

Sunday, May 25, 2014

**Lessons a nation must learn**  
**Reviewed by M.M. Goel**

**Catch up, Developing Countries in the World Economy**  
**by Deepak Nayyar**  
**Oxford University Press, UK. Pages 240. £25**

**T**O ensure progress, prosperity and inclusive growth in the Indian economy, the new Government needs to learn from the best practices available from the developed economies of the world. This calls for an understanding, analysis and interpretation of the entire process of development in most of these economies.

The advance praise for the book by Noble Laureate Joseph Stiglitz, Professor Lance Taylor, Professor Frances Stewart, Professor Ronald Findlay, Professor Ha-Joon Chang and Professor Romila Thapar deserve a special mention which motivates to turn the pages for reading.

The reviewer read all the nine chapters of the book by the well-known economist Deepak Nayyar who needs no introduction in and out of India. The book is worth reading, commenting, debating and discussing by all the social scientists, including economists and historians for understanding the process of catching up with the Western developed world. It contains the evolution of developing countries in the world economy in long-term historical perspective from the onset of the second millennium but with a focus on the second half of the twentieth century and the first decade of the twenty-first century. It traces the contours of change for developing countries in the world economy from dominance through decline to fall and rise.

The book analyses "catch up," in terms of industrialisation and development from a global macro perspective with a focus on underlying economic factors. It also highlights similarities and differences between regions or countries and divergences within a diverse developing world.

The writer analyses the evolution of developing countries in the world economy from long-term historical perspectives. It highlights the dominance of developed countries and it traces their decline and fall from 1820 to 1950. The six decades since 1950 have witnessed an increase in the share of developing countries not only in world population and world income, but also in international trade, international investment, industrial production, and manufactured exports, which gathered momentum after 1980.

The book explores the factors underlying this fall and rise, to discuss the on-going catch up in the world economy driven by industrialisation and economic growth. Their impressive performance, disaggregated analysis shows, is characterised by uneven development. There is an exclusion of countries and people from the process. The "catch up" is concentrated in a few countries. Growth has often not been transformed into meaningful development that improves the wellbeing of people. Yet, the beginnings of a shift in the balance of power in the world economy are discernible. But developing countries can sustain this rise only if they can transform themselves into inclusive societies where economic growth, human development, and social progress move in tandem for the care of the cared less (not careless) and use of the used less (not useless) manpower. Their past could then be a pointer to their future.

The reviewer looks forward with hope, optimism and a high level of confidence for the bright future of the Indian economy with development strategy which is the need of the day for solving all of the economic and non economic problems.

The book is a must-read by academicians and students of social sciences including economics, political economy, development studies, and international relations and all those concerned with the entire learning process of development in the global economy of today.

