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LAW AND DEVELOPMENT

JYOTI TIWARI NEW DELHI

In the rise of decolonization, the field of law and development rapidly turned into the favored vocabulary for tending to the economic and, to a specific degree, the socio-political imbalance between previously colonized nations and Western or say European states. If there is understanding with regards to the prompt test, the field is set apart by long-standing contradictions that range from how changes ought to be executed to the very capacity of law and thoughts of the "economy." These differences can for the most part be isolated into three phases where a particular design of thoughts and strategies overwhelmed the field: the 1950s–1960s, the 1980s–2000, and roughly 2000 to the present. This part follows the development of the standard law and improvement field, mapping the contentious rationale that educated these different minutes and recognizing the conditions that encouraged the moves in approach thought and practice. The main law and development process held influence amid the 1960s. The changes under this minute were engendered prevalently through guide and help programs supported by the US state offices and besides US-based private non-profit organizations. For example, under the aegis of the Foreign Assistance Act (1970), the US Agency for International Development (USAID) looked to advance the scope of financial and political improvement endeavors in the previously colonized world or, what is frequently depicted as, the 'third world' or "developing" nations. In the history of development, the law does play an important role in guiding modernization, growth, and social change. The meeting took place The Bretton Woods Agreement which is the landmark system for monetary and exchange rate management established in 1944. It was developed at the United Nations Monetary and Financial Conference held in Bretton Woods, New Hampshire, from July 1 to July 22, 1944. Under this agreement, currencies have secured the price of gold, and the U.S. dollar was seen as a reserve currency linked to the price of gold. But all this happened in the absence of the USSR, two blocks were made namely the Western Capitalist front and the Eastern Socialist front. This conference would provide the blueprint for the post-war capitalist economy. International monetary fund and World Bank are the two products of the Bretton woods meeting these institutions were formed to tackle the problem of the Great depression because at that point of time all countries (European) were closing their economies means creating barriers in there trading methods and the Bretton wood system was now known as GATT which is General Agreement on Tariffs and Trade.

Law and development efforts accelerated in the 1990s as international financial institutions began to emphasize the rule of law. As the 21st century dawned, ideas and projects of the 20th Century were assessed and critiqued and new themes have emerged.[i] As we all know law and development are interrelated like we need the law to follow by society so that we can attain growth. Keynes's vision of a smoothly running capitalist economy involved a much greater role for the state than the market. Keynesian economics served as the standard economic model in the developed nations during the later part of the Great Depression, World War II, and the post-war economic expansion (1945–1973), though it lost some influence following the oil shock and resulting stagflation of the 1970s.[4] The advent of the financial crisis of 2007–08 caused a resurgence in Keynesian thought,[5] which continues as new Keynesian economics. Classical political economists like DavidRicardo, Thomas Malthus they were the admirer of Adam smith who laid his interest in the free-market economy model in which free market and individual liberty will lead to economic success. According to Smith government has to play a very minimal role i.e. defense of national sovereignty, protection of citizen’s rights against one another, and the provision of public or collective goods. He gives the example of traffic signals; almost everyone depends on them, but no individual will bear their cost. Another feature of the classical political economy was the state’s tack to defend its citizens. Citizens did not, however, possess positive rights, i.e. rights to something, whether it be employment, housing, education, etc. this idea emerges only with the development of modern liberalism and has always been rejected by the neoclassical thinkers.[ii] Neoclassical economics is an approach to economics that is related to supply and demand to an individual's rationality and his ability to increase utility or profit. Neoclassical economists interpret that a consumer's first concern is to maximize personal satisfaction and that everyone makes decisions based on fully informed evaluations of utility. This theory is filled with the idea of rational behavior theory, which states that people act rationally when making economic decisions and this economic theory states that competition leads to an efficient allocation of resources within an economy. This resource allocation establishes a market equilibrium between supply and demand. But it is not always true because this theory did not suits fit for the 2008 crisis as we can see here, followers of neoclassical economics believe that since the value of a product is driven by consumer perception, there is no upper bound to income or profits that can be made by smart capitalists. This difference between the actual costs of the product and the price it is sold for is called the "economic surplus." However, this thinking led in part to the 2008 financial crisis. During this time, modern economists believed that synthetic financial instruments had no ceiling and that it insured the market against risk and uncertainty. These economists were wrong, and the same financial products that they lauded led to the housing market crash of 2008. But Keynes's prescription for improving the economy was for governments to save in good times and spend in bad. His idea worked in the late 1940s in Western Europe and after that known as the post-war Keynesian consensus, it not only safeguard capitalism but also gained the support of the working class. Lately, after the war, two economists develop their thesis. Their study is more of an observation type than of the complex theory. The Prebisch Singer hypothesis is an economic theory developed by Raul Prebisch and Hans Singer. The theory states that the terms of trade between primary goods and manufactured products deteriorate over time. What this means is that countries that export primary goods that do not have the means to manufacture goods to export will lose out in the long-run, as their goods will become relatively cheaper than the manufactured ones. A common explanation for the phenomenon is the observation that the income elasticity of demand for manufactured goods is greater than that for primary products - especially food. Therefore, as incomes rise, the demand for manufactured goods increases more rapidly than the demand for primary products. The worry with this is that the main exporters of primary goods are developing countries. If we take this hypothesis as fact, then that does not bode well for developing countries because it means that any hope of ever industrializing without borrowing large amounts are less - as they will not be making much profit on their exports, while being faced with higher costs of imports.**Modernization theory** is a theory used to explain the process of modernization that a nation goes through as it transitions from a traditional society to a modern one. The theory has not been attributed to any one person; instead, its development has been linked to American social scientists in the 1950s. Modernization theory is a description of the processes of transition from traditional or underdeveloped societies to modern societies. Historically, modernization is the process of change towards those types of social, economic, and political systems that have developed in Western Europe and North America from the17th century to the 19th and have then spread to other European countries and in the 19th and 20thcenturies to the South American, Asian, and African continents. Primary attention has focused on ways in which past and present premodern societies become modern i.e., Westernized through processes of economic growth and change in social, political, and cultural structures.**Dependency theory**deals with the relationship between core and periphery. It was made compulsory for the developing world to be in touch with the first world so that they (developing the third world) will develop at a higher pace. But this is not the case every time because as we can see China became developed without opening its economy though it is now India opened its economy long back but still in the race of being developed. **Import substitution industrialization (ISI)** is a theory of economics typically followed by developing countries or emerging market nations to decrease dependence on developed countries and to increase self-sufficiency. It tends to protect and incubation of newly-formed domestic industries, aiming to fully develop the sectors so that goods produced can compete with imported goods. Under the ISI theory, this process makes local economies self-sufficient. It was followed by India to quit sometime but later on, during Indira Gandhi's regime, she opened the economy under the presser of the U.S and World Bank. There is one concept of a mixed economy where state and capitalist work together. South Asian Model of Development is an example of this kind. There were some key features of the neoclassical model or Washington consensus. **Fiscal Austerity**: It refers to decisions by a government to reduce the amount of government borrowing i.e. cut the size of a fiscal deficit over years. Fiscal austerity normally involves a combination of measures including increases in the overall burden of taxation and cuts in either the real level or growth of government spending on state-provided goods and services. Fiscal austerity is in the news in the UK because of the Coalition Government's plans to eliminate the structural budget deficit throughout the current Parliament. In their Coalition document, they claim that; we will accelerate the reduction of the structural budget deficit throughout a Parliament. The main burden of the budget deficit reduction will be from reduced spending rather than increased taxes.**Privatization:** The exchange of proprietorship, property, or business from the legislature or government to the private part is named privatization. The administration stops to be the proprietor of the element or business.The process in which a publicly-traded company is taken over by a few people is also called privatization. The stock of the company is no longer traded in the stock market and the general public is barred from holding a stake in such a company. The company gives up the name 'limited' and starts using 'private limited' in its last name. **Currency devaluation**: Devaluing a currency is decided by the government issuing the currency, and unlike depreciation, is not the result of non-governmental activities. One reason a country may devaluate its currency is to combat trade imbalances. Devaluation causes a country's exports to become less expensive, making them more competitive in the global market. This, in turn, means that imports are more expensive, making domestic consumers less likely to purchase them, further strengthening domestic businesses.

Conclusion:

The critique sketched out and the possibility of contestation it permits help show how this volume differs from other studies of law and development in the Third Moment and the unity among the several chapters. The current literature reveals several very different approaches to law and development that contrast with the argument of this volume. The first is the "chastened-neoliberals" who think that very minor adjustments in the neo-liberal model, plus the better implementation of reforms, are all that is needed. Included in that group are those who see the problems as largely technical, simply requiring better indicators and more empirical studies to perfect the model. The second are those that think that all that we need is to fully implement the move to the social and the embrace of policy analysis and public law formalism. In contrast, these essays suggest that the practice of law and development must pay close attention to issues of distribution, question the alleged neutrality of both policy analysis and public law formalism, identify sites of contestation and explore the myriad alternatives within development models, considering the role that law might play in producing them.

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[i] *International Encyclopedia of Social and Behavioral Sciences 2nd Edition*
[ii] Rapley, john; ed 2; understanding development , theory and practice in the third world.
Iii todaro and smith; economic development.
Iv Wikipedia