

1 Introduction

1. There is a widespread dissatisfaction with standard approaches to development, namely with the use of GDP as an overarching criterion to assess the development outlook. The first issue involves the measurement problem hiding the deeper question of an appropriate definition of development. Critiques levelled at the classical view of development as quantifiable events are certainly well taken.

2. Alternatives:

- the capability approach

- the related entitlements approach

- well-being as gleaned by health standards, environment quality, education level.

- welfare and happiness.

- Jeffersonian freedoms and indices of democracy: people empowerment.

3. Yet, these lectures will concentrate on issues that require a purely quantitative approach.

4. Growth and development are not the same concept but to some extent they do overlap: from an historical point of view the one has, indeed, gone with the other. Clearly, development cannot be taken for granted or as a natural phenomenon that only begs time to come to pass.

5. If a starting point is to be set to weave an economic history of the world, the choice of this momentous 'time' may legitimately fall on the fundamental break-through that about eleven thousand years ago led to systematic agriculture. Formerly hunting and gathering communities achieved the extraordinary task of domesticating some crucial plants (grains), possibly a chain of chance events that changed the world. A case of serendipity.

6. Intense debate still flares up among historians, biologists, nutritionists concerning the ultimate benefits of this crossover. Agriculture certainly allowed a reasonably sure food provision in quantities that could support a fast rising population. Some drawbacks might have been there:

less animal proteins, a higher long term exposure to some illnesses etc.

7. There is very little doubt, however, that with agriculture an 'economic' surplus appeared that could be managed and disposed of. This fact led to the growth of cities and their complex administrations, to the loss of the formerly egalitarian make-up of small roaming communities. Kingdoms and states sprung up where a solid agricultural base permitted it.

8. What is important from the point of view of our task is the transformation of the knowledge base that occurred then. It was the birth of systematic technology and associated capabilities. The concept of productivity became a meaningful tool to assess a society potential and achievement.

Seen with the eyes of a long-term perspective, growth since then has been slow and productivity stagnant. Technical change did, of course, occur but it was haphazard, taking place at long time intervals. Diffusion was equally slow and left to the vagaries of sometimes violent contact.

9. For millennia, the world has remained largely agrarian: a world in which the vast majority of the population thrived on the produce of the land that it cultivated: self consumption. Trade may have appeared almost as soon as economic activity commenced, but remained quantitatively marginal although playing an increasingly important role.

10. The consequences have been relevant. In terms of output and population, the norm was not systematic growth but long waves of relative prosperity followed by decline. Oscillations with little upward trend.

11. Grand empires appeared, thrived, declined and finally disappeared. Economic historians have cogently illustrated that in many circumstances the impulse to grow did occur: during the Roman Empire, the Abbasid Caliphate, the Sung Empire in China. Yet, these impulses gave way to retrenchment and stagnation.

12. Here, the crucial question is decreasing returns and the exploitation and exhaustion of natural resources.

13. The grand break-through was the Industrial Revolution.

14. Some relevant questions:

- Why have some countries become 'rich' and others stayed 'poor'?

- Why have some countries forged ahead and others fallen behind?

- Why have some countries caught up whilst others have not managed to do so?