From Divergence Big Time, to Converging Divergence

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Rory Horner discusses the transition from an International to a Global Development paradigm and the need for an approach to development that recognises the increasing importance of inequality across sub-national regions.

:Introduction:

A fundamental shift in the global map of uneven development appears to be in

motion. It is one where the challenge of uneven urban and regional development within nations is only going to grow in importance.

Turn back the clock to the turn of the 19th century. At the time of the Industrial Revolution in the UK, the key differences in prosperity across people in the world were within countries. The economic historian, Paul Bairoch, has suggested that around 1800, there was almost no income gap between developed and developing countries on average.

The Global North-South divide

A "divergence, big time", as Lant Pritchett has famously termed it, emerged between 'developed' and 'developing' countries over the course of the 19th and 20th centuries. With the Industrial Revolution in Europe and the accumulation of organisational and technological innovation and related factors of production there and in its offshoots (North America, Australia and New Zealand), combined with the significant influence of colonialism, inequalities between countries surged.

By any economic or even human development indicator, the poorest people in the world were overwhelmingly located within the Global South during the 20th century. The differences across parts of the world were vast, whether it be in terms of income per capita, or in terms of the numbers of people living in extreme poverty, life expectancy, infant mortality, or of countries with high aid dependency.

A variety of spatial language sought to capture this major cleavage in the global map of development. Terms used have ranged from First, Second and Third Worlds in the context of the Cold War to Global North-South following the Brandt Report of 1980, to the simple and persistent 'developed' and 'developing'. While never a perfect classification, such nomenclature has continued to be used to capture the vast differences in various aspects of development in different parts of the world.

In such a context, from any kind of global cosmopolitan perspective, the key challenge was to improve the welfare of the poorest people in the world living in the most deprived conditions. International development, in practice and in theory, became focused on poor countries and poor people. Of course, prosperity was not necessarily shared evenly nor were differences eradicated amongst

different people or places in the Global North. The late Doreen Massey was one among many who demonstrated spatially uneven development in the UK. Scholars such as Barry Bluestone and Bennett Harrison likewise revealed the devastating effects of deindustrialisation in certain parts of the US. Yet, approaching the end of the 20th century the differences between countries in the Global North and South were vast and, to many, appeared to be frustratingly durable.

New geographies of development

Yet new geographies have emerged in the global map of development over the last quarter of a century, and especially since the turn of the Millennium. In my recent work with David Hulme, we outline such changes from "divergence big time" to "converging divergence" and argue for the need to transition from international development to global development (Horner and Hulme 2017). I discuss this shift below, before outlining some important implications for regional development and regional studies.

The composition of global inequalities is changing across economic, human and environmental indicators. In short, the between-country share of global inequality is decreasing, while the within-country share is increasing.

As prominently highlighted, by Branko Milanovic (2016), and other leading scholars of global inequality recently, as well as the World Bank's 2016 Taking on Inequality Report, income inequality across all individuals in the world has fallen over the last couple of decades – the first such decline since the Industrial Revolution two centuries ago.

From a low starting point, there has been considerable economic growth, and some development progress, within many countries in the Global South. The Global South now earns a significantly greater share of global GDP in aggregate, in a trend led, but not exclusively driven, by China. Those in the middle percentiles of the global income distribution, overwhelmingly comprised of Asian middle classes, have experienced considerable relative income growth. The total numbers, and also the share, of the world population living in extreme poverty have fallen dramatically. The share of countries designated as low-income has fallen too, as have the number of countries who are aid dependent. Considerable increases in infant and maternal mortality, as well as life expectancy, have also been achieved. At 69.6 years, average life expectancy in low and middle-income

countries in 2014 is just over 10 years less than today's high-income countries (HICs) and a year greater than those countries average in 1960.

Two fascinating charts from the 2018 World Inequality Report (Alvaredo et al. 2018) point to a changing geographic composition of global income distribution, which increasingly transcends the North-South divide. Figure 1 below shows the global income distribution for all individuals in the world in 1990, decomposed into percentiles and where people live. India, China, and Africa dominated the lower half of the global income distribution in 1990.

Figure 1. Geographic breakdown of global income groups in 1990

Source: Alvaredo et al. (2018, 52).

Figure 2 shows the distribution for 2016. Chinese earners can be found across the whole spectrum of percentiles. The population of "Other Asia", i.e. apart from India and China, is now spread across the distribution. Africans, however, are now more concentrated in the bottom quarter.

Figure 2. Geographic breakdown of global income groups in 2016

Source: Alvaredo et al. (2018, 53).

The blurring of the North-South divide has prompted new convergence claims. For example, Richard Baldwin's 2016 book 'The Great Convergence' points to a shift in manufacturing output between the G7 and the IG (Industrialising six – China, South Korea, India, Poland, Indonesia, and Thailand). Economic geographers and scholars of regional studies might respond with: "Haven't we been here before?" Thomas Friedman's "The World is Flat" was rightly critiqued a decade ago – including in the inaugural volume of the Cambridge Journal of Regions, Economy and Society. Economic geographers and others have challenged such boosterist claims or arguments for the "death of geography", instead pointing to the persistence of geographically uneven development.

Vast inequalities continue to exist in the world, although with some changing composition. Some reductions in between-country inequalities (or convergence) are overshadowed by vast, and often growing, inequalities (or divergence) between people who are near-neighbours, living in the same localities, nations, and regions i.e. converging divergence. Across wealth, income and consumption is evident in both North and South territories, rising inequalities within countries

have been highlighted in, for example, the 2018 World Inequality Report, while both the World Bank and the International Monetary Fund (IMF) have also warned of the consequences. In relation to income, inequality expert Francois Bourguignon has suggested that we could "be witnessing a partial substitution of inequality within countries for the inequality between countries". Moreover, global wealth inequalities appear higher than income inequalities and are focused within (rather than between) country differences. Of course, and despite growing attention to inequalities within countries, North-South differences have not been eradicated and considerable citizenship premiums remain between countries in the Global North and South.

Shifting geographies of uneven development are arguably an underlying factor in the contemporary backlash against globalization in the Global North. In the 1990s, economic globalization was formerly widely identified as being orchestrated in the interests of the Global North, including via the IMF, the World Bank and the World Trade Organization (WTO). However, the recent backlash – manifest in deployment of anti-globalization rhetoric and a withdrawal (Trans-Pacific Partnership) and renegotiation (North Atlantic Free Trade Agreement) of trade agreements in the US and a vote to exit the European Union in the UK – has been in the global North and from the political right. As demonstrated in the March 2018 issue of Cambridge Journal of Regions, Economy and Society on "Globalization in crisis?", such votes have a clear economic geography to them, with a divide between more "globalised" urban areas and more disconnected rural areas.

Some regions have particularly bared the brunt of such struggles, with job losses, yet little by way of welfare compensation. Indeed, many people in Europe and North America have experienced almost no income growth for a generation. In contrast, in much of the global South, and from a very low starting point, the trajectory of change has been quite different in many places. Despite earlier backlashes against Washington Consensus structural adjustment, globalization has not attracted a comparable contemporary backlash, while Xi Jinping has stated that China will lead 21st century globalization. In the era of globalization, global change has been neither win-win nor a reproduction of old divides. While some have achieved developmental progress in the global South, others remain much more marginal in global terms and have seen very little by way of absolute gain and should not be forgotten amidst attention a backlash in the global North

(Horner et al., 2018).

The growing importance of inequalities within countries

The geographies of uneven development thus appear to be changing as part of a pattern of converging divergence. While the North-South divide may be blurring somewhat, considerable divergence is present within macro-world regions, nations and sub-national regions.

We lack the spatial language to adequately capture such a world at the macro-world level. Terms such as "developed"/"developing", "First" versus "Third" World as grew in popularity during the Cold War, or subsequent "Global North" versus "Global South" are all based on a relatively clear division of the world into two. The World Bank's announcement in April 2016 that it will no longer distinguish between "developed" and "developing" countries in its annual World Development Indicators could be seen as one reflection of that. The Sustainable Development Goals and the Paris Agreement on climate change, both agreed in 2015, relate to all, not just developing countries.

Yet we see a resurgence of interest in terms that seek to capture unevenness at more proximate scales. The terms 'core' and, especially, 'periphery' are deployed very frequently. Often their usage relates less to capturing the old world-systems core and periphery at a macro-global level, but more to capturing differences within countries. Moreover, enclaves gather growing attention, uneven development within countries.

What is important to note in such contexts, is that such inequalities within countries – whether manifest spatially between or within regions, increasingly account for a growing share of global inequality. Gaps in health, education etc., as well as income, are increasing within many countries. Regional studies work has long paid attention to, for example, the 'spikiness' of various aspects of economic development and quality of life within countries. Elsewhere, the work of Anne Case and Angus Deaton has recently demonstrated growing differences in life expectancy within the US. Extreme juxtapositions of privilege and poverty are often associated with the global South (a term that it is still difficult to avoid using!), such as in images of the favelas of Rio de Janeiro (Brazil) next to luxury apartments with swimming pools. Of course, an incident such as the Grenfell Tower fire in June 2017′ in the midst of London's richest borough, shows that

such vast differences can be present in the UK too. Moreover, differences between regions, such as in China, with the growing dominance of Shanghai, Beijing, Guangzhou, Shenzhen and Tianjin, or in the classic case of the disparities between greater London and the rest of the UK, are a growing challenge.

Thus, there is a significant change in the global macro-economic geographical context. A transition is thus required from an international development, focused almost exclusively on the global South, to global development, which relates to the whole world (Horner and Hulme, 2017). In this context, urban and regional inequalities warrant greater attention.

The late Tony Atkinson (2015) has a fascinating insight on inequality in Europe during the second half of the 20th century. While many people might perceive income inequalities to have only increased from the late 1970s or 1980s, market-inequalities – pre-taxes and transfers – have actually increased since the mid-20th century. Yet the social redistribution policies of welfare states, in the form of taxes and transfers (unemployment, pension, disability etc.), functioned so as to prevent such increasing market-inequalities from translating into growing differences in take-home household income. From the mid-1980s onwards, the situation changed as market-based inequalities continued to increase, and taxes and transfers were comparatively reduced. Thus, the work required of redistribution policies was greater, yet their provision went in the opposite direction.

It is possible that we could expect a similar dynamic to play out now in relation to within-country inequalities, and those related to urban and regional development. National states do possess policy levers to address inequality, including uneven regional development. Paradoxically inequalities are increasing within the domain where there are policy levers available to address such issues. The work required of urban and regional policies is thus also likely to increase – to both address intra-regional and inter-regional inequality.

In terms of researching regional development, a transition from international to global development provides yet another justification for comparative research across North and South, including on urban and regional development (cf. Pike et al. 2014). The regional studies/development studies or economic geography/development geography North-South division of labour cannot be maintained as they preclude the learning of lessons across the blurry North-South

divide.

With a shifting map of global uneven development, urban and regional development within countries is only going to grow in significance as a challenge for all parts of the world. In that context, regional studies in both Global North and South also warrants greater attention.

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