

[Abhijit Banerjee](#)

September 28, 2013

First Published: 15:36 IST(28/9/2013)

Last Updated: 20:12 IST(28/9/2013)

 Print

Rich economy poor ecology

Compared to 90 years ago or indeed any time before that, life today, for the average citizen of the world, is simply much better. Global average life expectancy at birth as recently as in 1955 — which is when the World Health Organization starts giving us global data — was just 48 years. This is after a range of powerful drugs including penicillin come into widespread use, so in 1923 it must have been substantially lower (in the US, for example, life expectancy goes up ten years between the 1920s and 1950s). Now it is close to 70. In 1955 more than 1 of 7 children died in infancy. Now it is around one third of that.

And it is not just health. 45% of adults in the world were illiterate as recently as 1950. Now it is less than 15%. Between 1981 and now, the fraction of those living in extreme poverty by the standard World Bank definition has declined from 50% to about 20%.

Nor is this a story just about China or East Asia. In a country like India, life expectancy in the 1920s was just 27 years: now it is 66. In Africa, it went from 38 years in the 1950s to around 55 years now. India had less than 20% literacy among adults at Independence. Now it is 75%. Poverty rates in India by the national poverty line (which is very close to the World Bank line) are now 22%. Some calculations I have seen suggest that the corresponding numbers in the 1940s were close to 90%.

But perhaps what has changed even more is the way we see the world. In 1923, white people were in charge everywhere — at least if you count the Japanese as white, which was actually a subject of debate, both in Japan and in the West. Where they did not directly rule, they still made the rules, and they and most other people assumed that this was how it was meant to be. When the 1926 session of the Indian National Congress had the temerity to demand Dominion Status under the British Crown — something, mind you, that Australia and Canada had already been granted some decades before — the English news magazine, *The Spectator*, called it a mad scheme.

The sight of Gandhi negotiating on apparently equal terms with the British Crown during the 1931 round-table conference so offended Churchill that he famously described him as a “half naked”, “seditious fakir”. While some countries continue to have disproportionate influence in today’s world, it is based on their economic power or military might (or generosity with aid money) rather than some civilisational claim. And everyone knows that it is only time before a China or a Brazil or perhaps an India steps into their place.

Even more dramatic changes have happened inside countries. In 1923 Ambedkar was not yet the leader of what used to be called the depressed castes; he would eventually break with Gandhi and the Congress because he had no faith that they would do enough for “his people”. Yet, even though the upper-caste-led parties that he so distrusted continued to dominate national politics, change happened, no doubt in part due to the affirmative action policies that Ambedkar himself helped put in place. In 1983 the median Scheduled Caste or Scheduled Tribe person earned 36% less than the median person from all the other castes.

By 2004-05 that difference was essentially halved according to a recent study by Hnatkowska, Lahiri and Paul of the University of British Columbia. They argue that this was in large part because these groups were fast catching up with the rest of the population in terms of years of education. Remember it was around 1923 that the professors in Sydenham College in Mumbai agitated to have Ambedkar fired, because caste rules forbade their being anywhere near him; now children from all castes sit in the same classrooms and perhaps even more remarkably, eat their government provided school meals together.

Similar changes were happening everywhere. In the US, Jim Crow laws, which “protected” whites from sharing public spaces with non-whites, were in effect everywhere in the South in 1923. In 2013 the US has an African-American President; in the preceding Bush administration, the secretary of state, who stands just below the president in terms of influence, was an African-American woman, Condoleezza Rice. Before 1920 a woman, let alone a woman of colour, could not even vote in the US; in France they had to wait until 1944. In India, until Independence, only men who owned enough property had the right to vote.

Indeed the entire notion that governments ought to be elected by universal suffrage is very recent. In 1923, Hitler and his fellow thugs were foiled in their attempt to overthrow the elected government of Bavaria, alas only temporarily. Both on the left and the right, the idea of an all-powerful state run by an elite who truly “understand” how the world works, was clearly ascendant. By 1923, Lenin was already well on his way to absolute power; Mussolini would declare himself dictator in 1925, Hitler in 1933. Despite the misery that this brought upon the world, it took a long series of disasters in the first 50 years after the war to cure the world from its fascination with great leaders, often with a chest full of medals, who could not be bothered with elections. The world is now more democratic than it has ever been.

These are immense and profound achievements; beliefs that go back thousands of years — about caste, race, gender, about the ability of the average person to exercise political judgment — have been substantially altered in the space of a few decades. Even the economic changes are entirely unprecedented — my (rather amateur) reading of the historical literature suggests that while there were very substantial ups and downs in the standards of living of the poor, nothing like the kinds of changes in poverty levels that we have seen in the last 30 years ever happened before.

Unfortunately, all that may be about to end: we seem headed towards a crisis that could cost us all of that and more. Recent evidence suggests that the 2°C increase in average global temperatures that climate scientists have been dreading is now inevitable. We are now flirting with 4°C, which based on current projections, is assured catastrophe.

Is this looming disaster the inevitable concomitant of all the wonderful changes that I was extolling? Clearly many of the most important transformations were driven by groups that had no stake in irresponsible consumption — Dalits, suffragettes, civil rights campaigners and their like. The improvements in public health and medicine came as much out of a fear of epidemics in the rapidly urbanising societies in the West and the need to fight wars without losing lots of soldiers to illness (and of course our improved scientific understanding of diseases), as anything else.

While there is always the argument that these were in turn driven by the underlying economics, I don't see why things would have to be different if our conception of the good life was less centred around the internal combustion engine.

More generally, I am not convinced that high growth rates are necessarily environmentally unsustainable.

The problem is that the present models of development evolved at a time when most people, capitalist and communist, thought that the environment had no way to bite us back; had we known then what we know now and acted on it before people got used to their current lifestyles, life would be very different today (at least in the rich countries) but I don't know that we would be much poorer.

This is important because we absolutely cannot wait till we agree on a different economic model (whether or not that would be a good thing in itself) before we act on climate change.

If we have to have a chance, we need to act now and we need to take everyone with us. To do that we must stop thinking about the recent crisis and other problems of today, and celebrate the triumph that the last 90 years have been, notwithstanding the depressions and the recessions, the massacres and the concentration camps, that came in between (and sadly, may come again). We need to feel rich with success because it is the time to make sacrifices.

Abhijit Banerjee, is Ford Foundation International Professor of Economics and Director, Abdul Latif Jameel Poverty Action Lab, MIT. He was named one of Foreign Policy magazine's top 100 global thinkers in 2011. He is the author of three books, including, most recently, Poor Economics.

<http://www.hindustantimes.com/StoryPage/Print/1128306.aspx?s=p>

© Copyright © 2013 HT Media Limited. All Rights Reserved.