Import-substitution Industrialization And Neoliberalism & Sustainable Development

Question 1

Import substitution industrialization (ISI)

ISI is a theory in the field of economics which is followed by developing countries or nations in the emerging markets where they seek to reduce their reliance on developed economies. The theory is meant to safeguard newly launched domestic industries to fully enhance sectors so that the items produced in those industries can effectively compete with the imported ones. The ISI theory makes developing countries self-reliant. The drive of ISI theory is to grow, protect, and strengthen local industries using various tactics such as affordable government loans, import quotas, and tariffs. The countries implementing ISI show up production paths for all levels of product development. ISI operates to counter the notion of comparative advantage, which takes place when countries specialize in production processes at significantly lower costs and then sell them to other countries where the cost of production is high.

Neoliberalism & Sustainable Development

Neoliberalism describes a policy model which joins together politics social studies, and economics. Neoliberalism seeks to transfer economic factors from the public sector to the private sector. Neoliberalism was identified with Ronald Reagan and Margaret Thatcher in the 1980s; the ideology was concerned with what is called “Third Way Politics” whose objective was to establish the middle ground between the right and the left. One of the ways of understanding liberalism is its subtle contrasts and sometimes its relation with other economic and political concepts and movements. Often, neoliberalism is associated with laissez-faire economic thinking, which stands for minimal government interference in the financial situations of society and individuals. Neoliberalism is characterized through the belief that continued economic growth will result in confidence in free markets, human progress and minimal government interference. Sustainable development is about putting in place development measures that ensure that a country meets present needs without compromising the capacity of the future generations meeting their needs. Neoliberalism is a threat to sustainable development as a strategy of attaining growth because of the rise of neoliberal leaders in developing nations. Thus, economic thinking which supports neoliberalism presents a risk to sustainable development goals. The elements of neoliberalism such as cuts in government expenditure, privatization, deregulation, and commodification, has the potential of undermining the prospects of attaining sustainable development goals by promoting inequality and increasing poverty.

Impact of the two policies on urban areas

ISI is a policy that promotes industrialization in a country. This has both positive and negative effects on the growth of urbanization in a country. For example, the areas where industries will be located experience massive growth because it will attract people seeking employment, and

others offering different services to the growing population such as landlords, business people, among others. Thus, ISI will promote urban growth through the migration of people seeking employment. When a government zealously supports ISI, then there will be a case of overurbanization because people will be seeking employment in towns where income is better than living in rural areas. This implies that the higher the ISI, the higher the cases of overurbanization.

Additionally, cities with a growing number of industries might gain the status of urban primacy, i.e., they will grow bigger than others in a given region or country. Hence, ISI promotes urban primacy. Moreover, ISI will encourage the growth of informal settlement because urban migration will increase at a higher rate than the construction of decent houses and other infrastructure like the sewer systems. The acquisition of land to develop industries under ISI might rise to more cases of squatter resettlement issues if the government does not put in place adequate measures to facilitate their compensation and resettlement. Moreover, any region promoting ISI will experience the development of secondary cities because people will move to live near industries where they work and f the development of secondary cities. Also, the government will further foster the growth of secondary cities because they will have to establish their offices near industries to provide for public goods and services such as security, electricity, roads, etc. to the growing urban centers.

Furthermore, it is poised that ISI will promote gender balance in employment since, there will be more job opportunities, and women will have a fair share. Neoliberalism will encourage the privatization of industries. That is transferring them from the public to private through selling them or allowing considerable control of shares by private entities. This possibly will increase the productivity of these industries and create more jobs, perhaps because of more efficient management. The result will be the creation of more jobs and hence need for more labor force. Thus, the outcome will be similar to the influence brought by ISI. That is, there will be a growth of secondary cities, informal settlements, urban primacy, overurbanization, and the growth of towns and cities. However, ISI has a more significant impact on these issues compared to liberalism.

Question 2

Sustainable development is organizing development approaches to meet the needs of the current generation without risking future generations in meeting their needs. Sustainable development is a concept aiming at creating a balance in various competing demands against awareness of the economic, social, and environmental limitations people face in society. In many instances, one particular need tends to drive development without careful consideration of the possible impacts in the future. This the effect of pursuing development without taking into account a myriad of factors. For instance, lack of sustainable planning is a result of major financial crises on a global scale which resulted from irresponsible and uncontrolled banking practices to changes in climate in climate change which comes from utter reliance on fossil fuels. The more the world pursues development practices that are not sustainable, the severe and more frequent the consequences will be, thus, explaining the reason action should be taken in the present for a better today and future.

Living within the environmental means is one of the essential provisions of sustainable development. Climate change is one of the effects of not living within ecological limits.

Nonetheless, the focus of sustainable development is broader than its demands on the environment. It is also about building a just, healthy, and stronger society. This implies that the diverse needs of all people both in the present and in future, creation of equal opportunities for all people, social cohesion, enhancement of personal well-being, etc. is what sustainable development seeks to realize.

Cultural diversity is an essential element of culture in sustainable development. Cultural diversity is vital for sustainable development because: first, the survival of human beings of guarantees the existence of culture. The coexistence of different cultures results in human beings being able to adapt to their environment quickly. People have been able to coexist irrespective of their diverse cultures, granting them the ability to conquer environmental changes and continue to survive. The rise of many cultures and the preservation of cultural diversity has enhanced the chances of people to adapt to changes in climate and environment in future.

Additionally, the existence of other cultural practices and traditions is a must for a particular culture to preserve its vitality and creativity. New ideas are developed from different cultures, and artistic creativity comes from regular encounters with others. Secondly, assurance of protection of human rights of the minority groups. Where there is a lack of understanding between countries, the effects are terrorism, conflicts or war. When people accept and embrace cultures of others, disputes will be minimal, peace will ensue, and the society will realize development. Thus, culture and cultural diversity should be perceived as an essential facet of sustainable development.

Expansion of exports is a threat to sustainable development if it is not done with caution. For instance, massive exports mean that the raw materials and natural resources are massively exploited a situation which risks the depletion of such resources in future. If production for export trends are not managed with caution, then it is becomes a threat to future generations because full exploitation of natural resources such as forests and petroleum will mean that the future generations might not find these resources and the outcomes will be shortage which stands to compromise the well-being of people in years to come. Thus, this calls for efficient usage of resources, for instance, reforestation of areas where trees have been cleared. Also, the world should reduce dependence on fossil fuels and invent and develop other sources of energy for the conservation of the environment.

Tourism helps in fostering cultural diversity which is vital in enhancing sustainable development. Some forms of tourism include recreation, cultural, conventional, etc. In recreational tourism, people move out of their routine go out to spend their leisure time in beaches, hills, among other places. Here, they interact with others, learn about their culture and with who share their practices. This is important in promoting social cohesion and acceptance of other people. The cultural harmony is critical as it promotes peace which provides a conducive environment for economic growth and development. Cultural and conventional tourism has a similar impact as recreational tourism because the tourists visit various ancient moments and places of religious and historical importance (in the case of cultural tourism) and when people attend conventions within or outside their country. They learn a lot about other cultures and gain valuable experience, which improves the prospects of sustainable development. Production of drugs poses a potential of exploiting the herbs or chemicals which are used in their production. Without proper planning, it is possible that these herbs are exploited and future generations may stand a chance of losing getting certain drugs something which threatens their survival. Therefore, threatening sustainable development.

Neoliberalism seeks to transfer the economic factors from the public to private control. The gradual transition is important as it will foster a sustainable development because the utilization of resources under the watch of the public sector has better controls and protection than private entities. Moving away from neoliberalism ensures that there is effective management and the changes of depletion are minimal because public sector entities are not after profit maximization.