

# The Babbage Industrial Policy Network

15th Babbage Lecture: 31 March, SOAS, 6pm KLT Theatre



*"I am inclined to attach some importance to the new system of manufacturing; and venture to throw it out with the hope of its receiving a full discussion among those who are most interested in the subject"*

(Charles Babbage, 1832. On the Economy of Machinery and Manufactures)

**Why did western development organizations (e.g. World Bank, USAID, DfID) turn away from “production policy” and “production investments” and embrace “eliminate extreme poverty” as their mandate? A study of western states’ ability to set the agenda of “international development”, and the recent response of developing country governments.**

## Robert Wade



Robert H. Wade is professor of political economy at the other LSE. Educated in New Zealand, he has taught at Sussex University, Princeton, MIT, and Brown. He worked as a staff economist in the World Bank in the 1980s. His book *Governing the Market: Economic Theory and the Role of Government in East Asia’s Industrialization* (Princeton, 1990, 2004) won the American Political Science Association award for Best Book or Article in Political Economy. He won the Leontief Prize for Advancing the Frontiers of Economic Thought in 2008.

### Programme

6pm Introduction, **Antonio Andreoni**  
6.15 Babbage Lecture, **Robert Wade**  
7.00 Discussion

### Abstract

Western states have shown a remarkable ability to coordinate among themselves to protect their leading role in international organizations against attempts by governments of some “emerging market economies and developing countries” (EMDCs) to wield more power to shape the prescriptions of these organizations. This talk illustrates how western states have succeeded in (1) marginalizing organizations where they do not always control the agenda (such as the UN General Assembly and its High-Level Commissions, e.g. the Stiglitz Commission on the Global Financial Crisis of 2009, and the United Nations Conference on Trade and Development, UNCTAD, established as a think tank for articulating views from developing countries), and (2) keeping control of the post-war legacy organizations (notably the World Bank and IMF). The talk then explains why, in the wake of the end of the Cold War, the West changed the development agenda away from economic growth, infrastructure investment and building capitalist institutions, and embraced “extreme poverty reduction” as the goal of development assistance. From then on, “industrial policy” became a forbidden phrase, and even WB chief economist Justin Yifu Lin (2008-2012) and his “new structural economics” were marginalized. Rising tensions with the preferences of developing country governments have produced a recent surge of “by-pass” organizations, such as the New Development Bank.