

# A New Look at Development

*By Arthur Silve*

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**Over the past two centuries, the world has grown much richer and has seen the health of its population improve dramatically. However, as the Economics Nobel Prize winner Angus Deaton reminds us, this historical break must not conceal the great inequalities in access to development between countries.**

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Reviewed: Angus Deaton, *La Grande évasion. Santé, richesse, et l'origine des inégalités (The Great Escape: Health, wealth and the origins of inequalities)*, Paris, Presses Universitaires de France, 2016, 384 p.

What is development? We know that an exploration of the concept cannot reduce it to its mere material dimension: Besides wealth and income, its evaluation must also take into account health, education, happiness, etc. In *La Grande Évasion* (The Great Escape), Angus Deaton takes stock of the progress made since the beginning of the 19<sup>th</sup> century according to two dimensions: the health and wealth of populations. The joint study of these two domains considerably enriches the usual analysis of development.

Wealth often goes hand in hand with other dimensions of development: The richest countries are also those whose inhabitants most often report a satisfactory life, a correlation that extends to other dimensions of development. While there is indeed a correlation, is there a more formal, deeper link than a mere statistical one? The answer to this question leads to different public policies.

According to Deaton, some low-cost policies could significantly improve the lives of large numbers of human beings in a more effective manner than can development assistance in its current form. In some health services, a vertical logic must continue to prevail: It is more effective to centralize some policies in the hands of international experts, such as the immunization program of UNICEF or oral rehydration therapies. Deaton nevertheless

concludes that the greatest impact will come from improving health regulation and policies in developing countries.

## **A Healthier, Richer, and Still Unequal World**

For a book aimed at a wide readership, *La Grande Évasion* accomplishes a first tour de force, namely that of mobilizing multiple statistical and graphic indicators without these ever being confusing. Two observations justify the title of the book: the continuous improvement in the material condition of large numbers of human beings, and the considerable increase in the latter's life expectancy.

In Western countries, life expectancy at birth increased by 30 years during the 20<sup>th</sup> century. This progress reflects, first, the spread of microbial theory, which has led to a reduction in infant mortality thanks to advances in the treatment of infectious diseases, whooping cough, diphtheria, poliomyelitis, measles, tetanus, etc. The improvement has continued as a result of advances in the treatment of chronic diseases (which affect older individuals), cardiovascular diseases, and cancer. Today, the increase in life expectancy in developed countries shows no signs of reversing: It is difficult to know whether these advances will stop one day.

During the international epidemiological transition of the mid-20<sup>th</sup> century, the progress that had been made in rich countries shifted to developing countries. For instance, life expectancy at birth has increased by 25 years in developing countries since then, and this despite the dramatic setback linked to the AIDS epidemic. Penicillin, sulfonamides, vaccination campaigns, and oral rehydration therapies have played a major role. For its part, the level of wealth in these countries has not had a decisive impact. To continue this progress, the two approaches likely to have the greatest impact at the lowest cost on health in developing countries today appear to be hygiene education and the state organization of health policy.

Similarly, developed countries have seen the material well-being of their inhabitants increase and converge (on average) over the same period. GDP per capita (an indicator that is both criticizable and criticized in the book) in the United States in 2012 was five times what it was in 1929. As for income inequalities, they stand out far more than do health inequalities. Since the late 1970s, the average income of the richest 5% of Americans has doubled, while that of the poorest 20% has stagnated. What are the reasons for this discrepancy? Among the few explanations he considers, Deaton distinguishes the role of finance in income concentration, and he ponders the compatibility of such inequalities with the functioning of democracy.

It is more difficult to compare the income of the inhabitants of poor countries given their different consumption patterns; similarly, it is difficult to define a poverty line independently of political considerations, let alone to compare countries in light of this criterion. Nevertheless, we know that over the past 50 years average income has declined in some countries, including the Central African Republic, the Democratic Republic of the Congo, Guinea, Haiti, Madagascar, Nicaragua, and Niger. At the global level, inequalities have increased between countries. During the same period, China, Hong Kong, Malaysia, Singapore, South Korea, Taiwan, and Botswana have multiplied their average income by seven. The growth of very large countries – India and China – has allowed for a slight reduction in inequalities between all human beings to appear on the development balance sheet.

## **The Link Between Health and Wealth**

The first chapter opens with the “Preston curve,” a graph that shows the link between life expectancy and average income in each country. Three different mechanisms can explain the link between life expectancy and wealth. Does wealth favor better health? Do health and wealth have common determinants? Does better health favor economic activity? The work of the economist can largely be summarized as the necessity to identify the right causal relationships and the right explanations. The second tour de force of *La Grande Évasion* is Deaton’s demonstration that this work of identification can be made affordable and accessible. This demonstration focuses on the first two mechanisms.

Does wealth favor better health? The author answers in the affirmative, but denies that this mechanism is the most useful for understanding the comparative trajectory of countries. To be sure, industrial progress has generated its own discoveries in the domain of health, such as penicillin or sulfonamides. This progress has also encouraged discoveries in other fields, in particular because urbanization has favored research into epidemic diseases. It is to this mechanism that the book attributes, in particular, the discovery of microbial theory. Yet Deaton recalls that treatments that could save many lives in developing countries are not being implemented even though they are in fact inexpensive. He also shows that AIDS has affected several African countries, regardless of their relative wealth. At the very least, then, wealth does not suffice to explain the relative differences in terms of health between countries or within each country.

What determinants do health and wealth have in common? The book emphasizes the role of institutions. Vertical approaches implemented in rich countries, such as the immunization programs of UNICEF, the WHO, and the GAVI Alliance, have helped to curb several global epidemics. In other cases, however, such approaches cannot substitute for national health policy, which alone is capable of promoting public health. The book gives the

example of the fight against the AIDS epidemic, which requires the local involvement of clinics and health workers. Similarly, national and local institutions play a key role in the dynamic of growth, or more often in its slowing down. This is true of kleptocratic regimes like Mobutu Sese Seko's in the Democratic Republic of Congo or Meles Zenawi Asres's in Ethiopia, which are getting rich at the expense of the health and economic activity of their population. This is also true of the United States, where only the richest have grown richer over the past 40 years.

## **What Is to Be Done?**

The last chapter of the book compares the merits of different solutions. Deaton uncompromisingly criticizes development assistance, which he considers to be responsible for more harm than progress, and, more generally, the interference of rich countries in the affairs of developing countries. Donors are often caught up in conflicts of interest that doom their action to failure, even when they are well-intentioned. From the perspective of beneficiaries, not only does external assistance have a crowding out effect on other resources that could be mobilized for development, but it also props up questionable regimes. The effect of development assistance on economic growth has proven notoriously difficult to measure. Faced with this failure, development assistance has largely focused on the goal of reducing poverty, in particular through the Millennium Development Goals and later the Sustainable Development Goals. However, as the author's analysis shows, reducing poverty is insufficient to cope with certain epidemics, which fall under the purview of public health policies.

By contrast, supporting local state capacity building and improving the international environment could finally allow the poorest populations to also escape poverty and disease. The most promising avenues according to Deaton are the following:

- Even in contexts of weak institutional development, it remains possible to treat water and to encourage public hygiene at a modest cost.
- Guaranteeing pharmaceutical companies outlets for their products would encourage them to try to curb epidemics that essentially affect poor countries. For example, several donors grouped under the aegis of the Gavi Alliance have committed to purchasing a vaccine against pneumococcal infections. This guaranteed market mechanism has allowed for the much more rapid distribution of vaccines to 50 poor countries.
- Agricultural protectionism in rich countries reduces the income of agricultural producers in developing countries, while increasing the price paid by consumers. The author calls for its worldwide abolition.

- Lastly, trade, finance, and international treaties should systematically isolate kleptocratic regimes (even if this means not helping the populations concerned) and should encourage the progress of health administrations in weak states.

Like Deaton's academic work, this book is discreetly luminous. It shows that the health policies implemented in developing countries are sometimes ineffective because they are based on incomplete analysis. It considerably enriches the assessment of development by considering issues of health and wealth together. The result is a demanding book which proposes concrete and immediately implementable solutions, but which can hardly be reduced to one or two simple messages.

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