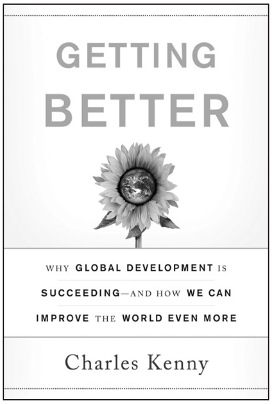
Reviews and resources



Getting Better: Why Global Development is Succeeding
Charles Kenny
2011, Basic Books,
ISBN 9780465020157, £15.99

What is your impression about the rate of development in poorer countries? Leave aside the heated debates about aid effectiveness and the frustrations from your own experiences, and let Charles Kenny take you on a historical bird's-eye view: it'll do you good.

Income growth in many developing countries, especially in Africa, has remained frustratingly low and volatile, resulting in a widening gap between the richest and poorest countries. Moreover, we do not appear to have learned much about how to trigger income growth: there is little consistent empirical evidence linking particular policies with actual growth.

Contrast that with the steady, sustained gains in basic social indicators such as health and education across practically all countries, even the poorest. Kenny celebrates this as a marked improvement in the quality of life for billions in the world and asserts that 'humanity has never been in better shape'.

Kenny explains this divergence between the growth in income and other development indicators by looking at the nature of the innovation processes that underpin them. Income growth requires *process* innovations (doing things better, not so much doing new things) which are very hard to replicate from one firm to the next, from one sector to the next, and from one country to the next. Improvements in health and education, on the other hand, can be created with the spread of inventions and ideas (new things such as vaccines or new ideas about the value of education to the future success of children) which can be propagated much more easily.

Seen in this light, the hand-wringing about the 'failure' of Africa is unwarranted. The point of income growth is to be able to improve quality of life, but if quality of life improves instead because delivering things like health and education is getting cheaper, then lack of income growth is a lesser concern. We can expect better health and education to translate into more sustained income growth at some point, even if we do not yet see any direct causal links.

Regarding the role of donors, Kenny argues that they should be focusing much more on enabling *upstream* inventions

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such as vaccines, better water pumps or cheaper and sturdier building materials, which reduce the cost of achieving dramatic quality-of-life improvements. They should also focus on promoting the spread of knowledge and ideas by insisting on basic information freedoms, funding information campaigns and investing in better communications technologies.

Beyond introducing new inventions and ideas and promoting them, Kenny sees little evidence that donors or development agencies are effective in building the capacity of local institutions to take advantage of them – that takes the kinds of process innovation that are hard to propagate. His recipe here is patience: he argues that building the necessary implementation capacity takes time, and hence these new inventions and ideas will always have their own natural diffusion process.

Readers of this journal may be disappointed that the financial sector and microfinance are not mentioned at all in the book. Kenny would be intrinsically pessimistic about the process innovations and institutional development work which are at the heart of most financial inclusion programmes. Instead, he might look for a set of inventions (mobile banking?) and ideas (on the use of household risk management tools?) that have the potential for propagating more easily.

This is an immensely useful book because it forces readers to focus on the things that really matter, on the major trends. He draws a compelling and uplifting picture of progress across the globe, neatly packaged in a small, highly readable book.

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