

Development – The Very Short Introductions Podcast – Episode 63

Rebecca Parker 00:07

Welcome back to The Very Short Instructions Podcast. New episodes will premiere every Thursday through June. We hope you stick around to listen. From public health to Buddhist ethics, soft matter to classics, and art history to globalization, we'll showcase a concise and original introduction to a wide range of subjects, for wherever your curiosity may take you. So here is today's very short introduction.

Ian Goldin 00:32

I'm Ian Goldin, the professor of Globalization and Development at Oxford University. And previously, I was vice president and head of policy for the World Bank Group. And before that, adviser to President Nelson Mandela, and chief executive of the Development Bank of Southern Africa. I was also principal economist at the European Bank for Reconstruction and Development before that. I've written a VSI on development entitled *Development: A Very Short Introduction* because I'm passionate about development, and question how countries develop, why some people are poor, why others are rich, and what can be done about it. The topic of development is interpreted very differently by different people. Indeed, the university's Development Office is the fundraising office. But for me, development is really about how people, how societies, how individuals develop over time. And develop in a very broad sense, not just economically, but how they are able to play an active role in societies, how they're able to get jobs and incomes, are they able to ensure their freedoms, to participate, to get the food they want, and live where they want? It's a very broad concept that incorporates multiple dimensions. So the book really explores, and my work explores, this broad question about why some people are rich, and why others are poor, why some countries are rich, and some are poor. And within countries why we see such vast discrepancies and what can be done about it.

Ian Goldin 02:23

I first got interested in the subject because I was born in South Africa, I grew up there. And I saw from childhood, the gross inequalities firsthand, and tried to make sense of them. Of course, the country was institutionally focused on separating people and by inequality. But what I came to discover, later on, is that although the inequalities and the form of inequality in South Africa was extreme, there was massive poverty elsewhere, too, and massive inequalities. And many governments were not doing what they should do to help people that were born into poverty. And I studied economics at university. I went on through the London School of Economics and at Oxford, to continue to study these questions. And my whole career has been spent on these questions. So I do believe that these really central questions of why people are rich, and why some are poor, and why countries developed and others not, are, are the focus of most of the work I do. And indeed, it's the title of my job, Globalization and Development at Oxford. And these two things are very integrated.

03:42

There are many dimensions to development that I think will be of interest to those that get down into it. It used to be a subject that was mainly studied by economists. But one of the wonderful things that's happened over the past 75 years, and particularly of the past 20, is that it's been unpacked. And people recognize that it's not simply economics that defines growth. And indeed, growth shouldn't be about

economics and development shouldn't be only about economics. It's not simply about how much money people have, how they're, when they have a job, it's much broader. And so we've seen it become a very interdisciplinary topic with people from sociology, psychology, history, geography, anthropology, medicine, and many other disciplines engaging in development. A hundred years ago, Argentina was among the seven wealthiest nations in the world, but now is about 50th in the rankings of countries economically around the world. In 1950, Ghana was richer than South Korea. Now South Korea is 11 times wealthier than Ghana. And around the world we have this massive in inequality. We have over 20 failed states, close to 800 million people living in extreme poverty, over 2 billion people living in dire poverty, unable to afford the food they need, housing, and other basic necessities. And yet, a London bus's 40 people are wealthier than half the world's population. Just a dozen people are richer than the whole of Sub Saharan Africa, have more wealth.

05:32

So it's not that the money is not around, it's that whether people can access it and whether people can access freedom, and access rights is very, very unevenly distributed. And trying to make sense of this and trying to understand how these things arose, and why it is that some people have enjoyed this extraordinary development and others not, is at the heart of what I'm interested in. Of course, within societies themselves, you get enormous disparities. You get many billionaires in Africa, while others are dying of poverty. And the same is true in many countries. We've seen widening inequality. And increasingly, this is defined by place. In the early 1990s, when the tidal wave of globalization that we've experienced since then, started with the fall of the Berlin Wall, the opening of China, the integration of Europe, the development of the World Wide Web, and many other fundamental changes, there was a feeling that somehow there would be a Death of Distance, as the author Frances Cairncross wrote, or what Tom Friedman, The New York Times journalist, called "a world which would be flat." That was the title of his book. In fact, we've seen the opposite. We've seen this rapid growth in integration, leading to a more spiky or uneven world, where place, where you are born, matters more than ever. And it's that, which I fear, increasingly, we need to focus on to overcome the massive hardships that we face.

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But the one aspect of globalization that has not integrated is migration. What we've seen is that it's harder and harder for people to escape poverty. That was always the way that our forefathers escaped famine, wars, and poverty. They migrated to where new opportunities arose. But that door has been closed in the overwhelming majority of the world's citizens. And so what one does about it now has to be largely resolved within countries. A lot of literature that's developed in the development sphere as to why some countries have managed to escape poverty and others not, and within them, the overwhelming majority have been able to escape poverty. But when we focus on this literature, we need to also look behind the headline numbers because countries that can be on average, rather similar, say Bangladesh and Tanzania, average incomes are not that different. And yet, life expectancy in Bangladesh is 12 years more than it is in Tanzania. So it's not just the headline numbers that matter. It's, of course, many other things. And it's those that matter to ordinary individuals, whether gender rights, the rights of disabled people, the rights of movement, political rights, those are what matter.

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There are many different authors who've written books, which I look through and try and make sense of, and then give my own ideas as to why we have these massive inequalities between countries. Some focus on history, colonialism, and resource extraction. Some focus on geography, that it's very difficult in the tropics, to grow many tropical crops, but not grains and others. And of course, that diseases like malaria and others are much more common in tropical countries, and that the more temperate zones have been more conducive to economic development and social development. I was focused on institutions left by colonialism, and the different legal structures of the British and the French and others and the legacy of them. But what has also been shown is how, despite all these things, people and countries have escaped poverty. Singapore was a swamp. It was a, had been a British colony. And yet it developed into one of the wealthiest places in the world. So some countries can seem to escape both their tropical location or their colonial history, and become the more developed where most citizens in the society do much better. But no country is an island economically. And the way that countries engage with the rest is a key determinant of their development outcomes. It was the opening up of China after a long period of isolation that allowed it to suddenly leap forward in the way that it has, and average incomes in China, and many other indicators like, have doubled about every 10 years over the last 40 years.

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But of course, there are trade offs in all of this and trying to assess what these are depends very much on one starting points. Literacy, education, health are at the heart of what development is about, particularly the education of girls and boys, the empowerment of women, and what we see that there's also a very close link between this development and the demographic changes that happen. We've seen fertility rates plummeting. In many, many countries, over half the countries in the world, including half of the less developed countries, are now below replacement level, which is about 2.1, due largely to girls education, the availability of contraception, and the knowledge and the power of empowerment that allows girls and women to choose whether they're going to have babies or not. There were books written in the 70s and 80s, about the "Population Bomb" and explosion; those have given way to new concerns about falling workforces, in most places, except for a handful of countries, mainly in Africa, in no small part due to the improvements in gender rights that are associated with development and are a key dimension of it. The participation of women in the workforce, the participation of women in political processes, their rights in home, are absolutely central to development.

Ian Goldin 12:19

The future is going to be largely determined not only by what countries do within themselves, but of course, by global risks. And that's always been the case, but more so. The pandemic was a massive shock for everyone around the world, but particularly affected poor people, and in poor countries, because their governments did not have the means to support people, to give them Social Security, to give them public health, to give them vaccines, etc. And so these shocks and the pandemic and the financial crisis were amongst them increase and exacerbate inequalities and set back development. Conflict, similarly, is development in reverse. It takes what already has been created and destroys it. And so it's really difficult to imagine a development without peace. Climate change is going to provide a massive challenge to development everywhere. It's going to affect poor countries and poor people most dramatically, because they cannot afford to build what they need, to move to higher places or away from oceans, they cannot afford to pump water further and deeper. And if you look at a city like Los

Angeles, or Phoenix, in Arizona, these are cities in the desert, where people with enough money live comfortably in an air conditioned bubble. But that is not an option for most people in the world. And so how the world responds to climate change, the support given to countries to allow them to adapt, and, of course, the urgency with which we reduce our carbon emissions is at the heart of the development agenda and cannot be separated from it.

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Development is an integrated interdisciplinary topic and it's not only integrated because it requires people from many different disciplines to understand it, from law, from science, from medicine, from economics, from sociology, anthropology, and many others, but it requires all of us to play a part. We all have a responsibility. What countries given aid is part of this responsibility, the rich countries but also what we do with our carbon footprints, and in other ways. Aid has been a much misunderstood concept. But aid is absolutely vital if it's given to governments which will use it to alleviate poverty. If it's given to corrupt regimes and ends up in bank accounts, if it's given to our own consultants in the rich countries, which a growing share of aid, unfortunately, is, if it's given for the wrong purposes, aid is of course wasted. But if aid is given to help people, with governments that want to help people, and to communities that want to help their people, and to address global public goods, like stopping the next pandemic, like slowing climate change, and allowing countries to meet the challenges, like for improvements in agricultural productivity, like for addressing HIV AIDS, for empowering women, and in many other words, then aid is extremely effective. And it's an absolute scandal, at a time when rich countries have never been richer and there's never been a more desperate need, that aid has, in fact, declined as a share of GDP in many, many countries. As a share of our wealth, we give them less now than we did in the past. And I believe that is not right. So what I work on. and what the book seeks to cover. is how we can achieve development, how we can ensure a world free of want and starvation, overcoming insecurity and discrimination, and we people can achieve things, that they have a reason to value. But with freedom comes responsibility, and we have a responsibility to each other. We have responsibility not only to ensure that we are able to address these issues, but that people everywhere also do. And if development is to be realized for all people, now and in the future, it is vital, too, that we as individuals understand it better. And that's what this book aims to help us all achieve. I hope this has sparked your interest in the topic of development, and that you will follow up by reading more and engaging personally. Thank you.

Rebecca Parker 16:54

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