William Easterly argues Smith should be seen as the founder of Development Economics in “Progress by consent: Adam Smith as development economist”  (Review of Austrian Economics, published online September 10, Recommendations for Further Reading 213 2019, <https://link.springer.com/article/10.1007/s11138-019-00478-5>).

Abstract

Adam Smith is not sufficiently recognized as a founder of development economics. Smith challenged the longstanding assumption that inferior development outcomes reflected inferior groups, and that superior groups should coerce inferior groups to make development happen. Smith made clear that the positive-sum benefits of markets required respecting the right to consent of all individuals, from whatever group. These ideas led Smith to be a fierce critic of European conquest, enslavement, and colonialism of non-Europeans. The loss of Smith’s insights led to a split in later intellectual history of pro-market and anti-colonial ideas. The importance of the right to consent is still insufficiently appreciated in economic development debates today.

On Smith’s Wide Coverage of the Globe:

“There is a curious notion in development economics that the field emerged out of nowhere right after World War II. I used to share that view . . . It took me embarrassingly long to acknowledge some obvious ancient history of development thinking, and some other development economists are apparently taking even longer. As long ago as 1776, Adam Smith wrote a book called the Wealth of Nations. It turns out, after many hours of careful reading, that the book is indeed about the Wealth of Nations. Far from ignoring the wider world, Smith cited 164 different historical or contemporary place names or names of ethnic groups. . . . The omissions . . . are rare and reflect information availability. Only Australia and New Zealand are left out altogether. Specific place names in Africa are limited to some places on the coast, but there are very important discussions of the African continent as a whole. The rest of the world is well covered . . . Smith has abundant coverage of future Third World places such as Peru, Mexico, Chile, Egypt, India, Africa, Central Asia, and China. Smith’s First World success stories are England, lowland Scotland, British North America, and Holland. The future Second World is also covered in discussions of Russia and Eastern Europe. . . . Smith used his widespread examples to test his preferred hypothesis to explain development.”