

Notes

- 1 All figures in the text are from World Bank data as cited in the *World Development Report World Tables*, various years, unless otherwise indicated. There are numerous studies of the East Asian countries: see e.g. Amsden (1989); Fishlow *et al.* (1994); Grossman (1990); Ito and Krueger (1995); Lall (1995); Pack and Westphal (1986); Wade (1990); World Bank (1993a).
- 2 See e.g. Alesina and Perotti (1994); Persson and Tabellini (1994).
- 3 A. Young (1995); Krugman (1995).
- 4 Rodrik (1995).
- 5 Lee (1995); World Bank (1993a).
- 6 Kwon (1994). Wade, in Fishlow *et al.* (1994), has also argued that World Bank (1993a) wrongly identified the promoted and not-promoted sectors.
- 7 Dollar (1992).
- 8 Nam (1995).
- 9 Inflation figures are annual growth of Consumer Price Indices. The 20% "upper limit to manageable inflation" is discussed in Dornbusch and Fischer (1993).
- 10 For studies of the importance to growth of managing shocks, see Helleiner (1994). For a valuable experience relating stability, shocks and market development in Uganda, see Tumusiime-Mutebile and Henstridge (1995).
- 11 On savings and the financial sector in East Asian economies, see World Bank (1993a).
- 12 For a brief review and references on the theory and experience of financial repression and liberalisation, see Montiel (1995).
- 13 The author is grateful to Valpy Fitzgerald for these points; he and Ajit Singh made valuable related comments at the Round Table in the Commonwealth Secretariat on January 25, 1996.
- 14 Further thoughts on Asian lessons for Africa can be found in Stein (1995). For an account of some of the salutary experiences which helped to form attitudes on "picking winners" in the UK, see Henderson (1985).
- 15 On the new growth theory, see Barro (1991); Lucas (1988); Romer (1994).
- 16 Detailed estimates of the contributions of human capital to growth and productivity in East Asian countries are given in World Bank (1993a); the citations are from pp 53-54 of that study.
- 17 On educational costs in Asia, and demographic aspects more universally, see respectively Tan and Mingat (1992), and Cassen and Contributors (1994). Further elaboration of the "virtuous circles" can be found in Birdsall and Sabot (1994).
- 18 Data are from World Bank (1993a).
- 19 See Ogawa *et al.* (1993), and World Bank (1993a).
- 20 Japan's Overseas Economic Co-operation Fund (OECF) and the World Bank organised a symposium on the *East Asian Miracle* study in Tokyo in December 1993, whose proceedings were published in OECF (1994a); an issue of the OECF *Research Observer* was also devoted to the study (OECF 1994b). In both, Japanese and other scholars assessed the Bank's study, most of them critically on these central questions. There have been numerous contributions to the debate, few of them – except those emanating from the World Bank itself – supporting the Bank's line. See, for example, Fishlow *et al.* (*op.cit.*). Recently the World Bank's Chief Economist has foreshadowed a possibly more nuanced approach by the Bank – see Bruno (1995).
- 21 For a study of the implications of the WTO and the Uruguay Round generally see Commonwealth Secretariat (1995a).
- 22 See IDS (1996). These considerations apply particularly to Sub-Saharan Africa, but also Latin America, where there is often particularly intense poverty and mal-distribution of assets.
- 23 On the relations between growth and poverty, see World Bank (1990a). Poverty also increases with recession.
- 24 See Chhibber *et al.* (1992).
- 25 The citations in this and the next two paragraphs are from Lipumba (1994), pp 79, 85 and 89 respectively.
- 26 Two valuable reports on employment appeared in 1995, ILO (1995) and World Bank (1995b). They both cite extensive literatures, some of which have also been drawn on in these paragraphs.
- 27 MNC-related employment figures are from World Bank (1995b), p 62.
- 28 The curve relating life expectancy and per capita income also shifts upwards over time, presumed to be the result of medical advances – see Preston (1980).
- 29 Caldwell (1986).
- 30 Schultz (1987).
- 31 For further details on these topics, see Lloyd (1994).
- 32 Dasgupta (1993).
- 33 "Unwanted fertility" is measured in fertility surveys. For a description of the technique, see Bongaarts (1990); and for a critique, see Dixon-Mueller and Germain (1992).
- 34 Jejeebhoy (1993).
- 35 Kelley (1994). The finding is not worth all that much, as the author himself observes – no such relationship was found for the 1960s or the 1970s, casting doubt on its meaning in the 1980s. The finding for the 1980s is however, robust, and not explained either by low income growth in Africa which may be due to other factors, or by any terms of trade effect on income growth internationally.
- 36 See Cochrane (1986 and 1988).
- 37 Pollitt (1989) surveys the field.
- 38 Alderman and Garcia (1994). The finding that food deficiency is by no means the common explanation for mal-nutrition is widespread; even where food availability is adequate, infection and disease can severely reduce its contribution to physical development. For a detailed discussion of the relations between income and nutrition, see Payne and Lipton (1994), especially pp. 96 ff.
- 39 Martorell (1986); Martorell and Habicht (1986); Selowsky (1980); M.E. Young (1994).
- 40 R. Fogel (1994), cited in Rosenberg (1994).
- 41 Barro (1991).
- 42 Ogawa *et al.* (1993); World Bank (1993a).
- 43 The World Bank's "East Asian Miracle" study emphasises the role of human resources in these economies' success (World Bank, 1993a); Dertouzos *et al.* (1989) analyze US failings in this regard.
- 44 For a reassessment of rates of return in education see Bennell (1994); for the investment view, see Psacharopoulos (1993).
- 45 The private health expenditure estimate for India is from Berman (1995); on African health facilities and NGOs, see Fisher (1993), esp. pp. 128-33.
- 46 For a study comparing the effectiveness of private and public education, see Kingdon (1994) – this work surveys a large literature on a variety of countries.
- 47 See Weiner and Noman (1995); and Bequele and Boyden (1988).
- 48 Harbison and Hanushek (1992).
- 49 This section draws extensively on Cassen and Wignaraja (1996).
- 50 See Godfrey (1993). More generally see Middleton *et al.* (1993).

- 51 The December 1992 issue of *World Development* is devoted to IT in developing countries, and has, in addition to positive stories, some salutary lessons from experiences of introducing IT in Africa. The Sri Lankan institute is described in Wignaraja (1996). For an example of poor performance, see World Bank (1990b).
- 52 For the effects attributed to female education in India and Pakistan, see World Bank (1995c). There have also been cases where failure to spend relatively small sums has been extremely expensive – spectacularly so in the 1991 cholera epidemic in Peru. In this somewhat extreme but easily repeatable case, the losses to Peru of agricultural exports and tourism earnings in the first ten weeks of the epidemic were estimated at three times the entire amount invested by the country in water and sanitation during the whole of the 1980s – see World Bank (1993b). A similar estimate may one day be available for India, where losses of the same type were caused by an outbreak in 1994 announced as “pneumonic plague”, though later shown to have been a less terrifying disease. The outbreak would have been avoided by modest expenditures on urban sanitation.
- 53 All aid figures are from OECD (1996).
- 54 Some of this background is from UN (1995). The Clarke proposals are described in Commonwealth Secretariat (1995b).
- 55 This discussion has drawn on, but goes beyond, Cassen and Associates (1994).
- 56 On TC, see Berg (1993); Cassen *et al.* (1990); Colclough (1991); and Forss *et al.* (1990).
- 57 The suggestion on TC is owed to Colclough *op.cit.*, but supported by the findings of the other authors just cited.
- 58 The World Bank report referred to is World Bank (1993c). For a thoughtful critique of it, see Lipumba *op.cit.* More broadly on structural adjustment there is a huge literature, much of it surveyed in Cassen and Wignaraja (1996). See also a series of country studies carried out by the OECD Development Centre, summarised in Morrisson (1992).
- 59 See IDS, *op.cit.*; and Lipton (1996).
- 60 Mensah (1995) makes a strong case on the neglect of skill development for Africa.
- 61 A good example of aid to help commitment was provided by the World Bank in Senegal, which produced a study showing the high level of resources absorbed by the university there with modest results, and then funded a national debate led by the government, which created a climate of opinion for reform. Donors can also fund community- and NGO-based activities to gain support for new policies and activities.
- 62 See Lipumba *op.cit.*; and Van de Walle (1995), summarising an extensive literature.
- 63 Formally, it would be possible to derive a composite index combining need and performance, and use it to allocate aid. But considerable research would be needed to explore the formula itself and the implications of using it; seeking consensus on its use could also be difficult.
- 64 Richardson and Haralz (1995).

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