

## No Recipes for Growth, Just Ingredients

**June 14, 2010**—Growth is a long process that involves constant change and experimentalism, concluded the final Growth Commission event held at the Bank on June 9, 2010. Some of the crucial ingredients of growth discussed were: leadership, globalization and equity.

Launched in 2006, the [Commission on Growth and Development](#) is an independent body that brought together 22 policymakers, academics and business leaders to examine various aspects of economic growth and development. The work culminated in [The Growth Report: Strategies for Sustained Growth and Inclusive Development](#). It drew a balance between technical expertise and real world policy making experience. The Commission's activities will come to a close at the end of June 2010.

"The Growth Report reminds us of the long-term horizons involved in attaining growth and that growth is dynamic—there is no single model for growth—as economies grow and develop the models need to change as well," said [Otaviano Canuto](#), Vice President and Head of the [PREM Network](#), in his opening remarks.

"Growth really is about structural change, which involves continuous change. That structural change can be seen in the composition of the global economy, urbanization, and other dynamics in various contexts," said Michael Spence, [Chair of the Growth Commission](#) and one of the two Nobel Laureates on the 22-member commission comprising leaders from business, government and academia.



Otaviano Canuto commends the Growth Commission's contribution to growth policymaking.

### MAIN POINTS

- Growth is a long process that involves constant change and experimentalism.
- Some of the crucial ingredients of growth are leadership, globalization and equity.
- This was the final Commission on Growth discussion at the Bank before the Commission's closure in June 2010.

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Growth experts discuss ingredients of growth – leadership, globalization and equity.

Spence said that when people talk about the exit from the global financial crisis, a number of global issues still remain: financial stability and regional coordination, the tension in [emerging markets](#) between their international development agenda and domestic agenda, and managing risk in a multi-speed world. He emphasized the importance of the G20 in managing and coordinating the global economy. See Spence's presentation on the Growth Commission's findings [here](#).

### Leadership, Globalization and Equity

In the process of growth, leadership is important. "Leadership does matter in terms of the structure of government. It is a combination of economics and politics," said David Brady, Professor of Political

Science at Stanford University and co-editor of the [Leadership and Growth volume](#). Brady said the four important issues for leadership are promoting national unity, developing good institutions, choosing innovative and localized policies, and building consensus. "There is no definitive way or a number one model to stability. Even crises provide opportunities for leaders to make changes and operate rather freely," said Brady.

Another ingredient of growth is globalization. Danny Leipziger, Vice Chair of the commission and co-editor of the [Globalization and Growth volume](#), said that "Things are changing even as we speak. The sources of growth and the nature of crisis have changed." What is the current landscape after the global crisis? Leipziger diagnosed that although imbalances have been reduced, global confidence is shaky and the global economy is experiencing a fragile recovery. He also said that the economies are less committed to an open trading regime.

"Globalization will be very difficult to maintain in a very uneven world," said Leipziger, linking globalization to the issue of equity, the third ingredient of growth discussed at the session. Ravi Kambur, Professor of Political Science at Stanford University and co-editor of the [Equity and Growth volume](#), continued that persistent inequality in its various dimensions leads to political and social instability or very harsh repression. He said equality of opportunity and equality of outcomes deserve high priority in policymaking, which is further discussed in the volume.

The Growth Commission was supported by the William and Flora Hewlett Foundation, the governments of the Australia, the Netherlands, Sweden, and the UK and the World Bank. To learn more about the Growth Commission and read the publications, please go to [www.growthcommission.org](http://www.growthcommission.org).



Michael Spence, the Chair of the Growth Commission (left) and Danny Leipziger, the Vice Chair (right)

*Contributed by Morana Song, Communications Consultant, PREM*

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