explains why wage income lags behind investment income, thereby over time producing the sorts of business cycles (over-production/under-consumption) at the center of Marx's diagnosis of capitalism. The most important way domestic capitalist economies mitigate these crisis tendencies is by expanding their markets abroad into less developed regions of the world; exploiting cheap foreign labor while driving out foreign competitors, who lack the technological advantages associated with efficient, large-scale economies. Small producers, shop owners, and subsistence farmers who lose out in this competitive struggle join the ranks of the unemployed, or if they are lucky, find employment in low-paying sweatshops. Again, thanks to a very large and growing number of the world's unemployed in the Southern Hemisphere, multinational retailers at the top of the "food chain" can squeeze local sub-contractors below them to offer their services for the cheapest price possible, setting one against the other in a desperate rush to the bottom, where the lowliest laborer who is willing to work for less resides (Young, 2007, Schweickart, 2008).

To be sure, it is in the interest of the investment class to ensure that global consumption keeps pace with global production; just as it is in the interest of each business owner to ensure that other business owners hire enough well-paid workers to buy the commodities he or she produces. But nothing in the history of capitalism (or in its competitive logic) suggests that business owners will solve their prisoner's dilemma any more than that a global welfare state will emerge that will ensure that the poor as well as the rich have enough income to press their consumer demand. Even if these miracles in economic crisis management should somehow come to pass, capitalism would still work against poverty reduction in a way Marx did not foresee. The growth dynamic of capitalism, driven by the cost-efficiencies associated with economies of scale, encourages ever greater resource depletion and energy consumption. Absent a technological miracle, the resulting increase in global temperatures will bring in its train more extreme weather events, flooding, and desertification that will disproportionately harm the world's poorest.

Space limitations do not permit me to explore whether, as Habermas has hinted (Habermas, 1997: 141) some form of market socialism might conceivably avoid the problems with capitalism noted above.

Although worker-managed enterprises in competitive consumer markets would be oriented toward retaining their market share through technological innovation and other efficiencies, they would not have the same incentives to hire or lay off employees as capitalist enterprises currently do. Unlike in capitalism, worker managed businesses in a market socialist economy would not need to grow, although some might choose to do so if very large economies of scale provided significantly higher profits. But growth and development would be managed through collaboration between entrepreneurs, business managers, and publicly financed banks, by-passing the anarchic investment patterns associated with private ownership of capital (Schweickart, 2002).

III. Critical Theory's Response to Neo-liberalism

Critical theorists today have long abandoned the rhetoric of overcoming capitalism for the milder and more realistic language of reform. In this context, reform means protecting the fragile achievements of the welfare state – the creation of social democracy – against the onslaught of neo-liberalism. Neo-liberalism, or post Keynesian economics, is premised on the idea that prosperity will eventually trickle down to the poor through aggregate economic growth facilitated by global free trade and economic deregulation. Space limitations do not permit a detailed examination of the theoretical assumptions underlying neo-liberalism (such as the questionable doctrine that each local economy possesses a competitive advantage in producing some globally demanded commodity). Suffice it to say that no country on record has ever achieved prosperity through following its prescriptions (Europe, the United States, and the Asian Tigers all built their economies through protectionist measures) and many countries have demonstrably gotten poorer doing so. Nonetheless, it is surprising that a critical theorist like Habermas (Habermas, 1999: 122) rejects any form of protectionism (or import substitution) as a remedy that developing countries might deploy. In conjunction with neo-liberal prescriptions, the World Bank and the International Monetary Fund make developmental loans conditional on accepting policies for poverty reduction – currency devaluation, fiscal austerity (especially downsizing of ‘unnecessary’ government services pertaining to health, education, and welfare), and higher interest rates – that have had catastrophic consequences for most poor states that have implemented them.

For critical theorists like Habermas and Nancy Fraser (Fraser, 2010), the net effect of neoliberal and poverty reduction policies has been the undermining of democracy. Growing inequality incites civil unrest, which, in turn, provokes political repression. The severe restriction of civil and political rights directly contradicts the emancipatory and agent-empowering aims so dear to the hearts of critical theorists. But it also undermines the civil dialog and civic solidarity essential for developing just norms oriented toward a common good. Today, Habermas and many other critical theorists insist that tackling global problems of poverty, climate change, and other security risks that impact human rights will require extending the idea of constitutional democracy globally in a way that retains the state system, albeit under conditions of limited sovereignty (Habermas, 2009).

IV. Critical Theory and the Pathologies of Capitalism

Before leaving the topic of capitalism and development, I should say something about how these themes intersect Critical theory's unique focus on social pathology. The theme of social pathology is most famously evident in Marx's critique of alienated labor and diagnosis of reification, exemplified in his famous discussion of commodity fetishism in the first volume of *Capital*. The tendency toward mentally stultifying work is related to the deskilling of labor that occurs in the natural course of substituting skilled workers with machines. The tendency toward reification, by contrast, is reflected in the subsumption of human relationships to the laws of the marketplace. In the former instance the agency of workers is stunted as agential powers are transferred to intelligent machines; in the latter instance the human agency behind social relations is forgotten behind the façade of a machine-like social system.

Critical theorists have developed several paths of research examining this phenomenon, beginning with Georg Lukács's pioneering argument in *History and Class Consciousness* (1923) that the commodity form (the exchange of equivalents) had shaped the scientific understanding of society as a deterministic, law-governed 'second' nature. While Adorno and Horkheimer (Adorno & Horkheimer, 1973) famously extended this argument to the "culture industry," showing how popular media suppress conflict behind predictable, mind-numbing entertainment, Habermas showed how it could apply to political life. Technology and science have become a new ideology for legitimating domination, complementing and at times replacing the ideology of the market as a mechanism allegedly guaranteeing mutually beneficial, free and equal exchange. As long as technical elites ensure economic growth and overall prosperity, the justice of governmental redistributions matter little (Habermas: 1975). Habermas later described this suppression of moral agency under a different title: the *colonization of the lifeworld* and the *splitting off of elite sub-cultures* (Habermas, 1987: 332-403). The former refers to the manner in which economic and administrative systems penetrate all aspects of familial and public life, replacing social relationships structured by communication and critical discussion with strategic reactions mediated by legal and monetary mechanisms. In all of these instances, the devolution of rational agency in its critical and political forms is necessitated by the state's need to compensate for the uneven, destructive development of a capitalist economy by imposing coercive regulations that reduce active citizens to passive, faceless clients of an impersonal bureaucracy.

V. Agency and Development

Critical theorists are famous for using psychology to understand development and its pathologies. Adorno, Marcuse, and Fromm appropriated Freudian psychoanalysis in notoriously arguing that psycho-sexual development under late capitalism had been undermined and distorted. The decline of the economically self-sufficient familial patriarch caused by the steady proletarianization of the middle class, they believed, produces children with weak ego identities who are susceptible to narcissism. This regressive stage in moral development, they noted, is vulnerable to socio-pathological identification with authoritarian leadership and ideological fanaticism (Adorno, 1991; Fromm, 1941; Marcuse, 1970).

Research into the socio-pathology of child development in late capitalism has been continued by second-generation critical theorists in ways that are especially relevant to our discussion. Habermas's innovative appropriation of Kohlberg's Piagetian scheme of moral development entrenches the development of moral autonomy in the mastery of speaking and listening roles essential for rationally coordinating inter-action. According to this communication model, one's exercise of free agency depends on knowing that the reasons motivating and defining one's action are recognized as valid by those with whom one interacts. Freedom from blind desire and certainty about the meaning of one's intentions thus depends on critical response from others. Thus, it is by expanding one's point of view to include the point of view of the other – hypothetically extended to include the idea of a universal community comprised of humanity as such – that one reaches moral maturity.

Habermas worries that the colonization of the lifeworld will marginalize this communicative moral competency in favor of strategic modes of action coordination that rely on monetary and legal incentives, just as he worries that the splitting off of specialized, technical expertise will compartmentalize our moral and cognitive sensibilities and degrade our critical aptitudes. In short, like his predecessors, he worries that narcissism and related pathological tendencies – consumer hedonism, uncritical identification with celebrity and authority figures, etc. – will thwart the democratic *telos* of communication by enticing agents with more immediate forms of gratification.

Interestingly, Habermas uses his model of individual moral development to speculate on the development of human society. In his opinion, something like a Piagetian process of 'decentration' can be observed at both levels; just as a person matures by developing a less ego-centric understanding of reality, so human society evolves by developing more complex, differentiated, formalized and abstract domains of learning that adapt to new environmental challenges. I shall not pursue the cogency of this analogy further except to note that the developmental endpoints posited by Habermas – individual autonomy, on one side, and bi-level society composed of a democratic lifeworld and an economic-administrative system, on the other – are deeply controversial for reasons I will discuss below (Ingram, 1987, 2010).

Another account of development that bears special mentioning is Axel Honneth's neo-Hegelian theory of recognition (Honneth, 1996). More so than Habermas, Honneth has insisted that social pathology and social injustice need to be seen as intertwined. Misrecognition and disrespect, he maintains, explain social injustice, just as they explain social pathology. Although Honneth has recently defended an ontological (or transcendental) account of recognition in reinterpreting Lukács's theory of reification (Honneth, 2008) – a project that problematically detaches reification as a moral and cognitive category from a critical theory of society – his most compelling application of the category of recognition, at least as regards development theory, concerns his Hegelian focus on struggles for recognition. For if Honneth is right, the development of agency across several dimensions – socialization and individuation, the achievement of moral freedom and equality, and the attainment of solidaristic group identification – depends on social recognition, or the absence of disrespect.

In Hegel's philosophy, the transition from a pre-modern society in which only persons of noble rank are accorded recognition based on their dignified status and honorable distinction, to a modern society in which even the lowest individual is recognized as sacred in virtue of the dignity of her humanity, marks out the struggle for recognition in the West (and worldwide). For Honneth, however, merely recognizing someone as an agent like oneself who merits *equal respect*, what many have thought to be definitive of the moral point of view, leaves out other dimensions of recognition that are just as vital to the exercise of agency. Also important is recognition of what makes us different and unique: our individuality. Because our individuality is interpolated through the particular social statuses we occupy, the particular social roles we play, and the particular social values we embody, recognition of our individuality is recognition of all these social markers. These markers become sources of *social esteem* based on acquired attributes and accomplishments as well as on inherited statuses. Being recognized as a good citizen, good mother, good Muslim, and good person enables one to act with confidence and assurance from peers. Stigma associated with unemployment, poverty, social deviance, and social marginalization inhibits social interaction and can undermine opportunities for living a free and worthwhile life with others. Struggles for racial, gender, religious, and economic recognition overlap the struggle for moral recognition, insofar as they counteract forms of discrimination that deny equal human rights to members of subaltern groups. However, such struggles go beyond the struggle for human rights insofar as they seek recognition of the particular value of groups within society, struggles reflected in, for instance, so-called multicultural identity politics.

Finally, loving recognition from parents enables children to acquire the *self-confidence* necessary to master the moral and social roles that they will be expected to play as adults. Absence of such recognition produces pathologies of self-abnegation and delinquency that can undermine social agency, not only by diminishing self-confidence, but by stunting the cognitive and empathetic capacity to recognize others as human beings and to imagine what it is like to be in their particular situation.

Before seeing how Honneth's recognition theory can shed light on specific problems of development, I would like to briefly mention an important debate between him and Nancy Fraser that highlights what is at stake in orienting critical theory around struggles for recognition (Fraser and Honneth, 2003). For Honneth, lack of recognition appears to capture a broader range of harms than injustices associated with the mal-distribution of resources; for it also encompasses harms associated with disrespecting a person's identity as a woman or as a member of some minority group. For example, English miners who lost their jobs during Thatcher's administration also lost a part of their identity and dignity. Some injustices, however, involve only deformations of one's personality and other psychological pathologies. Thus, even if segregated institutions in the South had distributed services equally to Blacks and Whites, they would still have been unjust and harmful to the self-confidence and self-esteem of Blacks.

Fraser acknowledges the importance of recognition-based harms but objects to reducing injustices associated with economic mal-distribution and political misrepresentation to harms associated with cultural misrecognition. Noting that refusal to extend recognition to some identity groups (white supremacists, for instance) is not unjust, Fraser recommends that critical theory focus on just those harms done to *status* groups, in which refusal to extend recognition is contingently connected to the mal-distribution of basic goods and deficient political representation essential to development. By focusing on these groups, critical theory retains its primary aim of "clarifying the struggles of the age" (to use Marx's words), in which domination (or lack of 'participatory parity' in decision-making) negatively impacts all three domains of economic, political, and cultural life. So construed, critical theory's main concern remains focused on the primary unjust diminution of equal and inclusive dialogical deliberation and decision-making across the spectrum of developmental means rather than on 'identity politics' and multicultural recognition in the narrow sense of the term (Fraser, 2003: ; 2010:).

VI Applying Critical Recognition Theory: Microcredit and the Paradoxes of Women's Development

The Honneth-Fraser debate takes on special significance when we examine how questions of economic distribution, cultural recognition, and political empowerment intersect the development of women.

Women in the developing world must sometimes choose between recognition, welfare, and empowerment. Prohibited from working outside the home to feed their children and having an equal voice in decision-making, women who seek to be economically and politically empowered suffer stigma and ostracism from family and community, and as a consequence suffer from diminished agency in their simple pursuit of the welfare requisite for agency.

The above dilemma sheds light on paradoxes of women's development associated with one controversial form of empowerment: microcredit. Often women in the developing world have access to welfare and status recognition only through their husbands. According to Naila Kabeer (Kabeer, 1998), women who become self-employed through microcredit can become empowered independently of their husbands without sacrificing recognition and welfare. Although some women who receive microcredit sometimes do so in order to work at home in compliance with *purdah*, they can at least acquire bargaining leverage to exact some concessions from their husbands. Furthermore, their sense of self-esteem is likely to increase to the extent that they are valued by their husbands and community for contributing to their family's upkeep. So, even though microcredit interventions do not immediately emancipate women from the weight of material oppression and patriarchal domination, they set in motion a chain of events that appear predestined to do so.

Can we conclude that microcredit unequivocally develops women's agency that meets the three requirements of justice and well-being noted above? No doubt, women's capacity to bargain and the expanded opportunities for choice afforded to them by accessing microcredit have enhanced their welfare and social recognition (they can now stay at home *and* feed their families). But expanding status recognition comes at a price. Serene Khader (Khader, 2014) observes that the price in question involves "opportunity costs" in the form of diminished *autonomy* agency and, more specifically, diminished *feminist* agency, or freedom from restrictive and self-subordinating gender roles that deny women an equal voice at home and in their community. Even their heightened self-esteem as microcredit beneficiaries comes at the cost of further entrenching patriarchal domination. Some of these women appeared to have increased their value to family and community by being reduced to property, or mere collateral – in fact, reduced to a status not so different from their traditional (reified) agent-negating value as a source of dowry.

This dilemma leads Khader to question two assumptions about the agency-empowering effect of microcredit. The "cumulative assumption" holds that agency is all of a piece: expanding options through increased welfare implies expanded options with respect to self-determination as a woman and as an autonomous individual (autonomy agency). I would add that for poor women who risk ostracism by working outside the home, which may or may not be empowering depending on the circumstances, access to welfare may come at the expense of social recognition.

The "substantive assumption" links enhanced agency to the acquisition of substantive moral beliefs about one's right to self-determination (Khader, 229). In line with this thinking, Susy

Cheston and Lisa Kuhn (Cheston and Kuhn, 2002: 71) argue that self-efficacy implies greater self-esteem, which in turn implies belief in the right to self-determination. Kabeer adds that bringing income into a household implies a belief that one is entitled by right to a fair or equal portion of what one brings in (Khader: 230).

Khader questions both assumptions by observing that the dilemma faced by poor women in traditional developing societies -- to resist patriarchal subordination or increase their welfare agency by acceding to subordination -- is at root a dilemma about which social roles to identify with, whose social recognition matters, and what kind of rationally accountable agency is most desirable. Khader dubs this classical Hegelian dilemma the "Self-Subordination Social Recognition Paradox." Access to certain opportunities and goods (income, self-esteem, etc.) that may be essential to the exercise of *autonomy agency* depends upon conformity to socially recognized patriarchal gender roles, which effectively require limiting autonomy agency to meet the demands of *social agency*. Antipoverty interventions may incentivize not only *compliance* with sexist norms but even their *internalization*. The latter happens when rewards for compliance (increased familial love, social esteem, material benefits) align with one another in a way that encourages strong personal identification with sexist norms. Although autonomous women who have acquired a belief in their feminist agency can outwardly comply with sexist norms out of mere expediency, the psychological costs of acting against their conviction can be great.² Rationalizing a repeated violation of a deeply held conviction in an effort to reduce one's sense of having committed a practical contradiction in turn gives rise to an experience of *cognitive dissonance*.

The cognitive dissonance between achieving welfare agency through socially recognized group agency and achieving feminist agency through socially unrecognized autonomy agency can be reformulated as an identity crisis, or lack of self-certainty, about which kind of self-esteem is most valuable to one's exercise of agency (Khader, 231). Honneth links self-esteem to a personal belief that one's life plans are of value; but being certain that they are valuable depends on others recognizing them as such. Although one might think that a *reflective* commitment to unpopular values may be strong enough to withstand widespread social disapproval, the ambiguities played out in being a "good woman" as judged against conflicting standards of social responsibility and agency are a recipe for feelings of moral failing, guilt, self-denial, and diminished (divided) agency (Khader, 233).

The self-subordination social recognition paradox discussed above depends on the viability of patriarchal norms in the face of global economic forces that render male control over income more precarious (Khader, 234). As Honneth points out, social crisis can be fertile ground for struggles for recognition that can nurture more abstract (autonomous) and more inclusive (cosmopolitan and humanitarian) communities of social recognition and agency. Paraphrasing Fraser, one shouldn't extend equal recognition to cultural identity groups that make subordination a condition for women receiving an adequate distribution of welfare.

Indeed, thanks to consciousness-raising efforts by the UN and global NGOs, local and national governments in the developing world have promoted a new communal awareness of women's rights. The World Bank's *World Development Report: Gender Equality and Development (2012)* notes that, in addition to establishing legal and constitutional reforms guaranteeing these rights, developing countries have narrowed gender gaps in primary and secondary education, improved the nutrition, health, and life expectancy of women in particular, and have encouraged women's participation in the labor force.³

Fraser, however, would certainly question whether these local changes in the social recognition of women's equality are enough to offset global obstacles to women's accessing welfare. The *WDR 2012* encourages strengthening women's ownership and control over productive assets (in developing countries most small landholders are women), ending gender discrimination in labor markets, and supporting women's cooperatives and support networks, all of which speak to the

importance of combining microcredit interventions with autonomy-empowering social support networks of recognition.⁴ These recommendations for local reform and consciousness-raising must be accompanied by economic changes at the global level. As Alison Jaggar and Shahra Razavi have argued, the Report's assertion that "globalization can help" by opening up trade and transcultural communication neglects the points made above about how neo-liberal policies advocated by the World Bank, the IMF, the WTO have worked against the Report's own recommendations.⁵

In sum, globalization can expand economic opportunity for women and increase their agency across multiple dimensions (welfare, feminist, etc.) only if the scope for social recognition at the level of global institutions is also expanded in a truly cosmopolitan direction to encompass global distributive justice. Besides counteracting "transnational cycles of gendered vulnerability" (Jaggar, 191),⁶ wealthy nations must become rationally accountable to poor nations (and above all, the poor people in those nations) by exposing their global policy commitments to reciprocal critique. At the local level, developmental aid must shed its conditionality "by engaging in dialogue with the poor about their needs" so that "the poor receive recognition for their community knowledge and social norms" (Cudd, 217). As I have argued elsewhere, drawing from Habermas's early writings on critical social science and the Chicago Settlement Movement of Jane Addams, poverty expertise that engages the poor in critical dialogue about what they want and how best to achieve it also empowers the poor, thereby transforming their social identities and developing their capacity for autonomous agency (Ingram, 2014).

I. Concluding Remarks: Emancipation and the Dialectic of Development

In 1986 the United Nations General Assembly declared the Right to Development (RTD), which affirms that "every human person and all peoples are entitled to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be realized" (Art 1.1). The RTD reflected the utopian vision of Senegalese jurist and former president of the UN Commission on Human Rights, Keba M'Baye, who in 1972 urged the establishment of a New Economic Order that would redress global inequalities between North and South and firmly link first-generation civil and political rights to the fulfillment of second-generation economic, social, and cultural rights (1986 Annex, A. 1 and 9).

Commensurate with its refusal to recognize second-generation human rights as legally binding, the United States was the only nation to vote against the RTD. However, critics on the left also object to how the RTD functions ideologically to perpetuate neo-colonial dependency and underdevelopment. Corrupt government officials in Africa and Asia use the RTD as cover for their own violation of civil and political rights while blaming the West for the under-development of their people. When not flowing into their own private coffers, what foreign aid they receive is either used to free up domestic spending on non-essentials (such as military hardware) or is spent on show-case projects designed to placate the oppressed masses. Foreign aid itself is conditional on the receiving government playing a subservient role as dependent client to imperial power.

Given its ideological manipulation, it seems unlikely that the RTD can become the basis for empowering the poor and overthrowing neo-colonial dependency and underdevelopment. Amy Allen (Allen, 2014) reminds us that the RTD is not unique in this regard, since it succumbs to the same political and normative paradoxes that beset earlier developmental regimes. Politically speaking, developmental

assistance has been a failure. Despite the \$2.3 trillion spent on aid in the last fifty years, more people are dying from poverty related causes than ever before. The poverty reduction policies imposed on poor nations by the IMF and the WB have decimated the economies of poor nations and made them more dependent than ever on rich countries. Citing Foucault's analysis of modern bio-power and its disciplinary regime, Allen herself suggest that this spectacular failure is functional for maintaining current relations of power and domination.

This political paradox is deeply intertwined with a normative paradox. Developmental theory is part and parcel of a "white supremacist" ideology aimed at "civilizing the world" in a decidedly Euro-centric mold – the so-called "white man's burden." By the eighteenth century the advantages in geography and biodiversity that gave European civilization a head start in developing the "guns, germs, and steel" requisite for conquering the world were conveniently mistaken for racial advantages (Diamond, 1997). As Thomas McCarthy notes, the most influential universal histories of the late eighteenth and early nineteenth centuries elaborated by Kant and Hegel expressly presumed that progress in human freedom was a providential gift bestowed on white men only. Because non-white races were biologically excluded from this legacy, their "development" could only consist in learning subservience and dependence. (Racist explanations for the poverty and underdevelopment of African Americans in the United States still persist in Charles Murray and Richard Herrnstein's widely read diatribe against the welfare state, *The Bell Curve* [Ingram, 2014].) During the post-war period, the conflation of underdevelopment and cultural backwardness (now less overtly tied to biological race) continued to dominate development ideology. Guided by Talcott Parson's "structural functional" analysis of modernization, with its binary (traditional versus modern) scheme of "cultural pattern variables" (goal orientations), important policy centers – such as the Harvard Department of Social Relations (headed by Parsons), the Social Science Research Council's Committee on Comparative Politics, and the MIT Center for International Relations – advanced linear models of economic and political development that adopted Western (largely American) models of technology transfer, capital investment, and top-down democratic elitism.⁷ Once the danger of allowing "backward" countries to elect their own popular leaders became apparent, foreign policy experts who had initially pinned their hopes on the depoliticization of the masses through increased consumption (the American way of diffusing class warfare), quickly switched to supporting tutelary dictatorships. The failure of those developmental experiments culminated in the neo-conservative and neo-liberal strategies of the 1990s: forced imposition of "democracy" through military intervention and forced liberalization of markets through threat of trade and lending sanctions. Despite paradigm shifts in global poverty expertise (most notably from Keynesian to neo-liberal economic models), the basic methodology has remained the same: extrapolate a single model of development that has been advantageous to the growth of advanced Western economies and impose it on "culturally backward" nations in the name of liberation (McCarthy, 2009: 200-20).

This tragic history of forced development from above raises profound questions about critical theory's traditional reliance on "grand enlightenment narratives" in elaborating an emancipatory theory of development. Critical theorists like Allen and McCarthy who incorporate Foucault's genealogical methodology in criticizing Eurocentric ideals of autonomous agency and their neo-liberal analogues do not wish to jettison the RTD and human rights as permanent features of moral progress. However, any defense of human rights and other so-called universal (or permanent) norms of development would appear to succumb to the same criticism that critical theorists (including Marx

himself) leveled against all metaphysical appeals to human nature. Once we concede the genealogical claim that power relations and historical contingency fundamentally shape theoretical conceptions of reason, agency, and development (and therewith conceptions of freedom, equality, and justice) critical theorists are left with the difficult task of showing how our popular conceptions of these same norms - however ideological their function in legitimating the status quo – contain a normative surplus that points beyond the status quo. As I have argued, populist endorsements of such bottom-up approaches to development that remain sensitive to the possibility of diverse multicultural interpretations of modernization (McCarthy, 2009) or that divide responsibility for realizing the RTD between national and international agencies (Allen, 2014; and Lafont, 2010) – certainly accord with the democratic thrust of discourse ethics as advocated by Habermas and his school. In basing itself on a thin notion of communicative rationality and practical agency, discourse ethics ostensibly avoids the dogmatism associated with the metaphysics of human nature. But discourse ethics at best grounds a democratic procedure for framing the meaning and direction of human development. It can show how the current world system structured by capitalism and international relationships between sovereign states places limits on realizing democracy and human rights, but it cannot theoretically predetermine the extent to which such limits are morally unacceptable and changeable. Hence the developmental project of emancipation that the Enlightenment bequeathed to critical theory must, in theory and practice, remain a work in progress.

In conclusion, I believe that critical theory could become a more effective voice in enlightening the public and (possibly) influencing developmental policy if it shifted its focus away from abstract legal and social theory and undertook more fine grained analyses of particular institutions and practices of the sort I mentioned above concerning women and microcredit. In this respect critical theorists who have focused on sweatshops (Young, 2007), immigration (Benhabib 2003), sustainable technology (Feenberg, 1997), and alternative economic models (Schweickart, 2008) have taken critical theory to a higher level of political awareness.

¹ Pogge (Pogge: 2008) believes that ending tariffs and subsidies that developed countries negotiate to protect their economies would generate \$750 billion in exchange for developing countries, more than twice the amount needed to eradicate severe, life-threatening poverty globally. Miller (Miller:) also endorses free trade as the ideal, but argues that developing nations be allowed to temporarily retain protective tariffs and subsidies for themselves to compensate for their disadvantages in competing in a global market.

² Martha Nussbaum (2000: 236-9) mentions the intriguing case of Hamida Khala, an educated Indian woman who autonomously chooses as her life plan – against her husband’s initial enlightened protestations to the contrary – a life of moderate purdah permitting some outside activities in modest full-body covering. In this instance there is no

contradiction between asserting one's right to autonomy and reflectively accepting restrictive gender- roles. The reflective submission to gender roles (sometimes undertaken as an expression of female empowerment) must be distinguished from uncritical submission to gender roles in deference to patriarchal norms that one has internalized as a function of one's identity agency.

³ *World Bank World Development Report (2012): Gender Equality and Development* (Washington, D.C.: The International Bank for Reconstruction and Development/The World Bank, 2001), xi, xx. The Report still counts as serious problems violence against women, high levels of maternal mortality (especially in Sub-Saharan Africa and South Asia (1), gender selection abortion and infanticide in China and India contributing to abnormally low female to male ratios (13-16), under-representation of women in government, exceptionally low levels (10-20%) of female property ownership; substantial gendered gaps in earnings, with unpaid domestic and low-paying care work being done primarily by women (17).

⁴ The *WDR 2012* advocates governmental and non-governmental interventions aimed at increasing women's ownership, inheritance, and control over resources such as land as well as the provision of credit, extended agricultural services, and access to broader and more profitable markets (2011, 27-28). The latter is especially important, for as Cudd notes, microcredit aimed at local, small-scale needs is unlikely by itself to provide the resources for quick, large-scale improvements without partnerships involving commercial (especially multinational) enterprises (Cudd, 217). The Report also recommends desegregating labor markets, introducing occupational training and placement for women, ending discriminatory labor regulations, and supporting women's networks and cooperatives. The Report encourages release time from domestic caregiving for part- or full-time employment outside the household, facilitated by publicly subsidized child care (2011, 28-30; 223).

⁵ *WDR 2012*, xxi. See Shahra Razavi (2012) and Jaggar (2014).

⁶ Building on the work of Susan Moller Okin and Iris Marion Young, Jaggar (2014: 178-82) notes that the cycle of exploitation and dependency that female domestic caregivers experience in marriage is not only reinforced by local patriarchal norms that make it difficult for women to live outside of marriage but by global norms that define care work as exclusively women's work. In tandem with global economic inequalities between South and North, these norms conspire to create a vigorous global trade in "maids" in which desperately poor women migrate to wealthy countries abroad, where they work in hotels or in wealthy households (whose female members may have escaped domestic drudgery for more lucrative occupations).

7. Parsons held that persons in rationalized social systems orient their behavior around delayed gratification, universal norms, individual achievement, and specialized roles. He stressed the poverty-mitigating function of the nuclear family as a specialized subsystem headed by stay-at-home mothers whose sole function was socialization of children into responsible, hard working adults with stable, gendered identities (Parsons 1955).

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