

Foreword

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The Global Development Network (GDN) has developed an interesting product – Global Research Projects – which brings together researchers from developing countries to work on issues of wide interest. The present volume summarizes additional findings of GDN’s very first Global Research Project, whose topic – Explaining Growth – has once again become a major area of research for economists all over the world. It is a matter of great pride that GDN initiated work on this topic well before its resurgence as an active research field, and more significantly, that the fundamental conclusions drawn from the GDN project foreshadowed those which have emerged from recent work such as that of the Growth Commission.

The fundamental conclusion from the Explaining Growth project is that understanding growth requires analysis of the specifics of the country’s context, and that it is futile to seek to identify a unique set of determinants. It stresses the critical importance of sound macroeconomic fundamentals, and argues that the important functions of many institutions – such as contract enforcement, open markets, and so on – can be provided by varying institutional forms. The lack of a one-to-one relationship between institutional outcomes and institutional forms has been stressed in the literature by Rodrik (2005), and subsequently by the World Bank (2005) and Zaghera, Nankani and Gill (2006), and most recently by the Independent Growth Commission (2008) led by Nobel Laureate Michael Spence. Thus, many of the growth successes of East Asia, and most recently of China and India, have used varying approaches to get similar growth outcomes.

This book provides a compelling marshalling of arguments for this point of view by drawing together syntheses of the growth experiences of different regions, based on the underlying country studies, and then drawing the implications of these for how growth might be viewed from an overall or global perspective. It shows the work of GDN at its best, drawing on the strength of developing and transition country researchers who are uniquely placed to research country-specific growth experiences, and also contribute to the global literature on growth.

This volume provides a rich set of regional analyses which both researchers and policymakers will find illuminating. The findings – (1) broad-based growth is necessary for sustained growth for political economy reasons; (2) sustainable rapid growth requires decision-makers to respond to changing conditions including failed policies in a rapid and pragmatic way; and (3) different institutional forms can be de facto equivalents as far as outcomes are concerned – are powerful results because they emerge from a wide range of underlying country studies.

GDN continues to support research on other development questions of global significance and will work to contribute to a better understanding of such questions by bringing in, through world-class research, findings that capture the perspective from developing countries.

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