

# VULNERABLE PEOPLE, VULNERABLE STATES

REDEFINING THE  
DEVELOPMENT CHALLENGE



DANIEL W. BROMLEY  
&  
GLEN D. ANDERSON

PRIORITIES FOR DEVELOPMENT ECONOMICS

VULNERABLE PEOPLE, VULNERABLE STATES

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& GLEN D. ANDERSON

ROUTLEDGE



This is a very important book that should be read as a sequel to the classical writings in economic development by Sachs, Easterly, and Collier. It is a hopeful book, with a pragmatic vision of how development can be successfully achieved for the bottom 1.4 billion vulnerable people. It stresses the need for a country to have a vision of its future, carry out comprehensive diagnostics of the multiple constraints to development and their causal determinants, seek economic coherence in institutional reforms, establish actionable program priorities, and thus achieve sustainable economic development that will reduce vulnerability to repeated shocks. The approach restores the role of the state in making markets work, takes us beyond the microeconomics of fighting poverty, and opens the door for a creative role for development experts. It is indeed a welcome new departure in how to address the development challenge—it should be broadly noted and debated.  
*Alain deJanvry, University of California-Berkeley, USA*

The authors make the claim that the struggle for development ought to decisively focus on mitigating vulnerability of poor people and poor nations. This implies that instead of removing the symptoms of poverty, policies should aim at improving the coherence of the poor economies so that they become more responsive and adaptable to shocks. The idea is powerful and worthy of elaboration. The book forces us to think anew.  
*Jean-Philippe Platteau, University Faculties of Notre-Dame de la Paix, Namur, Belgium*

Development assistance has not created significant results in Sub-Saharan Africa in the last 50 years. By redirecting our attention from income growth to the vulnerability of people and states, Daniel Bromley and Glen Anderson propose an agency-based approach for development assistance, that is, to increase the capabilities of people and states to create a coherent economic, social and political system. This is a paradigmatic change to the thinking of economic development.  
*Yang Yao, Director, China Center for Economic Research, Peking University, China*

Over five decades of economic and technical assistance to the countries of Africa and the Middle East have failed to improve the life prospects for the more than 1.4 billion people who remain vulnerable. Billions of dollars have been spent on such assistance and yet little progress has been made. Persistent hunger and hopelessness threaten more than individuals and families. These conditions foster political alienation that can easily metastasize into hostility and aggression. Recent uprisings in the Middle East are emblematic of this problem. Vulnerable people give rise to vulnerable states.

This book challenges the dominant catechism of development assistance by arguing that the focus on economic growth (and fighting poverty) has failed to bring about the promised "convergence." Poor people and poor countries have clearly not closed the gap on the rich industrialized world. Pursuing convergence has been a failure. Here the authors argue that development assistance must be reconstituted to focus on creating economic coherence. People are vulnerable because the economies in which they are embedded do not cohere. The absence of economic coherence means that economic processes do not work as they must if individual initiative is to result in improved livelihoods. Weak and vulnerable states must be strengthened so that they can become partners in the process of creating economic coherence. When economies do not cohere, countries become breeding grounds for localized civil conflicts that often spill across national borders.

This book explains the necessary building blocks of economic coherence. It then develops a diagnostic approach to demonstrate how to identify impediments to the efficient functioning of essential economic processes. Finally, the book contains an extensive treatment of the policy-reform process, complete with a practical guide to how donors can work with governments to create economic coherence.

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