

**Prof Chang's Eminent Speakers Seminar on
"Economic History of the Developed World: Lessons for Africa"**

(Laico Hotel Tunis. 26 February 2009. 09H45 – 12H30)

A SYNOPSIS

The Global Standard Development Policies.

There is great pressure on developing countries to adopt a set of "*good policies*" and "*good institutions*" – such as liberalization of trade and investment and strong patent law – to foster their economic development. When some developing countries show reluctance in adopting them, the proponents often find it difficult to understand these countries' resistance to such "tested" recipes for development. After all, they argue, these are the policies and the institutions that the developed countries had used in the past to become rich. Their belief in their own recommendations is so absolute that they often insist that they should be imposed on the developing countries, if need be, through strong bilateral and multilateral external pressures.

Naturally, there have been heated debates on whether these recommended policies and institutions are appropriate for developing countries. However, curiously, even many of those who are skeptical of the applicability of these policies and institutions to the developing countries take it for granted that these were the policies and the institutions that were used by the developed countries when they themselves were developing countries.

Developing Countries' Performances.

If the policies and institutions that the rich countries are recommending to the poor countries are suitable and appropriate, one would expect that growth and development would be the rule, rather than the exception, during the last three decades when the developed countries started turning on the pressure on the developing countries to adopt the so-called "global standard" policies and institutions.

During this period however, the average annual per capita income growth rate for the developing countries has been halved from 3% in the previous two decades (1960-80) to 1.5%. In particular, Latin America virtually stopped growing, while Sub-Saharan Africa experienced a fall in absolute income. Economic instability has increased markedly. Income inequality has been growing and poverty has increased, rather than decreased, in a significant number of countries.

Lessons and what can be done?

These are the issues on which Professor Chang will share knowledge. He will provide an insight into the historical facts and experiences of the developed countries. Other matters to be deliberated on will include bilateral and multilateral financial assistance to developing countries, orthodox development recipes, WTO rules, intellectual property rights laws, designing appropriate institutions and policies which will increase trade and investment opportunities.

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