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RATIONALITY OF DEVELOPMENT – INVESTIGATING [ECONOMIC] DEVELOPMENT AS A FORM OF RATIONALISATION OF SOCIETY

A Research Report submitted in partial fulfilment of the Degree of
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by

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Abstract

This study argues that the existing understandings of development, which are mostly based on capitalist modes of production and instrumental rationality, narrowly focussed and unable to engage with deeper socio-economic contexts. This analysis critically examines the dominant focus on economic efficiency and growth as the key measures of development, drawing upon a range of rationalities such as substantive, emotional, and value rationalities. The paper explores the impact of changes in prevailing modes of rationality on the restructuring of social frameworks and economic systems. Advocating for a re-evaluation of development theory, this study proposes decentring capitalist production modes and integrating broader rationalities to conceptualize development. This approach calls for a paradigm shift towards a more inclusive, holistic, and human-centred understanding of development, challenging the existing frameworks to pave the way for sustainable and equitable progress.

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The paper is a tribute to my late father, a symbol of honour to my mother and a testament of their prayers.

I want to thank my supervisor, Dr Jerome Lange, who contributed immensely to the process. This paper marks an important culmination of my academic career thus far, and I am grateful for Dr Lange's support in shaping my experience and growth in this manner

Declaration

I declare that this dissertation is my own , unpaid work. It is being submitted for the degree of Master of Commerce in Applied Development Economics at the University of the Witwatersrand , Johannesburg. It has not been submitted before for any other degree or examination at any other university.

Anele Satsha



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1. Introduction

1.1. Background and Context

Economic development, as a multifaceted concept, has been a central focus of scholarly inquiry and policymaking for decades. The quest to understand and promote economic growth and progress has led to the emergence of various theories and approaches. However, behind these theories lie fundamental assumptions about human rationality and the organisation of social systems.

This study delves into the often overlooked and seemingly straightforward sociological underpinnings of the concept of development within the realm of development economics. Recognising the significance of these foundations is crucial for understanding the aspirations and challenges faced by developing nations. The research aims to unpack how the concept of rationality, particularly instrumental rationality, has become intertwined with the notion of development, shaping its parameters and influencing mainstream economic theories and strategies. By drawing on the Weberian exposition of rationalisation, the study seeks to explore the intricate link between economic development and the broader conception of 'development', emphasising the impact of instrumental rationality on societal perceptions and overall development concepts.

Max Weber's concept of rationalisation serves as a crucial lens for comprehending the complex nature of development. It lays the groundwork for understanding the interplay between sociology and economics, offering insights into societal norms, decision-making processes, and institutions. Rationalisation, as driven by instrumental rationality emphasises efficiency, predictability, and calculability in societal norms, decision-making, and institutions (Horvath & von Weizsäcker, 2014). Rationalisation explains the supremacy of certain viewpoints in characterising and comprehending development, showcasing the ongoing tension between instrumental rationality and more subjective, context-specific types of rationality. This inhibits the full realisation of diverse development notions, highlighting the need for a more inclusive and flexible approach to conceptualising development.

This study adopts an interdisciplinary approach, drawing insights from economics, sociology, political science, and development studies. The research design is qualitative, including literature review, and building on evaluated theory.

1.2. Problem Statement

While the concept of rationality and its content is not an explicitly integral part of development theories, it is an important perspective when considering ‘development’ as a sociological and economic process. As socioeconomic conditions change, social institutions, norms, and practices change as well. What is considered a social and economic change is a function of changing material conditions alongside how societies perceive themselves and their relation to the world (Inglehart & Baker, 2000). During the era of Enlightenment, notions emerged that regarded human rationality and the power of reason as fundamental to civilization and advancement (Robertson, 2015). Prominent philosophers such as René Descartes and Immanuel Kant reinforced the notion of human superiority through arguing that human rationality constituted the ultimate centre of knowledge and morality. The maturing of civilizations coincided with rationality centring itself in the social institutions, norms, and practices of social progress (Smelser & Haferkamp, 1992).

Rationality manifests through the process of rationalisation, where societies increasingly prioritize logic, efficiency, and systematic institutions over tradition, emotion, and value-driven behaviour (Kalberg, 1980). This process has shaped the norms that underpin modern economics and development economics, embedding rationality as the foundation for defining and pursuing progress. Rationalisation has encouraged the construction of social frameworks focused on mathematical measure, efficiency, and productivity, often overlooking alternative social or cultural values (Kalberg, 1980). In particular, the spread of capitalist modes of production aligns with this rationalisation process, reinforcing economic models that emphasize instrumental rationality—the pursuit of efficiency and output as ends in themselves. As a result, development theory has been shaped by a narrow focus on economic growth and modernization, which reflects the logic of rationalisation but may neglect the diverse realities of developing nations. This paper argues that such a limited framework is rooted in rationalized institutions and capitalist ideology and it constrains how development is conceptualized and implemented, making it less responsive to social, cultural, or environmental contexts that fall outside the logic of economic efficiency.

2. Objectives of the Study

This study aims to explore the intricate linkages between the concept of economic development and rationality. Specifically, it seeks to elucidate how different typologies of

rationality inform the rationalisation of social systems and subsequently how these have shaped the conceptual frameworks of development. In the main, the study has four objectives:

- To analyse the concept of economic development in the context of different theoretical perspectives.
    - Analysing the concept of economic development across different theoretical perspectives involves first identifying these perspectives, which encompass classical economic theories, Marxist viewpoints, institutional economics, dependency theory, and neoclassical theory. Each perspective offers a unique definition of economic development, focusing on aspects such as economic growth, wealth distribution, poverty alleviation, class struggle and industrialisation. Examining the underlying assumptions and principles of each perspective reveals varying conceptualisations of human behaviour, market dynamics, and social progress. Further analysis involves evaluating the policy implications stemming from each perspective, including their recommendations for addressing issues like income inequality, unemployment, technological advancement, and environmental sustainability.
- To identify and examine various typologies of rationality underpinning theories of development.
    - Exploring different types of rationality within theories of development entails investigating how these theories conceptualise and prioritise rational decision-making processes. These typologies, which include instrumental, communicative, cultural, and substantive rationality, provide several views through which to examine development processes. Traditional development theories frequently rely on instrumental rationality, which focuses on efficient ways of achieving pre-set economic goals. Conversely, communicative rationality emphasises the value of conversation and consensus-building in development processes, as well as the significance of participatory decision-making. Cultural rationality explores how cultural values and norms impact development trajectories, whereas substantive rationality goes beyond efficiency and includes ethical and moral aspects of development. The evaluation of these typologies exposes a variety of viewpoints on the role of rationality in defining development tactics and results, with implications for policy formation, institutional design, and intervention techniques.
- To explore the connections between rationality typologies and the formulation of development policies and strategies.

- Identifying the relationship between rationality typologies and development policies and tactics requires multiple phases. To begin, distinguishing across rationality typologies such as instrumental, communicative, cultural, and substantive rationality gives a solid foundation for comprehending the diverse decision-making frameworks at work. Second, evaluating policy formation processes gives light on the complex dynamics of stakeholder engagement, decision-making procedures, and the impact of elements such as ideology and competence. Third, examining how rationality typologies form in policy discourses reveals the underlying principles and values that guide development agendas, whether they prioritise efficiency, participation, cultural sensitivity, or ethical concerns. Finally, presenting integrative methods to policy formation recognises the complexities of development concerns and proposes paths for synthesising various rationality typologies to promote more inclusive, equitable, and sustainable development results. These processes provide a thorough grasp of how rational decision-making changes the landscape of development policies and initiatives, as well as insights into potential routes for improving their efficacy and impact.

- To assess the implications of rationality typologies on the outcomes of economic development efforts.
    - Several critical stages are required to investigate the consequences of rationality typologies on economic development outcomes. First, it necessitates a detailed examination of various economic development efforts and tactics conducted in a variety of circumstances. As a result, an examination of how various rationality typologies show in these techniques is critical. This entails determining whether policies prioritise efficiency, democratic decision-making, cultural adaptability, or ethical concerns. Following this evaluation, it is critical to analyse the outcomes of economic development activities using rationality typologies to determine their efficacy in accomplishing planned goals and overcoming problems. Identifying accomplishments and problems connected with various typologies gives useful information about their effect on development outcomes. Finally, offering changes and enhancements to economic development initiatives based on rationality typologies seeks to increase their efficacy, equality, and sustainability. This systematic method yields a thorough understanding of how decision-making frameworks affect the success and direction of economic development endeavours.

3. Significance of the Study

Understanding the relationship between rationality typologies and economic development provides an important perspective for policymakers, practitioners, and scholars in development. This is because the outcomes of development policy and theory must be judged against the principles that define their goals. By unravelling these connections, this study can contribute to the refined understanding of development theories, and consequently create a basis for improving the design of policies which stem from these theories.

A central contribution of the research lies in highlighting the intricate connection between the notion of 'economic development' with the typologies of rationality that have informed the rationalisation of social and economic systems. The contention is that the narrow conception of development stems from the privileging of instrumental rationality, which displaces other forms of rationality in understanding how and why societies and economies evolve. The research aims to fill a crucial gap in the existing literature by situating itself at the intersection of sociological, economic, and philosophical perspectives on mainstream conceptions of rationality and development. By amplifying the underpinnings of development, the study seeks to emphasise that contemporary developmental issues are rooted in fundamental principles, thus bridging the gap between the principles of economics and development economics.

4. Scope and Limitations

While the study aims to provide a comprehensive analysis, it focuses primarily on four theories of development – neoclassical development theory, institutionalism, structuralism, dependency theory and Marxist development theory – and their associated typologies of rationality. This is to contain the scope of the study. Certain constraints, such as the scope of the literature, may limit the depth of the exploration. Additionally, the study does not aim to offer prescriptive solutions but rather seeks to contribute to theoretical understanding and scholarly discourse.

5. Literature Review

The following review departs from the notion that revisionist theories function as a continuum of neoclassical economics, refining and extending core principles to address limitations in their application to real-world conditions. While neoclassical theory is grounded in assumptions of optimisation, equilibrium, and rational decision-making, revisionist approaches modify these assumptions to account for conditions where perfect information, competition, and rationality do not hold (Schettkat, 2018). At the same time, revisionist theories align with the broader objective of neoclassical economics by continuing to analyse and improve resource allocation,

while also integrating insights on behavioural patterns, externalities, and market power that earlier models left unaddressed (Schettkat, 2018).

This pattern of adaptation is evident in the evolution of development economics, where traditional neoclassical models emphasis the role of capital accumulation and exogenous technological progress, and full employment. Subsequent revisionist approaches, addressing industrial policy, poverty traps, and structural barriers refine earlier assumptions about free markets and self-correcting equilibria. In this way, revisionist theories represent a continuation of neoclassical thought, rather than a rejection, by incorporating empirical realities and addressing previously unacknowledged complexities. This has impacted how development economics takes shape around the core tenants of neoclassical theory and modernisation.

5.1. Overview of Theories of Development

Economic development encompasses a broad array of processes and outcomes aimed at improving the economic well-being and quality of life within a society. It involves not only increases in income and GDP but also advancements in human capital, technological innovation, social infrastructure, and institutional capacity (Saida et. al, 2021). It however has suffered from monolithic approaches which privilege indicators of growth as the incidence of development. It is important to then view how different approaches to development have shaped how it is conceptualised.

The mainstream, neoclassical approach to development has its foundations in neoclassical economic theory, emphasising the market mechanism, characterising all agents as rational and focussing on efficiency (Bardhan, 1988). Market participants are characterised as always moving towards allocating and distributing resources efficiently and disequilibria resolves itself through the price mechanism. The resulting conceptualisation of development according to this approach is one which privileges the improving conditions of market efficiency and output (Engel, 2010). Therefore, free markets, privatisation, deregulation, and trade liberalisation are drivers of development because they propel greater market efficiency and output. These are necessary conditions for the incidence of development and as such policy geared towards development advocates for improving market incentives, and competition through a combination of those strategies (Akbulut et. al, 2015). The neoclassical approach relies, beyond rational choice theory, on the assumed rationality of markets so far as in its deductive approach in conceptualising strategy and policy for development. The overarching principle here, when assuming that conditions are perfect, is that when market elements are in place, output, growth and development rationally follow.

In contrast, the structuralist approach emphasises structural barriers to development such as distribution of resources, power and imperfect market conditions (Engel, 2010). The approach itself is one which views development as an objective which necessarily requires structural

enablers for its attainment. Prebisch (1949), highlights the role of government intervention, industrial and trade policy to regulate and guide market relations and redistribution in addressing structural constraints. These are the items which evidence development. While it, unlike the neoclassical approach, advocates for state-led development strategies it nevertheless relies on the neoclassical formulation of development. This is because it assumes that the structural barriers of development are the failed instances of neoclassical enablers of development. Structuralism does not refute that incentives and competition are central in the pursuit of development, it does not refute that the market mechanism (when all things are equal) is the mechanism which drives development. Instead, in its conceptualisation of development, it provides a critical perspective on market failures, the inequality inherent in the market mechanism and power dynamics within markets which influence development outcomes. This is to say, while it does not advocate for free markets as the key to development, it advocates for the correction of market failures by intervention. And thus, it inadvertently keeps the market mechanism as the vehicle for development prospects but creates a view of development that accounts for the need for structural enablers for improving market conditions for intended outcomes (Engels, 2010). Structuralism is in essence a response to the irrationality of the market mechanism by acknowledging that the required market conditions outlined in the neoclassical approach do not lead, in all cases, to the required rational outcomes. It however, is not a response to the illegitimacy of the market itself as a driver of development.

This distinction is important because new structuralist economics, associated with thinkers like Justin Lin (2012), differs from the original Latin American structuralism. Lin's approach retains many elements of neoclassical theory, such as a stronger emphasis on market competition and the idea that growth comes primarily from aligning state interventions with market signals (Lin, 2012). In contrast, classical structuralism is more sceptical of the ability of market forces alone to foster development in peripheral economies, instead advocating for transformative state interventions to shift the structure of production and reduce dependence on primary commodities. While both approaches value state action, classical structuralism focuses more on structural transformation and the need to reshape economic relations, rather than merely optimising existing market dynamics (Rodrik, 2011).

Similarly, the institutional approach to development emphasizes that economic progress depends on the quality of institutions and governance, with social norms playing a crucial role in shaping economic behaviour (Bardhan, 1988). This framework views institutions as essential for reducing transaction costs and fostering trust in economic relationships, both of which enable more efficient exchanges (Fine, 2002). However, there are important divisions

within this tradition, particularly between mainstream New Institutional Economics (NIE) and more critical perspectives, such as Mushtaq Khan's Political Settlements Theory.

NIE, as developed by thinkers like Ronald Coase and Douglass North, retains many neoclassical assumptions, such as rational behaviour, equilibrium, and market efficiency. While NIE introduces concepts such as bounded rationality and transaction costs, it remains grounded in the idea that markets are natural structures governed by supply and demand (Engel, 2010). This approach has been critiqued for merely extending neoclassical economics rather than challenging its fundamental premises. As Fine and Milonakis (2009) argue, NIE adds considerations like transaction costs to existing frameworks but does not offer distinct theoretical tools beyond those used in neoclassical models.

Political Settlements Theory, advanced by Mushtaq Khan, provides a critical alternative to mainstream institutional economics. Khan argues that NIE's focus on designing the "right" institutions ignores the political realities that shape how institutions emerge and function (Khan, 2010). From this perspective, institutions are not neutral but are the result of power struggles and bargaining processes between elites and social groups (Kelsall, 2022). Political settlements reflect these contests over resources and influence, meaning that institutional performance depends not only on their legitimacy and coherence but also on informal power dynamics and how power is distributed among different actors (Kelsall, 2022).

Dependency theory, on the other hand, provides an approach to development that includes some considerations about structural hinderances to development by considering the unequal relationships between the developed and the developing countries. It's focus however in explaining this inequality mainly rests on external factors that have shaped the history of the developed versus the developing (Engel, 2010). It focuses on trajectories as the enabler or constrainer of development and growth. This is the theoretical foundation which underpins the approach to conceptualising development. It draws attention to empirical evidence that illustrates historical patterns of exploitation, unequal exchange, and persistent underdevelopment within the global economy. These observations foster policy implications that encourage developing nations to delink from the economic dominance of more powerful countries, advocating for greater self-reliance and the pursuit of alternative development strategies that challenge existing structures of dependency (Rapley, 2007). The focus on historical trajectories and outcomes however does not wholly remove the focus of development from improving the market mechanisms rather it accounts for market failures as a result of unequal relationships, that are shaped historically.

An approach to unequal global relationships that removes more successfully the focus of development from the market mechanism is post-development theory. Both decolonial and post-development theories both challenge mainstream development frameworks, critiquing the dominance of Eurocentric models and calling for alternatives that reflect the realities of marginalised communities, particularly in the Global South (Ahorro, 2008). At the heart of these approaches is the idea that development, as historically conceived, is rooted in colonial legacies that continue to shape global power structures, marginalising non-Western identities and reinforcing inequality. Ndlovu-Gatsheni (2013) argues that coloniality, the continuation of colonial modes of thinking and power, remains deeply embedded in contemporary development practices, obstructing meaningful progress for formerly colonised societies.

Frantz Fanon's decolonial theory offers further insight into this critique, emphasising the psychological and structural violence that colonialism inflicted on both the colonized and colonisers (Fanon, 1963). Fanon argues that liberation from colonial oppression must involve a radical rethinking of social and political systems, dismantling the internalised hierarchies that persist even after formal decolonisation (Fanon, 1963). His work extends the decolonial critique by highlighting how these inherited colonial dynamics become reproduced within development paradigms, often promoting Western superiority and dependency (Gordon, 2004).

Ndlovu-Gatsheni's decolonial approach aligns with post-development thinkers like Arturo Escobar, who critique the very foundations of the development project (Escobar, 1992). Both argue that development has often served as a tool for perpetuating Western hegemony, framing non-Western societies as "lacking" and in need of salvation through Western intervention. He emphasises that development has historically been framed as a linear process aimed at achieving modernisation, a framework that fails to account for the complexities and diversity of local cultures and realities (Escobar, 1992). This narrow conceptualisation overlooks the ways in which different communities navigate their environments and define progress on their own terms. The post-development theory calls for a move away from universal solutions imposed by global institutions and instead embraces context-specific, localised alternatives that emerge from within communities – resembling elements of dependency theory and classical structuralism while more meaningfully removing the market mechanism by recognising its bias toward Western hierarchies.

Similarly the Marxist approach to development is underscored by the class struggle instead of the market mechanism and addressing its failures in trying to create conditions conducive for development. This approach takes the market as a framework/institution/custodian that is

unable to foster development because it is internally unstable (Bardhan, 1988). The Marxist approach conceptualises development as necessarily requiring social transformation and it is underpinned by removing exploitative systems in production, allocation, and distribution. While the resulting conceptualisation of development is one which critiques capitalism and its modes of production, the Marxist theory itself fundamentally bases the possibly of a communist/Marxist mode of production as necessarily depending on the existence and failure of capitalism. Inadvertently, the conceptualising of development through Marxist theoretical foundations, is linked to capitalist modes of production (Marx & Engels, [1846] 1947).

However, this point has been a subject of debate among Marxist-inspired development thinkers. Neo-Marxists and dependency theorists, in particular, challenge the deterministic view of capitalism's collapse as a universal necessity. Neo-Marxists argue that capitalism's resilience, especially through ideological and cultural hegemony, complicates the straightforward trajectory Marx predicted (Noonan, 2010). Frank (1970) maintain that the transition from capitalism to socialism may not follow the same path everywhere, suggesting that some societies might pursue alternative modes of production without first undergoing extensive capitalist development. Similarly, dependency theorists, focusing on global economic structures, argue that peripheral nations in the global South are trapped in a system of dependency on capitalist core nations (Lampa, 2019). For these nations, underdevelopment is not a mere phase leading to full capitalism but a condition actively maintained by global capitalism (Frank, 1970). As a result, they may seek socialist alternatives not as a result of capitalism’s collapse but in response to the exploitation and stagnation created by this dependency. These perspectives suggest that while classical Marxism emphasizes capitalism’s failure as a precondition for communism, neo-Marxist and dependency theories highlight that alternative pathways to socialism may emerge in response to both local and global crises, even without capitalism’s full development or collapse.

Along with all the other approaches, embedding the conceptualisation of development in the market mechanism links it heavily to capitalist modes of production. Neoclassical development as framed by neoclassical economic theory has a bidirectional relation with capitalism – by underscoring and supporting the principles of capitalism and also gaining its credibility from the spread and resilience of capitalism as an economic and social system (Ghosh, 2019). Its models and analyses offer justifications for free trade, minimal government intervention, and the protection of property rights—core elements of a capitalist system. Internally to upholding the sanctity of institutions that are necessary and internal to capitalism like property rights, are the justifications from institutional economics and theories which privilege the functionality of institutions as the prerequisite for development (Bardhan, 1988). It is not internal to the

approach of institutional economics to decentre capitalism and its institutions when making the argument that institutions themselves are central to development.

This idea is the same for new structuralist economics and dependency approaches to development – the argument which is internal to how development is conceptualised in both cases does not depend inherently on the argument that development is not compatible with the market mechanism, capitalism, and its mode of production. Rather that the realisation of development requires correcting the structural imbalances and inequalities between countries. Where there is a difference, however, between these approaches to development and the neoclassical approach is that they view development functionally as a collective process of nation and societies (Sunkel, 1989). This is to say that the incidence of development is considered structurally to be enabled or hindered at the level of national and global relationships. This is unlike the case of the neoclassical approach which prioritizes the individual as the unit of analysis when explaining social phenomena through the principle of methodological individualism. Marxist underpinnings have been critiqued for the same principle when conceptualising the class struggle using the individual to describe the peasant class struggle and his contention with the entrepreneur which exploits him for labour.

Overall, these different approaches to development centre capitalism and capitalist modes of production when conceptualising development. This is the same for Marxism, even though it is a critique of capitalist modes of production. The implication of this is that a formation of a 'mainstream' conceptualisation of development occurs. Where, irrespective of the approach, development in the main centres around the capitalist mode of production and the theoretical framework which functionally supports neoclassical theories to growth.

5.2. The Evolution of Mainstream Development Theory

The emergence of a 'mainstream' development rhetoric results from the above approaches to development. However, the mainstream rhetoric itself has evolved overtime. It has not stayed in the initial confines of the neoclassical approach (Akbulut et. al, 2015). In response to changes within the discipline of economics and in several key ways. What has remained constant is capitalism and capitalist modes of production which frame the concept of development over these transitions.

Mainstream development theory has seen a deliberate shift away from growth-oriented policies and towards those focused on poverty alleviation and good governance (Akbulut et.

al, 2015). This shift emphasises a more comprehensive approach that tries to directly solve the poor's living situations rather than using economic growth as the main indicator of progress. The shift towards addressing poverty and improving governance reflects a larger trend of prioritising real gains in quality of life alongside economic progress (Sen, 1999).

Simultaneously, conventional development economics has begun to incorporate non-pecuniary measures into microeconomic models, particularly for specific case studies. This shift reflects an increasing awareness of the limitations of traditional economic statistics, such as GDP, in adequately capturing the consequences of development programmes. Economists can better analyse the overall impact of development programmes on society's well-being by taking into account elements other than simple financial measurements.

The current landscape of mainstream development economics is increasingly characterised by technocratic intervention, with a focus on assessing the micro-level impact of development programmes (Akbulut et. al, 2015). This analytical approach is consistent with a larger, globally distributed developmental governmentality that prioritises poverty reduction and good governance. This technocratic approach seeks to create accurate insights into the real outcomes of development activities by carefully studying and evaluating individual actions at the local level. This, however, is still very much linked to the principle of methodological individualism which has limitations in and of itself. Furthermore, the intersection of an increasing emphasis on micro-foundations with the policy agendas of development organisations has resulted in an explosion of comprehensive case studies in the subject. The growth of such specialised research is in reaction to the expectations of national and international development agencies, which seek comprehensive project assessments and systematic audits to guide policy and financing decisions (White, 2013).

The new micro-development economics, exemplified by the randomization school, holds that development or underdevelopment is substantially determined by individual decisions, behaviours, and interactions (White, 2013). It focuses on economically rational individuals acting in social environments with limited rationality and inadequate information. The school believes that underdevelopment and poverty are frequently driven by government and market failings, such as rent-seeking behaviours or the exploitation of knowledge asymmetries, demanding individual-level corrective initiatives. This viewpoint separates the problem of poverty from the structural forces that shape and control individual behaviour, focusing instead on proximate causes (Banerjee & Kremer, 2016).

While the randomization school's approach to poverty deepens the 1970s trend in development economics towards poverty reduction, it also believes that poverty and growth may coexist. It views poverty as an empirically observable situation that either pre-exists or results from governance and market failures, implying that development may be achieved via the implementation of proper public policies. It confines the concept of development to technical solutions, such as developing incentive or behaviour-compatible mechanisms, without addressing the larger social and ecological challenges that growth and accumulation might cause (White, 2013). In this discourse, human development indicators such as education, health, and nutrition are employed to quantify outcomes, but these aspects of well-being are frequently regarded purely as investments in human capital for future labour market success (Akbulut et. al, 2015). This approach is consistent with neoliberal thinking, presenting poverty in terms of individual entrepreneurial capacity that lies untapped owing to institutional constraints, and proposing remedies that emphasise market participation.

On the other hand, new institutionalism in development economics has rekindled interest in macroeconomic structural difficulties. Acemoglu and Robinson (2012), study the role of political and economic institutions in development, providing explanations for underdevelopment caused by power dynamics that create 'bad' institutions that stymie economic growth. They provide a narrative for the evolution of economic institutions, but they imply that 'good institutions' are those that support a market-based capitalist economy.

The new institutionalist literature also uses formal methods to investigate the microeconomics of institutions, with an emphasis on efficient solutions to transaction costs and coordination issues. It contends that underdevelopment results from the absence or poor performance of institutions that protect property rights and encourage market exchanges. Despite their various analytical scales, both macro and micro-institutionalist theories see development as evolving towards a capitalist economy characterised by secure property rights, legal restrictions, and efficient markets (Sunkel, 1989). They often avoid deeper, non-individualistic reasons for underdevelopment, instead explaining it as a detour from this path.

6. Theoretical Framework - Max Weber’s Economic Sociology

Economic sociology is an academic discipline that examines the social aspects and consequences of economic phenomena (Martinelli & Smelser, 1990). It explores how social

relations, norms, institutions, and cultural values influence economic behaviour, actions, and outcomes. Economic sociology goes beyond traditional economic theory, which often focuses on individuals making rational decisions based on self-interest and the optimization of utility or profits. Instead, it incorporates a broader understanding of how social contexts shape economic life (Swedberg, 2009). It reveals how relationships influence transactions and access to economic possibilities looking into both the intimate sphere of familial ties and the larger domain of corporate associations, revealing the complicated web of links that govern the movement of resources and information.

Max Weber has had a significant impact on economic sociology through his investigation of the Protestant morality and its impact on the growth of capitalism (Swedberg, 1998). He examined the cultural and theological motivations that drove economic behaviours consistent with capitalism demands. His thesis of rationalisation serves as the foundation for his larger sociological vision, which asserts a society change towards logic, efficiency, and methodical organisation. "The Protestant Ethic and the Spirit of Capitalism" explores the relationship between Protestantism and modern capitalism, arguing that the Protestant work ethic, particularly Calvinist asceticism, fuelled the growth of capitalism (Gorski, 2003). The pursuit of economic prosperity as a divine favour and proof of one's elect position instilled a reasoned, industrious quest of riches, which is essential to capitalist expansion.

His theory of rationalisation expands on the cultural transition from spontaneous, tradition-guided activities to an organised, logical approach. This process has left permanent fingerprints on different socioeconomic aspects, propelling the economy towards more structured and calculable approaches. These underpinnings broaden the traditional economic definition of capital beyond the tangible domains of physical and monetary assets. They incorporate the concept of social capital—the intangible but vital resources that individuals and communities wield through social connections, such as trust, reciprocity, and obligation (Holton & Turner, 2010). The link which this study builds on is that capitalism accelerated the rationalisation of economic behaviour, changing social beliefs from customary practices to optimised, strategic long-term planning, similar to the rational legal systems and bureaucracy that Weber also documented.

Weber further observed that Protestantism, with its doctrinal emphasis on asceticism, encouraged a disciplined, rational approach to work and economic activity as a worldly expression of religion (Baecker, 2013). And removing more spiritual beliefs from religion by means of disenchantment. Weber's definition of rationalisation includes the 'disenchantment of the universe,' in which logic replaces religious and magical beliefs (Gane, 2002).

(Denny, 2000) gives an account of embeddedness as a key idea in economic sociology, positing that economic behaviour is inextricably linked to the social networks that surround it. It contends that these social links, far from being incidental, significantly impact the goals that people strive for and the ways that they conduct business (Kadushin, 2012). Furthermore, economic sociology examines how power and inequality affect economic landscapes and decide who gains from economic activities—and who is left behind.

Weber's exposition is used as the framework for this paper along with the notion of embeddedness. This framework of economic sociology is used to examine the social catalysts of transformations in economic regimes, and societal development patterns, revealing the social undercurrents that drive economic transformation.

7. Discussion

Rationality, as a foundational concept in social science, refers to the ways in which individuals and collectives make decisions and allocate resources based on their goals, preferences, and beliefs (Ostrom, 1998). Various typologies of rationality have been proposed, ranging from rational choice theory's emphasis on self-interested utility maximization to sociological perspectives highlighting the role of social norms and cultural values in decision-making.

While rational choice theory is known explicitly as a formulation of rationality within the field of economics, the more sociological perspectives are often viewed separately from economics (Hechter & Kanazawa, 2019). I argue, first that this is a fundamental error in the way we view rationality because the sociological perspectives of rationality underscore the social structures from which economic systems emerge. This is because typologies of rationality frame modes of production and in that way become more explicitly linked to the field and study of development economics and the progress of those modes of production.

However, the relationship between rationality and development theories is complex and multifaceted. Different theories of development are grounded in distinct rationality frameworks, which shape their assumptions, methodologies, and policy prescriptions. Understanding these rationality-development theory linkages is essential for critically evaluating the strengths, weaknesses, and implications of different development approaches. By examining how

rationality underscores the conception of development, we can gain insights into the ideological underpinnings, and practical relevance of development theories.

7.1. Typologies of Rationality

Substantive rationality is anchored in a fixed set of means and ends. It is associated with specific norms and institutions that are based on a predetermined set of values and principles. In societies that prioritise substantive rationality, the focus is on adhering to predefined norms and values, following established rules, and making decisions based on this fixed set of means and ends (Kapp, 1965). Substantive rationality is therefore contingent on defining norms through other forms of rationality or cultures that define norms. The link to modes of production is evident in systems such as communal agriculture or cooperative enterprises, where economic activity is deeply embedded within social and cultural norms (Kalberg, 1980).

Similarly, value-rational rationality is an important concept that is closely connected to norms and institutions that are built on ethical considerations and moral principles (Kalberg, 1980). This type of rationality highlights the significance of following values and beliefs when making decisions. In societies that prioritise value-rational rationality, the focus is on ethical decision-making and the pursuit of moral goals. It is about doing what is right, based on one's beliefs and values (Foley, 2004). Value rationality aligns with modes of production that are propelled by these non-economic motivations, such as religiously inspired communal living or social enterprises driven by a mission to effect social justice and change (Cangiani, 2016).

In contrast, affective rationality is a concept that refers to the influence of emotions and personal feelings on norms and institutions (Kirman et. al, 2010). It considers, at a personal level, factors that drive and create institutions as opposed to the collective moral and communal ethic which shape individual actions. It recognises that emotions play a crucial role in decision-making and behaviour. In societies where affective rationality is prioritised, people's emotional needs and motivations are given importance (Kalberg, 1980). This type of rationality emphasises the need to make decisions that not only consider objective and collective factors but also take into account the subjective experiences and feelings of individuals. Creative industries or craft-based economies centre personal expression in production and its exchange this is where the emotional engagement of individuals plays a critical role in economic output.

Lastly, instrumental rationality is a type of rationality that is grounded in norms and institutions that prioritise efficiency and effectiveness in achieving specific goals (Foley, 2004). Essentially, this type of rationality is focused on maximizing outcomes and minimizing costs. In societies that place a strong emphasis on instrumental rationality, the focus is on rational decision-making and the use of efficient means to achieve desired ends. This can involve making decisions based on what is most practical, effective, and logical (Dillard & Ruchala, 2005).

These typologies of rationality provide frameworks for understanding how different norms, institutions, and societies prioritise and shape decision-making processes based on different principles and considerations (Kalberg, 1980). These typologies help to shed light on the diverse ways in which rationality is conceptualised and applied in various contexts.

7.2. *Typologies of rationality and Modes of Production*

The next goal of this discussion is to intricately link Max Weber's typologies of rationality—substantive, affective, value, and instrumental—to disparate modes of production and show that the more sociological perspectives of rationality underscore economic systems. Understanding the objective is to unravel the correlation between the underlying motivations of economic behaviours and the broader economic systems in which they operate (Genov, 1991). Modes of production, for this paper, refer to the varied ways societies organize the production, allocation, and distribution of goods and services. In examining these, the assumption I make here is that each type of rationality aligns with a distinct mode of production, influencing both the nature and the economic outcomes of societies.

The historical context of modes of production reveals a narrative of evolution and transformation, with shifts in dominant forms of rationality marking the transition from one mode to another. For instance, the move from feudalism to capitalism in Europe paralleled a shift from substantive to instrumental rationality. The transition from feudalism to capitalism in Europe was not only an economic transformation but also marked a significant shift in the underlying modes of thought, particularly in rationality, as distinguished by Max Weber's concepts of substantive and instrumental rationality. During the feudal era, economic activities and decisions were deeply embedded in social norms, religious principles, and communal goals, exemplifying substantive rationality (Kalberg, 1980). For instance, a feudal blacksmith would forge tools and weapons based on the village's needs and his traditional role, under the regulation of the manorial system. This system prioritised communal needs and feudal obligations over individual profit.

However, as Europe moved towards capitalism, there was a stark shift to instrumental rationality, where actions were guided by the pursuit of efficiency and profit maximization, often side lining broader social or moral considerations (Whimster & Lash, 2014). The emergence of the factory system during the Industrial Revolution epitomised this shift, with production processes being optimised for profit rather than communal welfare, introducing principles like the division of labour and the commodification of land and labour (Whimster & Lash, 2014). This transition also redefined labour relations, moving from fixed social hierarchies and obligations to wage labour and employment contracts, and transformed market dynamics from local, regulated exchanges to a global, competition-driven market system. Consequently, the move from feudalism to capitalism entailed a profound change from a value-driven economic structure to one guided by efficiency, competition, and individualism. Economic development patterns are inextricably linked to the predominant rationality, as seen in how the emergence of industrial capitalism accelerated economic growth but also engendered new social challenges.

The comparison of substantive rationality in communal production focuses on economies that value social welfare and sustainability over narrow market efficiency. Meanwhile, affective rationality in artisanal production highlights the human element, such as the passion and creativity that fuels small-scale or craft-based economies (Elliot, 2017). Affective rationality is action guided by emotional states or feelings rather than calculations of advantage or adherence to ethical norms. Therefore, tribal and clan-based societies also exhibit economic practices underpinned by affective rationality, where exchanges and production are heavily influenced by kinship, loyalty, and honour. For instance, gift-giving practices among the Pacific Northwest Indigenous peoples, such as the potlatch, involved the distribution of wealth not for economic exchange or efficiency but as a means of establishing social status, reinforcing social bonds, and asserting prestige, driven by communal values and emotions (Elliot, 2017). However, examples of economic systems driven solely by affective rationality are difficult to pinpoint, as this type of rationality tends to influence individual actions more than national institutional structures.

Value rationality in ethical production explores systems driven by moral imperatives, like fair trade, illustrating the impact of ethical considerations on economic decisions. Value-rational action is driven by a commitment to ethical, aesthetic, religious, or philosophical values, irrespective of the potential outcomes (d'Avary, 2010). A historical example of an economic system underpinned by value-rationality can be seen in certain religious communities, such as the medieval monastic orders in Europe. Monasteries during the Middle Ages were not just

spiritual centres but also economic units that produced goods and provided services, not for profit or efficiency but as an expression of their religious values and communal life (d'Avary, 2010). Their agricultural practices, manuscript production, and hospitality services were organized around religious principles and the ideal of self-sufficiency, reflecting a commitment to higher values rather than economic gain.

The establishment of factories, the specialisation of labour, and the commodification of time and human activity were all driven by the pursuit of greater efficiency and productivity, often at the expense of traditional value systems and emotional considerations. The economic system became increasingly centred around the calculation of costs and benefits, with less regard for the communal and value-driven or affective motivations that might have previously guided economic actions (Henricks, 2016). This shift toward instrumental rationality has profoundly shaped modern economic institutions, where decisions are primarily based on efficiency, profit, and the optimization of outcomes, side lining the value-rational and affective dimensions of human action that once played a more central role in shaping economic systems and practices.

7.3. Rationalisation of Social Systems

Rationalisation refers to the process of shaping economic and social systems through the influence of instrumental rationality, interacting with social, cultural, and historical factors. Departing from the links made above, instrumental rationality by enforcing itself in modes of production, is a type of rationality which has become increasingly more embedded in defining development trajectories. In this process, as demonstrated above, the way in which societies are organised moves away from viewing behaviour as a package of traditions, emotions, and values towards the heightened importance of logic and reason as determinants of behaviour (Kalberg, 1980). Rationalisation marks the social and economic departure from other forms of rationality toward instrumental rationality. The coming about of the modern industrial society is underpinned by a particular type of rationality that corresponds to efficient, calculated, and predictable systems of social organisation. Features of rationalisation are underpinned by instrumental (means-end rationality). This kind of rationality refers to the mode of reasoning by which individuals choose to act in decisive ways to attain desired outcomes (Kirman et al., 2010). The merit of an action depends on its capacity to be an efficient means toward the desired end. This kind of rationality thus informs other features that motion towards desired social goals like efficiency and predictability.

The socio-economic features which are encapsulated by the process of rationalisation include bureaucratisation, rational calculation, specialisation and division of labour, spread of capitalism and market forces, disenchantment, efficiency, and standardisation. Particularly with the emergence of bureaucracy, which is characterised by hierarchical structures, specialised roles, and formalised procedures, the rationalisation process hinges on institutional means-end rationality (Hechter & Kanazawa, 2019). Similarly, the growth of a 'rational' legal system has replaced traditional or personal forms of justice that are governed by personal morality (Henricks, 2016). This is linked closely to disenchantment, wherein spiritual and mystic belief systems have been replaced by the rule of law as the 'moral compass' of societies. Therefore, moral codes are guided by the rule of law, per collectively standardised rules. These rules are extended to markets and the organisation of resources. For the sake of efficiency and profit, the expansion of capitalist market economies has been complementary to the process of rationalisation. To a large extent, the rationalisation of society has hinged on restructured modes of production which favour specialisation and division of labour as a means towards prioritising efficiency and effectiveness in achieving production/economic goals (Foley, 2004).

The concept of rationalisation not only defines the sociological developments of societies but also defines the changing objectives, desires and as a consequence the governing rationale of societies (Kalberg, 1980). This process is at the centre of how societies began to think of their social and economic welfare — as dependent on efficiency, maximisation of outputs and minimisation of costs (Foley, 2004). Within this framework, individuals, institutions, and societies make decisions to maximise utility and benefits in the pursuit of economic progress. The key lies in using rational calculations, cost-benefit evaluations, and goal-oriented behaviour. Individuals and organisations use rational calculations to strategically determine the most advantageous bundle of consumption or production, to maximise utility and output. Development, within this context, is construed as the culmination of well-informed calculations, where the means represent the inputs involved in these calculations, such as goods produced or consumed. Furthermore, the fundamental cost-benefit analysis is a critical method for determining good or negative outcomes. As a result, the perspective of what defines development revolves around an economic and social system that generates greater benefits in comparison to the costs it incurs (Granovetter, 2005). The system is based on the main goal of increasing utility and production, with higher output and consumption serving as indicators of input efficiency through rational calculations.

These core principles show up in varying disciplines of social, economic, and political concepts and desired outcomes. In the case of economic theory, the rise of instrumental rationality in

the form of institutions, norms and relations sets the undertone for how theories of development took shape alongside social rationalisation. In particular, the frameworks of neoclassical theory have been underscored by the axiom of rationality because it presents itself as encompassing the tools that are required, as per the demands of instrumental rationality, to facilitate development. This is because its theory centres its focus on mechanisms of market efficiency to facilitate economic growth and development (Chang, 2002).

7.4. Rationalisation and Capital Modes of Production

The emergence of capitalism has been deeply intertwined with the influence of instrumental rationality, interacting with social, cultural, and historical factors to shape economic systems. Cultural shifts toward individualism, and emphasis on the pursuit of self-interest, have aligned with the rational decision-making inherent in instrumental rationality. Historical developments have witnessed the emergence of institutions and theories of development structured around methodological individualism and capitalist modes of production which permeate different development theories. Social structures and class formations within capitalist societies have been influenced by the rational pursuit of economic interests, leading to diverse social hierarchies (Dufour, 2010). The cultural glorification of entrepreneurship and economic success reflects a broader ethos encouraging rational risk-taking and profit-seeking behaviour. The rise of consumerism and a market-driven culture, alongside globalisation, has further propagated values associated with instrumental rationality on a global scale.

Moreover, given that the rationalisation of societies has resulted in the prominence of capitalist modes of production (and hence capitalist societies) one can view economic development within this context as linked to the rational demands of means-end rationality (Heilbroner, 1988). This is to say that the prominent social and cultural symbols that align to create the values, beliefs, structures, and organisation of society are centred on the rational intention to maximise efficiency, productivity, and outcomes as a form of development. Castoriadis formally refers to this as a social imaginary and maintains that in capitalist societies the prominent social imaginary is ‘rational mastery’ (Castoriadis & Murphy, 1985). The social imaginary of rational mastery maintains that the function and inclination of man (and by extension societies) is to always seek to have more, to be more efficient, and to gain more power (Papadimitropoulos 2018). Rational mastery speaks to what capitalist societies believe are the rational desires of a people. It defines what means are rational towards the infinite process of accumulation and it places a burden of accumulation on individual agents and the

society at large. Therefore, when accounting for why and how societies develop, the axiom of rationality which presents itself through ‘rational mastery’, attributes this only to the desire for systemic changes that can improve the capacity of societies to have greater output and accumulate more capital (Papadimitropoulos 2018).

Similarly, Funk (2021) argues that the expansion of capitalist thinking and acting has led to the framing of freedom and economic development through instrumental rationality, which undermines the importance of value rationality. Value rationality encompasses actions guided by ethical, moral, or value-based considerations. However, in capitalist societies, instrumental rationality becomes the dominant mode of thinking and acting, leading to the prioritisation of economic efficiency and the pursuit of self-interest over other considerations. This emphasis on instrumental rationality can shape individual and collective behaviours, influencing decision-making processes and societal norms. For example, in capitalist societies, the pursuit of profit and economic growth often takes precedence over environmental concerns or social justice issues (Bell, 2015). This has led to the exploitation of natural resources, the marginalisation of vulnerable populations, and the perpetuation of social inequalities.

According to Weber (Gorski, 2003), the historical origins of capitalism and its connection to rationalisation can be traced back to the Protestant Reformation, particularly the influence of Protestantism on shaping an ethical underpinning for the capitalist ethos. Weber argues that Protestantism, with its emphasis on a disciplined work ethic and the rational organization of life, contributed to the development of a specifically bourgeois economic ethic. The Reformation had significant social and political repercussions, including the redistribution of wealth, changes in the role of the church in society, and the emergence of new forms of governance. It also contributed to the rise of nation-states and the reshaping of political landscapes in Europe. The effects of the Reformation extended beyond Europe, influencing religious and cultural developments in other parts of the world, including the Americas and Africa through the colonial and imperialist influence of Europe. While the Protestant Reformation marked a period where value-rational reasoning was abandoned - it shows that pre-capitalist societies, their related economies and modes of production were characterised by other forms of rationality. Rationalisation as a precondition of capitalism, is implicit in theories of development given that these theories are framed to explain the coming about of capitalism, and paradigms of economic development within the context of globalised capitalist modes of production.

One can argue that the pervasive influence of instrumental rationality in capitalist societies has had an impact on shaping economic and social structures. This also has implications for

the conception of development as very narrowly focussed on these technical changes in efficiency, productivity, and effectiveness because often these changes are measured in monetary terms. Development starts to narrowly focus, at least in capitalist modes of production as required and underscored by rationalisation, on quantitative economic improvements and growth. The notion of development then becomes narrowly focused on social and economic improvements for the sake of monetary gain in the form of economic (output, income, and wealth) gains. Funk (2021) argues that a critical theory of development should centre on value-rational action as the realisation of freedom and as a means of challenging the dominance of instrumental rationality in capitalist societies.

7.5. Displacement of other Rationalities

The displacement of alternative forms of rationality in favour of capitalism's predominant mode is not an incidental occurrence but a systemic feature of capitalist societies. Capitalism, with its bedrock principles of capital accumulation and efficient resource allocation for profit maximization, innately aligns with instrumental rationality. This alignment is born out of necessity—capitalist markets reward efficiency and calculability, creating an environment where the most effective use of resources leads to economic success (Foley, 2004). Consequently, the quantifiable outcomes central to capitalist economies—profit margins, return on investments, and market shares—reinforce this alignment by privileging objective, measurable results over qualitative considerations that are less easily quantified.

Revisiting the outcomes detailed in the literature review, capitalist modes of production have fundamentally shaped the landscape of development theory, embedding instrumental rationality as the linchpin of development strategies and policies. This pervasive influence is evident across various theoretical frameworks within development economics, where the principles of capitalism, emphasizing efficiency, market freedom, and individual rationality, serve as foundational assumptions.

At the heart of neoclassical development theory lies the faith in the market mechanism, characterized by the allocation and distribution of resources through market participants acting rationally to achieve efficiency. This perspective posits that development occurs as a natural outcome of enhancing market efficiency and output, advocating for free markets, privatization, deregulation, and trade liberalization as key drivers of development. The neoclassical approach, thereby, takes for granted the conditions of perfect markets and rational actors, assuming that, given these conditions, development will logically and inevitably follow.

Contrastingly, the structuralist and dependency theories critique the neoclassical model by acknowledging market failures and the unequal distribution of resources and power. However, they do not abandon the market mechanism as the vehicle for development. Instead, these approaches call for the correction of market failures through government intervention and the restructuring of international relationships to mitigate the effects of historical exploitation and current inequalities. Even as they challenge the neoclassical model, these theories inherently accept the premise that development can be achieved within a market-based capitalist framework, albeit with significant adjustments to address structural imbalances and dependencies.

Similarly, the institutional approach to development, which emphasizes the role of institutions and social norms in facilitating efficient economic transactions, operates within a neoclassical base. By focusing on reducing transaction costs and fostering trust, this approach seeks to improve market function rather than question the market's role in development. Despite theoretical differences with neoclassical economics, New Institutional Economics (NIE), for example, shares a methodological affinity with it by adopting assumptions about markets and rationality that do not fundamentally challenge the capitalist ethos.

Even Marxist theory, which fundamentally critiques capitalist modes of production, inadvertently centres capitalism in its conceptualization of development. By envisioning a post-capitalist society as emerging from the conditions created by capitalism's failures, Marxist theory also acknowledges, albeit critically, the pre-eminence of capitalist modes of production in shaping the possibilities for development.

The consistent thread across these theoretical approaches is the acceptance, to varying degrees, of capitalist modes of production as either the framework within which development must occur or as the condition from which alternative development strategies must diverge. This underlying acceptance has facilitated the dominance of instrumental rationality in development theory, where the focus on efficiency, output, and market mechanisms reflects the broader capitalist principles of maximizing utility and profit. Consequently, development theory, even in its critiques and alternatives to the neoliberal paradigm, remains deeply entwined with capitalist modes of production and the instrumental rationality that underpins them, shaping not only the strategies and policies for achieving development but also the very conceptualization of what development entails.

7.6. Rethinking Development

To transition towards a more inclusive and holistic conceptualization of development, a comprehensive re-evaluation of the underlying assumptions about development is necessary. This new framework requires moving beyond the hegemony of capitalist modes of production and embracing a multiplicity of rationalities.

Decentring capitalist modes of production requires that the conceptualisation of development promote economic pluralism. Development theory should embrace a variety of economic systems, including cooperative economies, social enterprises, and mixed economies, to foster diversity in ways of production and living. This entails recognizing that capitalist modes are not the sole or always the most desirable framework for development. Internal to this is encouraging local and indigenous knowledge. Development policies should validate and integrate local and indigenous knowledge systems and economic practices, which often prioritise traditional values and systems, centring community, sustainability, and long-term well-being over profit maximisation.

By actively exploring and validating economic models that operate outside or adjacent to the capitalist framework, we can begin to conceive development in a manner that is not inherently bound to the principles of capitalism. This involves not only academic and theoretical exploration but also practical support for alternative economic systems that prioritize community welfare, sustainability, and equity over profit maximization. Such a shift would pave the way for diverse models of economic organization, including cooperative economies, solidarity economies, and other forms of communal and sustainable economic practices, to be recognized as legitimate and viable paths to development.

It is necessary to broaden the conceptual contexts of development and reconceptualise within contexts that encompass a wider array of rationalities beyond the instrumental. This involves embracing value-rational, affective, and other forms of rationality that account for ethical, cultural, environmental, and social values in the development process. By acknowledging and integrating these diverse forms of rationality, development theory can better cater to the multifaceted nature of human well-being and societal progress, moving beyond narrow economic indicators to include measures of social cohesion, cultural preservation, environmental sustainability, and quality of life. A transformative approach to development theory entails reimagining development independently of production paradigms. Instead of defining development through the lens of economic output or productivity, it should be conceptualized in terms of real outcomes that directly impact human well-being and societal

health. This perspective centres development objectives—such as social equity, environmental sustainability, universal education, and healthcare—above the objectives of any particular mode of production. By focusing on desired outcomes, this approach allows for the application of development concepts to a variety of economic models, ensuring that the goals of development dictate the choice and implementation of production methods, rather than the reverse.

8. Conclusion

The interplay between rationality and development theories illuminates the profound ways in which our conceptual frameworks and policy orientations are shaped. Rational choice theory, with its emphasis on self-interested utility maximization, and the broader sociological perspectives that underscore the social and cultural underpinnings of economic systems, demonstrate that rationality is not monolithic. This multifaceted nature of rationality reveals the limitations of approaches that prioritize instrumental rationality, often synonymous with capitalist modes of production, over other forms of rational thought and action.

The exploration into the various typologies of rationality — substantive, affective, value, and instrumental — serves not only to broaden our understanding of human decision-making but also to underscore the socio-economic contexts from which these rationalities emerge. Recognizing the interdependence between rationality and modes of production offers a nuanced perspective on economic development, one that transcends the narrow confines of instrumental rationality and capitalist production systems. The historical evolution from feudalism to capitalism, for instance, highlights a shift from substantive to instrumental rationality, underscoring the transformative impact such shifts have on societal structures and economic systems.

The current conceptualization of development, deeply rooted in the principles of capitalism and instrumental rationality, is increasingly being challenged. The limitations of this framework have become all the more apparent, prompting a re-evaluation of how development is conceptualized and pursued. A reimagined approach to development necessitates the decentring of capitalist modes of production, adopting a more inclusive view that acknowledges a plurality of rationalities. By integrating affective, value-rational, and substantive rationalities into economic and developmental paradigms, it becomes possible to foster more holistic and equitable models of development.

Central to this reconceptualization is the recognition of development that transcends production metrics, focusing instead on real outcomes that directly impact human and ecological well-being. Such an approach would not only redefine the objectives of development but also ensure that these objectives guide the choice and implementation of production models.

In conclusion, a reimagined framework for development, one that de-emphasizes capitalist modes of production in favour of a more inclusive and holistic approach, offers a pathway toward more sustainable, equitable, and human-centred development. It necessitates a re-evaluation of the underlying assumptions that have long dominated economic and developmental policies, urging a transition toward approaches that value human well-being, ecological sustainability, and social equity above mere economic growth. By embracing a multiplicity of rationalities and focusing on real outcomes, it is possible to forge a new narrative for development — one that is responsive to the complexities and nuances of the human condition.

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