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Public Lecture

Justin Yifu Lin

Chief Economist and Senior Vice President
The World Bank, Washington D.C.

**Growth Identification and Facilitation:
The Role of the State in the Dynamics
of Structural Change**

26 October 2010
14:30 – 16:30 h

German Development Institute /
Deutsches Institut für Entwicklungspolitik (DIE)
53113 Bonn
Tulpenfeld 6

Please submit your registration to:
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Justin Yifu Lin is the World Bank's Chief Economist and Senior Vice President. He was a deputy of China's People's Congress, Vice Chairman of Committee for Economic Affairs of Chinese People's Political Consultation Conference and Vice Chairman of the All-China Federation of Industry and Commerce. He served on several Chinese and international committees, including the Working Group on the future of the OECD and the Reinventing Bretton Woods Committee.

Mr. Lin received his PhD in economics from the University of Chicago in 1986 and is the author of 18 books, including *The China Miracle: Development Strategy and Economic Reform* and *Economic Development and Transition: Thought, Strategy, and Viability*. He has published more than 100 articles in refereed international journals and collected volumes on history, development, and transition.

At the World Bank, Mr. Lin has taken a fresh look at the role of developing countries' governments in facilitating structural change. While the Bank has traditionally been hesitant to support active economic policies by developing countries' governments to promote growth and industrialization, Lin recognises that in all successful economies, the state has played an important role in facilitating structural change. He proposes a balanced new approach to help policymakers identify those industries that may hold latent comparative advantage and promote industrial upgrading and diversification. He argues in favour of interventions that aim to provide information, compensate for externalities, and coordinate improvements in the "hard" and "soft" infrastructure that are needed to accelerate the dynamic change in the economy's comparative advantage; at the same time, he advises against policies aimed at protecting some selected firms and industries that defy the comparative advantage determined by its endowment structure.

The German Development Institute/ Deutsches Institut für Entwicklungspolitik (DIE) has a long record of research on competitiveness and structural change in developing countries. In 2009, a research project studied the role of economic policies to promote growth and industrialization in seven low and lower-middle income countries in Sub-Saharan Africa, the MENA region and East Asia. The comparative project explored the performance of selective policies for industrial upgrading and diversification in countries that are characterised by severe market failures and therefore require more proactive policies; but at the same time lack strong, well-funded and accountable institutions and therefore face special risks of political capture. Based on this research, Tilman Altenburg will underline the relevance of Mr. Lin's heterodox approach and address some open questions.

Programme

14:30 h Introductory remarks

Dirk Messner

Director

German Development Institute

14:40 h Guest Lecture:

Growth Identification and Facilitation: The Role of the State in the Dynamics of Structural Change

Justin Yifu Lin

Chief Economist and Senior Vice President

The World Bank, Washington, D.C.

15:30 h Comments

Tilman Altenburg

Head of Department "Competitiveness and Social Development"

German Development Institute

15:45 h Open discussion

16:30 h Farewell drinks

German Development Institute

The German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) is one of the leading Think Tanks for development policy world-wide. DIE builds bridges between theory and practice and works within international research networks. The key to DIE's success is its institutional independence, which is guaranteed by the Institute's founding statute.

Since its founding in 1964, DIE has based its work on the interplay between Research, Consulting and Training. These three areas complement each other and are the factors responsible for the Institute's distinctive profile. DIE draws together the knowledge of development research available worldwide, dedicating its work to key issues facing the future of development policy. DIE's research is theory-based, empirically backed, and application-oriented. It serves as the basis for the Institute's consulting activities, which in turn provide the initiative for further research programmes. DIE's Training Programme is an integral component of the Research and Consulting process. The policy advice and consulting services DIE provides is bearing on the framework conditions of development policy, including issues concerned with world economic policy, foreign policy, and security policy.

The Institute's Postgraduate Training Programme is concentrated on courses dedicated to development-related themes and issues bound up with shaping the process of globalisation as well as with improving trainee communicative and social skills. The cornerstone of the Training Programme – field research carried out by small interdisciplinary groups in a developing country – serves to provide trainees with an opportunity to gain practical experience with what they have learned by participating in concrete consulting-oriented research projects. Once they have completed the Training Programme, the graduates find career opportunities with development organisations at home and abroad.

In addition to the Postgraduate Training Programme, DIE offers Young Professionals from selected partner countries of Germany's international cooperation the participation in the 'Global Governance School'. The highly qualified participants work in governments, Ministries, Universities, policy-orientated Think Tanks or research institutions. The Training and Dialogue Programme of the Global Governance School is the practice- and research-oriented component of the 'Managing Global Governance' Programme, implemented jointly by the German Development Institute and InWEnt. This unique exchange and learning opportunity supports the creation of a sustainable, equitable and effective global governance architecture.

The German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) is headed by Prof. Dr. Dirk Messner (Director). At present, the Institute has a staff of around 100.