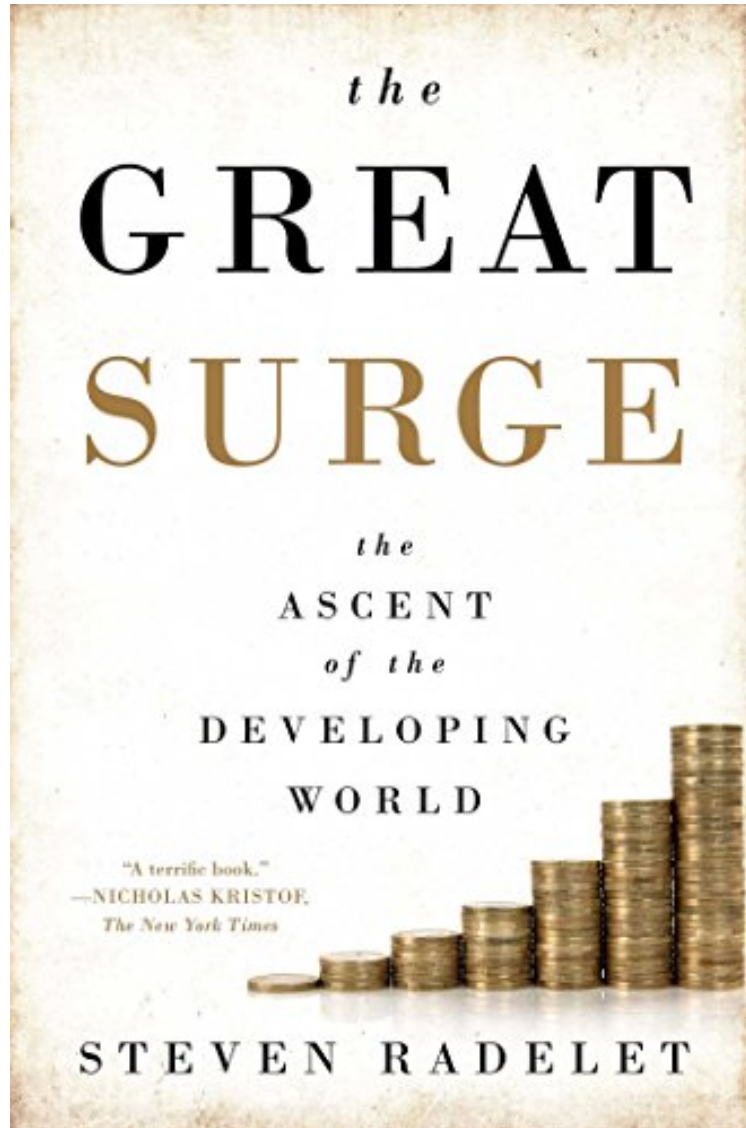


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## The Great Surge: The Ascent of the Developing World

*Steven Radelet*

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**Steven Radelet : The Great Surge: The Ascent of the Developing World** before purchasing it in order to gage whether or not it would be worth my time, and all praised The Great Surge: The Ascent of the Developing World:

8 of 8 people found the following review helpful. Might change how you see the worldBy Daniel KesterEvery once in a while a book comes along that can change how you see the world. This is one such book.If you pay attention to world news, and even more so if you don't, it is easy to get the impression that the world is going rapidly downhill, especially in the developing countries. The author of this book takes a step back and looks at the big picture of trends over the past several decades, and shows how much better it has gotten in terms of income, health care, education, and government.For a good review see Nicholas Kristof's article (Google "nicholas kristof the most important thing"). As

he states, 95% of Americans believe the level of developing world poverty has remained the same or gotten worse over the last 20 years. That 95% are wrong. The book can be a bit dry, since he is showing lots of data, but it is well written and easy to get through. And you may come out of it seeing the world differently. Highly recommended.

0 of 0 people found the following review helpful. Excellent introduction to development economics

By David Zetland

I bought this 2015 book after hearing it praised as an excellent introduction to development economics. Its author, Steven Radelet, has several decades of experience as an academic, consultant and advisor to governments and agencies working to improve and implement programs to help people escape poverty, disease, ignorance and oppression. The book is easy to read, with numerous examples and clear explanations of basic and advanced concepts, as well as an historical perspective that puts various development ideas into perspective. Although I am familiar with nearly all the ideas and examples in the book, I would be hard pressed to write so clearly and provide such a helpful framework to first time readers interested in these topics. The book thus provides a better introduction than either a textbook (too dense and/or inapplicable) or opinion piece (e.g., Easterly, Sachs, Moyo, et al.). That said, Radelet sometimes uses too many examples or repeats some points, so I suspect that the book could have been about 20 percent shorter and thus easier and clearer for the reader.

The book is organized into three parts: The Surge, the Catalysts, and The Future. The Surge explains how the end of the Cold War "freed" many countries from the need to align themselves to either the US or USSR as well as US or Soviet manipulation of those countries' politics in favor of their geopolitical goals. (Radelet explains how many bad colonial policies would have faced criticism in states that won their independence after WWII -- he lived and worked 5 years in Indonesia -- except for the influence of Cold War dynamics.) The upshot was that many regimes needed to adopt liberal political and economic policies as their leaders became more dependent on domestic legitimacy and lost the benefit of outside patronage. At the same time, there was also more opportunities for leaders who wanted to develop, as the end of a the First-World/Second World (US/USSR) dichotomy meant that neighbors could trade based on their comparative advantages rather than political orientation. There are many exceptions to this generalization, but Radelet uses a dataset of 109 developing countries (neither too small nor too rich) to show how development surged for the average country in that dataset, i.e., "My basic argument is that beginning in the 1980s and 1990s, many of the "unfreedoms" that had inhibited development began to be removed. The combination of huge geopolitical shifts, changing economic and political systems, deepening globalization, access to new technologies, stronger leadership, and courageous action created the conditions, opportunities, and drivers necessary for progress. The result was the great surge."

Radelet notes that this basic progress did not get a lot of attention from academics or the press, as the former are more interested in studying specific examples in detail and the latter are more interested in extremes and disasters. These points make sense to me. I've visited over 100 countries and the most consistent thing I've learned is that everyday normal dominates occasional exceptional. (I'm writing this in Japan where we've not encountered a single earthquake, sumo wrestler or tea ceremony!)

Radelet also makes a good point when he reminds us that "development" is not just something bought off the shelf. In a world of private goods (e.g., mobile phones), it is indeed easy to set up towers and charge subscriptions to people who have bought handsets from factories on the other side of the world. In a world of collective goods, one cannot ignore or avoid the need to cooperate with neighbors in the provision of public safety, taxation and spending on education and healthcare, etc. It takes time and effort (and often outside existential threats) to form the institutions that separate the "developed" from "developing," i.e., "The history of more mature democracies shows that it takes many years to build the institutions, public attitudes, expectations, checks on power, and other systems required for democracy and accountability to become established. They must be monitored and strengthened. Democracy is a process: there are no shortcuts, and there are many setbacks along the way. Occasionally countries can evolve into strong democracies in a decade or two, especially when they have strong and gifted leaders, a unified society, and a favorable regional context. However, it often takes longer. It took more than a century for democracy to solidify in Western Europe, and the process continues to unfold today. It took the United States 185 years to achieve universal suffrage, with numerous violent conflicts, a bloody civil war, disputed elections, massacres of American Indians, a divisive battle for basic civil rights, recurrent episodes of corruption, countless inside business deals, and human rights abuses along the way. The United States, for all its many strengths, today is far from an ideal democracy. The history of the world's oldest and strongest democracies teaches us that the democratic transition is neither fast nor easy, and that it does not progress in an orderly fashion." Although this quote gives me hope in a time of Trump and Brexit,\* it also provides a warning of how hard it is to rebuild what some politicians so casually dismiss. Indeed, Radelet's prescriptions for the hopeful path (in the Future section) rely on a US leader who is democratic, willing to work with international institutions, focused on dealing with climate change and willing to work with China -- four characteristics that define the anti-Trump and indicate just what a disaster Trump is for the world.

Returning to the book, Radelet discusses four catalysts: technology, globalization, leadership and foreign aid. He does a good job at describing how each can help as well as fail, i.e., technology that helps some countries get ahead of others, globalization which brings cheaper goods but job losses, and leaders who can make or break a country. The discussion of leadership fits well with his earlier points on democracy and the institutions that keep bad leaders from doing damage and help good leaders move the country ahead. On international aid, Radelet is right to note that it is often

helpful but not the only means to development. In most cases, development takes place as individuals work out ways to improve their lives and provide a better future for their children. This path (better examined by Scott in *Seeing Like a State* and *Two Cheers for Anarchism*) also explains how development has slipped under the radar of politicians, wonks and journalists who can only understand anecdote or oversimplified explanations. The final section on the Future covers three paths: all goes well, middling along, and things turn bad. These last chapters are a bit tiresome for someone who would like a concise trajectory but Radelet is right to explain how various forces interact to help or hinder development. Although it's hard to be optimistic and easy to be pessimistic (easy if you worry about over population, populism and climate change), Radelet makes a good point in enumerating the many helpful steps on trade, cooperation, governance and technology that aided development after the horrors of World War II. Those decentralized advances took place in a time when a nuclear war could have killed billions and environmental damages rose to terrifying levels -- problems with modern equivalents in terrorists threatening nuclear war and climate change. It's not hard to see human civilization as a series of two steps forward and one step back developments, so perhaps that is a good default to use, should we be thinking probabilities more than possibilities. Bottom Line: I give this book FOUR STARS for its useful overview of the development that we have seen, the causes of that development and where we, as humans, might go in the future. I recommend it to anyone seeking to understand the basics and our common future. =====\* The Economist on populists: If there is anything that unites the policies of Mr Trump with Brexit and the beliefs of European populists, it is a promise to break free of constraints. But a populist upswing propelled by unhappiness with established institutions raises an awkward question: if these institutions are worthwhile, why are people so frustrated by them? The authors argue that populists highlight the short-run advantages of wrecking institutions while downplaying the long-run consequences. 1 of 1 people found the following review helpful. The Great Surge is an extremely well researched and important book ...By Customer The Great Surge is an extremely well researched and important book that dispels the pervasive myth that the world is falling apart. It is not. There has never been a better time to be alive almost anywhere in the world, and progress in the less developed counties has been phenomenal. Problems aplenty persist, but they are far fewer and less severe than before, and we are learning how to continue the growth. Radelet's remarkable book lays out the facts and the prescriptions for sustaining the momentum.

The untold story of the global poor: "Powerful, lucid, and revelatory, *The Great Surge* offers indispensable prescriptions about sustaining global economic progress into the future" (George Soros, chairman of Soros Fund Management). We live today at a time of great progress for the global poor. Never before have so many people, in so many developing countries, made so much progress, in so short a time in reducing poverty, increasing incomes, improving health, reducing conflict and war, and spreading democracy. Most people believe the opposite: that with a few exceptions like China and India, the majority of developing countries are hopelessly mired in deep poverty, led by inept dictators, and have little hope for change. But a major transformation is underway—and has been for two decades now. Since the early 1990s more than 700 million people have been lifted out of extreme poverty, six million fewer children die every year from disease, tens of millions more girls are in school, millions more people have access to clean water, and democracy—often fragile and imperfect—has become the norm in developing countries around the world. "A terrific book" (Nick Kristof, *The New York Times*), *The Great Surge* chronicles this unprecedented economic, social, and political transformation. It shows how the end of the Cold War, the development of new technologies, globalization, and courageous local leadership have combined to improve the fate of hundreds of millions of people in poor countries around the world. Most importantly, *The Great Surge* reveals how we can accelerate the progress.

"Powerful, lucid, and revelatory, *The Great Surge* makes a vital argument and offers indispensable prescriptions about sustaining global economic progress into the future." (George Soros, chairman of Soros Fund Management) "Steven Radelet in a brilliant new book demonstrates out how the world has actually gotten better in recent years, not by a little but by a lot. This is a careful antidote to today's fashionable pessimism and should be read by everyone." (Francis Fukuyama, author of *The End of History*) "With the airwaves filled with news of insurrection, desperation, and still stubborn diseases, this book jars you out of a cliché response. With his typical care and detail, Steve describes humanity's greatest hits over the last twenty years—never have we lived in a time when so many are doing so well. The job surely isn't done, but these pages provide the evidence the job can be done, if we choose to do it." (Bono, lead singer of U2 and co-founder of ONE and (RED)) "Steven Radelet is one of the leading development thinkers and practitioners in the world today. This captivating book shows that progress for the world's poor is not just possible, it is happening right now all around the world." (Ellen Johnson Sirleaf, President of Liberia) "Human nature is evolutionarily wired to notice bad news much more than good news. But good news there is, for billions of people on the planet. Using compelling stories and data, Steve Radelet shows us just how far developing countries have come and makes a convincing case that understanding this positive history is essential for future decision-making." (Anne-Marie Slaughter, President and CEO of New

America, Director of Policy Planning, U.S. Department of State 2009-2011 )"You won't see this in the everyday news headlines, but our world is making historic progress. Extreme poverty and disease are declining while school enrollment and self-government are on the rise. Georgetown professor Steven Radelet has written an uplifting, spirited and compelling book on what he calls The Great Surge;an ongoing global transformation where privileged not only to witness but to help bring about. An effervescent roadmap to the recent past and what comes next!" (Muhtar Kent, Chairman and CEO, The Coca-Cola Company )ldquo;"The Great Surge is one of the most optimistic and compelling looks at global development of our time. It challenges us to rethink both economic progress and environmental sustainability, especially when they come in conflict. While this dilemma has mystified many development experts for decades, Radelet charts a path forward that is not only possible, but imperative." (Howard W. Buffett, lecturer in International and Public Affairs, Columbia University )"At a time when doom, danger, and disaster dominate analysis of global trends, Steven Radelet pushes back against the pessimists with mountains of evidence and breathtaking vision. The Great Surge tells the other side of the story of global change over the past two decades, a story of unprecedented human progress in reducing poverty, hunger, illiteracy, oppression, childhood deaths, and even (despite the headlines) violent conflict. This is far from a naive book. A leading development economist with deeply policy experience, Radelet readily acknowledges the enormous work still to be done, and the tenacious obstacles that persist. But in lucidly exposing the factors that have delivered transformative development progress, he shows us how leadership and cooperation at the global and developing country levels, combined with continued investments in technology, can continue to bring reductions in human misery that were once nearly beyond imagination. This is a stunning, wise, and deeply hopeful book that anyone concerned about global development must read." (Larry Diamond, Stanford University )ldquo;"[Radelet] succeeds in making a possibly counterintuitive argument: notwithstanding the often depressing nature of news coverage of developing countries, this era has seen the most progress among the global poor in the history of the world;hellip;his accessible and articulate presentation is likely to convince readers that the story of global development is more complex, and positive, than many believe;hellip;this is a refreshing counterperspective that can only enhance informed debate on the topic." (Publishers Weekly)ldquo;"[A] welcome overview of transformations in more than 100 developing countries over the past two decades;hellip;The nice mix of bright anecdotes and solid data makes the book highly accessible. Radelet describes the enormous impact of cheaper fares, mobile phones, standardized shipping containers, and new agricultural technologies. With strong global leadership, writes the author, these hopeful trends will continue. A good book for policymakers and readers interested in global current affairs." (Kirkus)"A terrific book..." (Nicholas Kristof The New York Times)ldquo;"This work will appeal to those interested in politics, economics, medicine, education, and the developing world in general." (Library Journal)ldquo;"A great work of recent economic history, The Great Surge is a book for the moment and future. It's a light in the darkness;hellip; amidst the pervasive pessimism in the news media and some of the intellectual establishment, The Great Surge is an antidote to the doom and gloom." (800CEOReads)About the AuthorSteven Radelet holds the Donald F. McHenry Chair in Global Human Development at Georgetown University and is a Nonresident Senior Fellow at the Brookings Institution. His work focuses on economic growth, poverty reduction, foreign aid, and debt, primarily in Africa and Asia. He has worked in developing countries around the world for thirty years and currently serves as economic adviser to the President of Liberia. He is the author of The Great Surge: The Ascent of the Developing World and Emerging Africa: How 17 Countries Are Leading the Way.Excerpt. copy; Reprinted by permission. All rights reserved.The Great Surge ONE A GREAT TRANSFORMATION What is happening in Liberia is but a microcosm of the transformation that is sweeping across many countries. Dictators are being replaced by democracy. Authoritarianism is giving way to accountability. Economic stagnation is turning to resurgence. And most important, despair is being replaced by hope;hellip;hope that people can live in peace with their neighbors, that parents can provide for their families, that children can go to school and receive decent health care, and that people can speak their minds without fear. ;hellip;Ellen Johnson Sirleaf, president of the Republic of Liberia WE LIVE AT A TIME of the Greatest Development Progress among the Global poor in the history of the world. Never before have so many people, in so many developing countries, made so much progress in so short a time in reducing poverty, increasing incomes, improving health, reducing conflict and war, and spreading democracy. If you find that hard to believe, you are not alone. Most people believe the opposite: that with a few exceptions such as China and India, the majority of developing countries are stuck in deep poverty, led by inept dictators, and living with pervasive famine, widespread disease, constant violence, and little hope for progress. The old story is no longer true. A major transformation is under way;hellip;and has been for two decades now;hellip;in the majority of the world's poorest countries, largely unnoticed by much of the world. Since the early 1990s, 1 billion people have been lifted out of extreme poverty. The average income for hundreds of millions of people in dozens of poor countries has more than doubled, 6 million fewer children die every year from disease, war and violence have declined significantly, average life expectancy has increased by six years, tens of millions more girls are in school, the share of people living in chronic hunger has been cut nearly in half, millions more people have access to clean water, and democracy;hellip;often fragile and imperfect;hellip;has become the norm rather than the exception in developing countries around the world. To be sure, the surge of progress in

health, income, poverty, education, and governance has not reached everyone: many poor countries remain mired in poverty and conflict, and even in the countries moving forward, millions of people are still left behind, even if their numbers are shrinking. Rapid progress has brought new challenges, especially around urbanization, environmental degradation, and climate change, that raise critical questions about long-term sustainability. Nevertheless, the majority of poor countries—and hundreds of millions of individual people living in those countries—are now making greater progress in a wider range of development indicators than ever before. This book tells the story of this remarkable economic, social, and political transformation among the global poor. The pages that follow show how the end of the Cold War, the demise of Communism, groundbreaking new technologies, increased global integration, local action, courageous leadership, and in some cases, good fortune, have combined to improve the fate of hundreds of millions of people in poor countries around the world. How did these extraordinary changes come about? Why have some countries moved forward, while others have remained behind? What do these changes mean for the rest of the world? And most important, can the gains continue? Or will climate change, resource demand, demographic pressures, economic and political mismanagement, or possible war conspire to derail the great surge in development progress?

The story of the dramatic progress in developing countries begins in the 1960s. In the immediate post-World War II era, several countries in East and Southeast Asia (alongside a few others like Botswana and Mauritius) began to make remarkable advances that continue today. China began its rapid resurgence in 1980, in many ways setting the stage for the broader transformation that followed in other countries. Some other developing countries started to move forward, only to see progress halt in the late 1970s and 1980s following the global oil shocks and subsequent debt crises. However, most developing countries made little headway—that is, until the early 1990s, when progress accelerated and dozens of developing countries around the world began to move forward. My central focus is on four critical dimensions of development progress: poverty, income, health and education, and democracy and governance (although I will touch on many others). Global poverty is falling fast. In 1993 almost 2 billion people around the world lived in extreme poverty on less than \$1.25 per day. Then, for the first time in history, the number began to fall. Astonishingly, in just eighteen years, the number was cut by almost half: by 2011, it was down to just over 1 billion, meaning that almost 1 billion fewer people were living in extreme poverty. The proportion of the population of developing countries living in extreme poverty has fallen even faster, from 42 percent in 1993 to just 17 percent in 2011. The opening of China accounts for a large share of the change, but the fall in extreme poverty goes well beyond China and includes dozens of countries in every region of the world, including many in sub-Saharan Africa. At the same time, incomes have been rising. People living in developing countries today have incomes that are nearly double those of their parents from two decades ago, on average (in real terms, after controlling for inflation). This improvement is remarkable, especially when one considers that in the previous generation, there had been essentially zero change in average incomes in the majority of developing countries. The acceleration in growth has been relatively widespread. Whereas in the 1980s only around 20 developing countries were achieving even modest growth, since the mid-1990s, 70 developing countries (out of 109) have done so. The surge in growth reaches far beyond China and India to countries in every region of the world, including Mozambique, Ghana, Rwanda, Bangladesh, Indonesia, Mongolia, Brazil, Chile, the Dominican Republic, Moldova, Macedonia, Turkey, Morocco, and many others. New markets are emerging, businesses are opening, trade and investment are soaring, and jobs with better wages are more plentiful. Meanwhile, health and education have improved dramatically. In 1960, twenty-two out of every hundred children born in developing countries died before their fifth birthday; today it's only five. Out of one hundred children born, seventeen more live today who would have died just a few decades ago. In 1990 almost 13 million children died from preventable diseases; by 2013, it was down to 6.3 million (and falling). Because of both the reduction in child deaths and progress in fighting a range of diseases (such as malaria), life expectancy is now much longer. Whereas in 1960 the typical person born in a developing country could expect to live around fifty years, today his or her grandchildren will live sixty-six years. People born in developing countries live fully one-third longer, on average, than they did two generations ago. More children are enrolling in and completing primary education, especially girls. In 1980 only half of all girls in developing countries completed primary school; today four out of five do so. More people than ever before have access to clean water, basic sanitation, and some electricity. The changes go further, and include personal freedoms and political systems. Around the world, dictatorships have been replaced by democracies. There are fewer wars and less violence, and basic rights and liberties are far more likely to be upheld. In 1983 seventeen developing countries were democracies; by 2013, the number had more than tripled to fifty-six (excluding many more developing countries with populations less than 1 million, which I do not count here). Meanwhile, there are far fewer dictatorships and autocracies. While the spread of democracy has slowed in recent years and even reversed in some countries, the difference from the 1980s to today is astonishing. This change is not just about perfunctory elections: it includes improvements in basic political rights and personal freedoms, stronger legislatures, more robust civil-society organizations, and other institutions of democracy alongside more free and fair elections. Many of the new democracies are imperfect and fragile, but the change is unmistakable. Equally remarkable, violence is declining sharply. Since the 1980s, the incidence of civil war in developing countries has been cut in half, and battle deaths in war have fallen by more than 75 percent. The dramatic

shift in political systems has upended some old ideas about democracy and development. Until recently, most people believed that the best way to make progress in poor countries was to put a benign dictator in charge. The East Asian "miracle" countries seemed to provide the evidence, with Singapore's former prime minister Lee Kuan Yew as the prime example. But since the end of the Cold War, the pattern has changed: in most cases the improvements in economic well-being have gone together with a shift toward democracy. While there are important exceptions such as China, Ethiopia, Rwanda, and Vietnam, increasingly they are exactly that—exceptions. India, South Korea, Indonesia, Mongolia, the Philippines, Brazil, Costa Rica, Chile, the Dominican Republic, Bulgaria, Hungary, Moldova, Turkey, Tunisia, Botswana, Ghana, Liberia, Senegal, South Africa, and dozens of other developing countries are showing that democracy has become the new norm, and that it complements and supports economic and social progress. What is remarkable about these changes is not so much the progress in any one area but the dramatic improvements in all of these areas at the same time. The simultaneous improvement in so many aspects of development in so many of the world's poorest countries in such a short period of time is unprecedented. There have been spurts of economic growth in developing countries before (such as in the 1960s and early 1970s), and there have been improvements in global health for several decades. But never before have we seen such substantial improvement in income, poverty, health, education, and governance at the same time. By this point, you're probably thinking, Wait a minute. It can't be that good. Just about everything in the newspapers is bad news. What about Afghanistan, Iraq, and Syria, all entangled in major conflict? Or Somalia, which has not had a functioning government for several decades? How about Sudan and its unconscionable treatment of its own people in Darfur? Or Haiti, where weak leadership and deep corruption made the country both more vulnerable to the deep destruction of the 2010 earthquake and unable to respond effectively in its aftermath? Or the ineptness in North Korea? What about despots like Robert Mugabe in Zimbabwe and Islam Karimov of Uzbekistan? All true. Unfortunately, not all developing countries are making progress. Some countries remain stuck in conflict, dictatorship, and stagnation, just as in the old days. However, while they still capture the headlines, they have become the minority, and their numbers continue to shrink. In the 1980s, there were more than sixty developing countries that had both authoritarian governments and little or no economic growth, accounting for well more than half of all developing countries. Today that group is down to around twenty, accounting for less than one-fifth of developing countries. They are the exceptions, while most developing countries are now on the move. Nor do I argue that the progress that has been achieved so far is enough, that it is guaranteed to continue, or that all is well in developing countries. Such claims would be misleading and naive. There are still 1 billion people living in extreme poverty, and even those whose incomes now exceed that basic standard of \$1.25 a day are hardly well off. Every year, 6 million children still die of preventable disease. Many countries, especially the poorest, remain vulnerable to the effects of devastating shocks, such as the sharp rise in global food prices in 2007 or the Ebola outbreak that swept through West Africa in 2014. There is still a long way to go in creating well-functioning democracies in which basic rights are respected and leaders are held accountable. In many countries, especially India and China, rapid economic growth has come with a high price in terms of environmental degradation, air and water pollution, and biodiversity loss (as it has for much longer in today's rich countries). Rising greenhouse gas emissions and accelerating climate change are serious threats. These issues are central to the prospects for both sustaining and spreading the recent progress in developing countries. Nevertheless, the changes over the last two decades are a big start—the strongest and most promising start ever—in improving the well-being of millions of people in many of the world's poorest countries. Throughout this book, my analysis will focus on a core group of 109 developing countries. A list is provided in the appendix. There is no standard definition of a developing country, but this group includes all countries in which per capita incomes were below \$3,000 (in constant US dollars from the year 2000) at some point between 1960 and 2013. This income line corresponds roughly with the World Bank's classification of low- and lower-middle-income countries, although its income definitions change each year. The group includes countries such as Panama, Botswana, and Thailand, where incomes now exceed the \$3,000 benchmark, since they were below the threshold for most of the period (the alternative of excluding these countries would eliminate developing countries that have been successful in achieving sustained growth). The group excludes several countries for which there are insufficient data, such as Myanmar, North Korea, Somalia, and Afghanistan. I also exclude all countries with populations less than 1 million people. Since many small countries have achieved economic progress and become democracies during the last two decades, by excluding them I am erring on the side of understating the actual number of countries in transition, and avoiding including a large number of countries that contain a relatively small number of people. Also, throughout the book, all data are drawn from the World Development Indicators (the World Bank's primary public database), except where noted otherwise.

**PERVASIVE PESSIMISM** The transformation in the world's developing countries during the last two decades is difficult for many people to believe. Stories of poor countries are typically tales of gloom and doom. Newspapers, television, and movies are filled with war, violence, disease, corruption, and failure. The emphasis on the negative reflects human nature: for whatever reason, we are drawn to stories of tragedy and failure. What most people around the world know about developing countries is what they see in the media: war in Afghanistan, famine in Darfur, stolen elections in Zimbabwe, earthquake destruction in Haiti, terrorist bombings in

Indonesia, Ebola in West Africa, and so on. Charitable organizations don't help when they emphasize tragedy and deprivation as a means of soliciting donations. Of course, war, disease, and famine are all critical issues that should receive serious attention. But our strong attraction to them creates a deep pessimism about the potential for progress, and their domination in the media overshadows the larger truths about human advancement. Steady gains do not make for good copy. World Bank reports showing the largest decline in poverty in history hardly get mentioned. Successful democratic elections—those without riots, shootings, or claims of fraud—can go unnoticed. War and conflict get (justifiable) attention, but evidence that there are fewer wars and less violence does not. Outbreaks of disease command understandable attention, while the huge reductions in deaths from malaria and diarrhea do not. Stories of bungled foreign aid programs make the front page; those that achieve their goals are ignored. That nearly 1 billion people have been lifted out of extreme poverty during the last two decades surely ranks as one of the greatest achievements in human history, yet few people know about it. In fact, people think the opposite is true. A recent survey showed that 66 percent of Americans believed that the proportion of the world's population living in extreme poverty had doubled during the last twenty years, and another 29 percent thought it had stayed roughly the same. Combined, that means that 95 percent of Americans got it wrong. Only 5 percent knew (or guessed) the truth: that the proportion of people living in extreme poverty had fallen by more than half.<sup>1</sup> Widespread pessimism about development is not just the result of misperception or our attraction to bad news. In the decades before the early 1990s, most developing countries were filled with bad news and failure. The oil crises of the 1970s, the deep global recession of the 1980s, economic and political mismanagement, right-wing totalitarian rule, leftist dictatorships, failed experiments with militarism and Communism, and turbulence from the Cold War sparked two decades of disaster. Outside of the Asian miracle countries and a few others, there was little progress, and many countries went backward. Debts mounted, inflation soared, and growth stagnated. The average rate of economic growth per person across all developing countries between 1977 and 1994 was zero.<sup>II</sup> Millions of families saw their incomes fall. With populations growing, the number of people living in extreme poverty rose. For the most part, the initial experiments with democracy that followed the independence movements of the 1960s failed. Dictatorship was pervasive, from Ferdinand Marcos in the Philippines, to the Duvaliers in Haiti, to the generals across Latin America, to the notorious Mobutu Sese Seko in what was then Zaire. Wars raged in Cambodia, Sri Lanka, Mozambique, Liberia, Nicaragua, and dozens of other countries. The overall story for most developing countries was misery and failure. That period is over, and has been for two decades. Yet the pessimism born from those years pervades. Twenty years ago, as the Cold War ended, almost anyone writing about poor countries predicted disaster as the quasi stability and order imposed by the superpower standoff disappeared. Journalist and author Robert Kaplan wrote famously in 1994 about *The Coming Anarchy: How Scarcity, Crime, Overpopulation, Tribalism, and Disease Are Rapidly Destroying the Social Fabric of Our Planet*, just as most of the world was embarking on a turn in the opposite direction. While conflict and disease have not disappeared, most developing countries have experienced improved governance, less violence, better health, and a steady rise in prosperity. While a few astute observers have recognized and written about some of these changes—such as the Center for Global Development's Charles Kenny, the author Matt Ridley, and Johns Hopkins University's Michael Mandelbaum—most people continue to portray a world of failure and catastrophe.<sup>2</sup> Every time a major crisis has emerged during the last two decades, naysayers have declared that development was doomed, and that reversal of economic progress and democracy would follow. After financial crises ripped through Southeast Asia in the late 1990s, the pessimists pounced and claimed that the Asian miracle was over; instead, the countries rebounded fast. When the global food crisis struck in 2007, many analysts predicted that poverty and famine would rise sharply, but developing countries showed their resilience, and poverty continued to fall. The 2008 global financial crisis brought fears that growth in developing countries would end, but while the pace of progress slowed, developing countries rebounded faster than rich countries. Pessimism is particularly pervasive about Africa. The writer Paul Theroux declared recently, "I can testify that Africa is much worse off than when I first went there fifty years ago to teach English: poorer, sicker, less educated, and more badly governed."<sup>3</sup> The easily obtainable evidence shows the opposite: Africa today, on the whole, is less poor, less sick, better educated, and better governed. Much of the ire is aimed at foreign aid. The writer Dambisa Moyo charges that "evidence overwhelmingly demonstrates that aid to Africa has made the poor poorer, and the growth slower. The insidious aid culture has left African countries more debt laden, more inflation prone, more vulnerable to the vagaries of the currency markets and more unattractive to higher-quality investment, [and] increased the risk of civil conflict and unrest."<sup>4</sup> The facts are rather different: poverty is falling, incomes are growing, debt levels have plummeted, inflation is at its lowest level in decades, investment is pouring in as never before, and civil conflict has fallen. The evidence shows that on the whole, foreign aid (for all of its shortcomings) has helped bolster development progress. **BREAKING OUT OF TRAPS** This progress mostly has been overlooked by people working in and researching development. With a few exceptions, debates about development have been dominated by three strands of research and thinking in recent years. While each of them contributes to our understanding of development in different ways, they have all missed the major transformation under way, and they do not explain why it is happening. The first strand takes a long historical perspective: it examines country characteristics and critical events from long ago to explain why

some countries today are rich and others poor. The late Harvard professor David Landes argued in *The Wealth and Poverty of Nations: Why Some Are So Rich and Some So Poor* that Europe's ascendancy had much to do with its culture, work ethic, attitudes toward science and religion, and social organization, and that these centuries-old differences reverberate today. Jared Diamond, in *Guns, Germs, and Steel: The Fates of Human Societies*, reached a different conclusion, finding that Europe's prosperity was largely the result of differences in geography, demography, and ecology that can be traced back to the beginnings of the domestication of plants and animals. Economists Daron Acemoglu, Simon Johnson, and James Robinson argued that where European colonizers faced serious health threats from disease (think the Belgian Congo in the late nineteenth century), they set up repressive institutions to extract resources through violence, and that these tactics and institutions established hundreds of years ago are central to understanding institutions in developing countries today.<sup>5</sup> Other researchers suggest that differences in income today date back to inventions from three thousand years ago, or even further to the timing of the migration of different groups out of Africa to form new societies around the world. These hotly debated studies are helpful in understanding the historical origins of the large differences between rich and poor countries today. But their conclusions provide little help for people in today's developing countries, as they suggest that their fate is tied to decisions and actions taken centuries ago or factors outside their control. They do not help us understand the recent acceleration of development progress or the reasons why so many developing countries began to turn at roughly the same time in the 1990s. The second field of research has been the opposite: microlevel studies on the effectiveness of specific actions and programs in particular contexts, often evaluated through rigorous randomized controlled trials (RCTs).<sup>III</sup> These studies focus on questions such as the impact of pricing on the uptake of insecticide-treated malaria bed nets, whether identity cards reduce theft and improve the delivery of subsidized rice to the poor, and the impact of shouting at bus drivers to get them to drive more safely. (It turns out that it helps, a lot.) RCTs have been brought to prominence through the pathbreaking work of Abhijit Banerjee and Esther Duflo at the Massachusetts Institute of Technology (MIT), among others.<sup>6</sup> These studies offer insights into the nature of poverty at the individual and family levels, the constraints and incentives people face, and the reasons they make the decisions they do. They also help guide the design and implementation of specific policies and programs aimed at helping the poor. But they can't help explain why a country that was stagnating for years turns the corner, or why so many developing countries began to make progress at the same time. A third major focus has been on the idea of "poverty traps," in which low-income countries are trapped in poverty at least in part because of poverty itself. Families (or societies) with low incomes have difficulty saving, so they can't invest as much in schools, technology, and infrastructure, so incomes don't grow, and they are stuck in poverty. This idea has a long pedigree in both research and pop wisdom. But as a general proposition, a poverty trap focused on income alone doesn't hold up. If it were true for everyone, since the whole world was poor five hundred years ago, we should all still be poor. If there are these kinds of poverty traps, many people, and many societies, have been able to escape them. That doesn't mean that traps don't hold in some countries or in some contexts. Just because some people have the opportunities and capabilities to break out of poverty traps doesn't mean that everyone does. The basic poverty trap idea has been refined in recent years by economists Jeffrey Sachs and Paul Collier, among others, each of whom introduced additional factors that interact with income and savings—such as health, geography, conflict, and governance—to explain why some families, regions, or societies remain trapped. Sachs shows that developing countries are more prone to endemic disease such as malaria, which reduces worker productivity and scares away investors, keeping people poor. In turn, poverty makes people even more susceptible to disease, creating a vicious cycle (a trap). Collier, of Oxford University, argues that poor countries are more vulnerable to conflict and war, which undermine growth and increase the odds for additional conflict, trapping countries in a self-reinforcing negative cycle. Similarly, bad governance keeps countries poor because leaders steal resources and undermine economic opportunities, and poverty itself makes it harder to build the legal, government, and political institutions necessary to improve governance. Both Sachs and Collier conclude that while it is not impossible for a country to escape these traps, it is tough.<sup>7</sup> The recent work on these broader development traps is compelling, and corresponds with what I have seen up close living and working in developing countries for the last thirty years. Most people in developing countries have been trapped in one way or another for much of the last several centuries, with various economic, political, and social forces preventing them from moving forward. That some have escaped does not mean that the traps are not real for those left behind. Violence, oppressive governments, disease, conflict, isolation from markets, and adverse geography have obstructed opportunities, prevented people from accessing technologies and education, and otherwise blocked people and societies from progress. One of the basic ideas of this book is that starting in the 1960s, then accelerating markedly in the 1990s, hundreds of millions of people in dozens of the world's poorest countries began to break out of these development traps. Not all countries have broken out, and clearly not all people have broken free of extreme poverty. A few countries, such as South Korea, Singapore, and Botswana, began to move forward in the 1960s and 1970s. China began to surge in the 1980s. Several forces then came together in the 1980s and 1990s to create the circumstances that facilitated a much broader surge. By the mid-1990s, millions of people and the majority of developing countries were beginning to move forward on multiple fronts: poverty reduction, income

growth, improvements in health and education, reductions in conflict and violence, more effective institutions, and a shift toward greater freedoms and democracy. THE WINDS OF CHANGE So what happened? In my view, widespread development progress requires three factors to work together in concert: the creation of favorable global conditions conducive to development, the formation of meaningful opportunities for individuals and communities to make economic and social progress, and the development of the right skills and capabilities to take advantage of those opportunities—;one of the most important of which at a national level is leadership. To a large extent, development is about creating new opportunities for the poor, both globally and locally, then building the capacities and capabilities to enable people to take advantage of those opportunities. That's what began to happen to a much larger degree in the 1980s and 1990s. Three major catalysts sparked the great surge. First, major geopolitical shifts created global conditions that were much more favorable for development. The big spark came with the end of the Cold War, the demise of Communism, and the collapse of the Soviet Union. Global power structures, strategic relationships, and powerful ideas about governance and economics all changed. Some of the biggest obstacles to development melted away—;many of which dated back hundreds of years to colonialism and other forms of autocratic rule. The United States and the Soviet Union cut their unquestioned support for some of the world's nastiest dictators, and one by one they began to fall. Proxy wars and political violence related to the Cold War came to an end. Communism, strong state control, and right-wing totalitarian dictatorship lost credibility. A new consensus began to form around more market-based economic systems and—;at least in the majority of countries—;more accountable, transparent, and democratic governance, alongside greater respect for individual freedoms and basic rights. Developing countries around the world introduced major economic and political reforms and began to build institutions more conducive to growth and social progress. The doors opened to new possibilities. Second, globalization and new technologies provided the key opportunities through which people could begin to move toward prosperity. Deeper global connections through trade, financial flows, information and ideas, movement of people, and access to technologies provided the vehicles through which people in developing countries could begin to earn higher incomes, reduce poverty, improve health, and strengthen governance. Exports from developing countries are five times larger today than just twenty years ago (in constant prices). Financial flows to developing countries now top \$1 trillion per year, fully twelve times larger than they were in 1990 (in constant prices). A significant portion of the increase in trade and financial flows is between developing countries themselves. The rises of China and India have been important drivers of growth in dozens of other developing countries. Perhaps most important, deeper global integration has allowed a range of technologies to spur development progress: vaccines, medicines, seeds, fertilizers, mobile phones, the internet, faster and cheaper air travel, and containerized shipping. To be sure, globalization has brought challenges, risks, and volatility, not least the 2007 food and 2008 financial crises. But it also has brought investment, jobs, skills, ideas, and markets, and has been an important part of the great surge in development. Third, the surge required the right skills and capabilities, and in particular it required leadership to begin to bring about institutional transformation. Developing countries began to achieve significant progress primarily because of the choices, decisions, and actions of the people in those countries themselves. Where new leaders at all levels of society stepped forward to forge change, developing countries began to build more effective institutions and make progress. Where old dictators stayed in place, or new tyrants stepped in to replace the old, political and economic systems remained rigged. Strong leadership, smart policy choices, and committed and courageous action at the village, local, and national levels made all the difference in beginning to build the institutions needed to ignite and sustain progress. New national leaders such as Nelson Mandela of South Africa, Cory Aquino of the Philippines, Oscar Arias of Costa Rica, Lech Waesa of Poland, and many others worked to build new and more inclusive political systems while introducing stronger economic management. Civil-society and religious leaders like Rigoberta Menchu of Guatemala, Desmond Tutu of South Africa, Muhammad Yunus of Bangladesh, Jaime Sin of the Philippines, and Wangari Maathai of Kenya gave greater voice to everyday citizens and pushed for expanded economic opportunities for the poor. Less famous local leaders opened schools, clinics, microfinance organizations, and businesses to support the turnaround. As effective leadership began to emerge in some countries, it spread to others by creating new models and growing peer pressure for better governance. Geography also shaped opportunities for progress in ways that differed across countries and influenced which countries began to advance and which did not. Countries with more favorable geography—;such as easy access to global shipping routes, higher-quality soils, and better climate—;had more options and opportunities and tended to make more progress, especially where it was paired with effective leadership. It's far more difficult to make progress if you live in a remote desert, or someplace where the disease burden is particularly high. It's not impossible, but it's much harder. Foreign aid played a supporting role in bolstering development progress. Too often discussions about developing countries become polemic arguments about aid, and some high-profile writers have claimed that aid has failed. While the critics make several legitimate points, and some aid has been ineffective, they underplay the successes. The bulk of the evidence shows that, on the whole, foreign assistance had a moderate positive impact on development progress. Its influence varies across countries and sectors. It has had a particularly strong effect on improving global health, fighting disease, mitigating the impacts of natural disasters and humanitarian crises, and helping to jump-start turnarounds from war in countries like

Mozambique and Liberia. Aid efforts have been strengthened by global campaigns such as the Millennium Development Goals (MDGs), a United Nations initiative in which countries around the world agreed to specific targets for progress between 1990 and 2015 (many of which have been achieved). Aid is not the most important driver of development, but it has played an important secondary role in the development surge over the past two decades.

••••• In his classic work *Development as Freedom*, Nobel laureate Amartya Sen defined development as "a process of expanding the real freedoms that people enjoy." He argued that "development requires the removal of major sources of unfreedom: poverty as well as tyranny, poor economic opportunities as well as systematic social deprivation, neglect of public facilities as well as intolerance or over-activity of repressive states."<sup>8</sup> In essence, my basic argument is that beginning in the 1980s and 1990s, many of the "unfreedoms" that had inhibited development began to be removed. The combination of huge geopolitical shifts, changing economic and political systems, deepening globalization, access to new technologies, stronger leadership, and courageous action created the conditions, opportunities, and drivers necessary for progress. The result was the great surge.

### THE BENEFITS TO THE WEST

The unprecedented progress in the world's poorest countries is ultimately good for the richest countries, and for the whole world. Some people in advanced countries fear the rise of competitors, and while there will be new political and economic competition, the advances by the world's poor are central to a future of enhanced global prosperity and greater security. The United States, Europe, and Japan face major challenges and opportunities in the decades to come, and their futures are now linked inextricably to the futures of the rest of the world. Global threats such as climate change, pandemic disease, and terrorism know no boundaries; at the same time, continued economic growth in the world's leading countries will increasingly depend on growth and prosperity in developing countries. Continued progress in developing countries is good for traditional Western powers for three basic reasons.<sup>9</sup> First, development and increased prosperity in the world's poorest countries enhance global security. Higher incomes, improved health, and stronger governance all reduce the threat of violence within developing countries, and reduce the potential for these countries to be used as launching points for violence and terrorism. The biggest threats to global security in recent years have come from groups operating in failed and failing states. Development brings stronger institutions, greater capacity for effective governance, less violence, and fewer security threats. As progress has accelerated in the last two decades, the number of civil wars in developing countries has been cut in half. This reduction in conflict makes the world a safer place for both rich and poor countries, and reduces the need for international military intervention. As former US secretary of defense Robert Gates put it, "Development is a lot cheaper than sending soldiers." Development also strengthens the global capacity to fight and limit pandemic disease and other threats. As poor countries grow wealthier and strengthen their institutional capacities, they become better equipped to fight diseases that can spread beyond their borders, such as the Ebola virus, the H1N1 flu virus, and HIV/AIDS. Second, continued development is good for trade, investment, business, and ultimately global income growth. Economic growth in developing countries creates huge markets for US and European businesses, from China to South Africa to Brazil. The growing global middle class creates new opportunities for manufacturers of aircraft, automobiles, semiconductors, medical equipment, and pharmaceuticals, as well as consultancy services, financial services, and the entertainment industry. In 1990 low- and middle-income countries accounted for 32 percent of the global economy; by 2013 the share was 49 percent. Some of the largest and fastest-growing markets for Western goods and services are in today's emerging countries. US exports to developing countries now account for 53 percent of its total exports, up from 40 percent in the mid-1990s. In Japan the share is now 65 percent.<sup>10</sup> To be sure, the rise of emerging countries creates competition for US and European businesses, and hardship for workers who lose their jobs because of foreign competition. But deeper global integration and larger emerging markets also create jobs in the United States and Europe, both because of Western firms expanding abroad and because of increased investment in the West by companies from emerging countries. In addition, developing countries are increasingly becoming sources of new innovations and technologies that help advance progress everywhere, from medicine, to food security, to alternative sources of energy. Japan's economic rise in the 1970s and 1980s created widespread concerns in the West, but ultimately its progress has been enormously beneficial as a major trading partner, a source for innovation and ideas, a trusted global partner, and a force for stability and peace. Third, development helps spread and deepen shared values of openness, prosperity, and freedom. The surge of progress in developing countries has included greater respect for basic rights, increased personal freedoms, enhanced international cooperation, and the spread of democracy. Continued development in the world's poorest countries will mean a greater global extension and deepening of the core values that Western countries have championed for decades. Ultimately, those changes make the world a better and safer place.

### WILL THE TRANSFORMATION CONTINUE?

The surge progress in developing countries is remarkable. But for most countries it has been under way for only around twenty years, which, from a development perspective, is not very long. The key to development is sustaining advancements over time, and there is no guarantee that the surge of progress that started two decades ago will continue. We've seen spurts of economic growth in developing countries before (although not as long, and not accompanied by massive reductions in poverty and such large shifts to democracy), only to watch them falter. So far, the turnaround is incomplete: while the fates of hundreds of millions of

people in poor countries are improving, many others have been left behind. Big risks lie ahead, including population pressures, climate change, resource demand, environmental degradation, changing demographics, disease threats, terrorism, and tensions from the rise of China and India, to name just a few. With these risks comes uncertainty about the future of development progress. One scenario is that the development transformation continues: sustained economic growth, smart investments and policy choices, continued advances in technology and ideas, stronger health and education systems, and deepening democracy lead to growing prosperity and improved welfare in the coming decades. China, India, Brazil, and other middle-income countries continue their ascendancy (with gradually slowing growth rates), followed by Turkey, Indonesia, Colombia, South Africa, Ghana, and many others. Trade among developing countries continues to grow, mobile phones expand their reach, and the internet extends to more people in poor countries. New technologies lead to increased agricultural productivity, cleaner and more efficient energy sources, reduced environmental damage, and further advances in health. Although progress does not reach everywhere and some countries stagnate or face tragic setbacks, others, such as Myanmar and Cuba, eventually join the widening circle of development. Democracy spreads further and deeper, perhaps in different forms and new variations, with more countries embracing accountability, transparency, and good governance. The number of people living in extreme poverty falls quickly. A second future is one in which development progress slows considerably. China's rapid economic expansion decelerates, the US and European economies remain sluggish, and economic growth and job creation begin to weaken across many developing countries. More nations follow Thailand and Venezuela and step backward in democracy. Rich and poor countries alike fail to make critical investments in infrastructure, education, health, and technology. As global competition grows, countries erect new barriers to trade and choose to protect aging industries rather than support newer, more dynamic ones. Resource mismanagement and environmental degradation begin to undermine progress. Advancements in health continue, but at a much slower pace as antimicrobial resistance expands and new epidemics strike, as with Ebola in West Africa. A backlash against democracy takes shape, opening doors to authoritarianism. Poverty continues to decline, but less quickly. A third scenario is that development progress is derailed: population pressures, resource demand, climate change, environmental degradation, and growing conflict and war combine to halt and in some countries reverse development progress. Rising urban populations and increasing incomes create much greater demand and growing shortages of water, food, energy, and minerals, while climate change significantly destabilizes food production and worsens health conditions. Both rich and poor countries fail to take the actions necessary to introduce sound policies and smart investments in new technologies to slow climate change, increase agricultural productivity, and develop new energy supplies. Food and commodity prices increase and become even more volatile. Growing tensions from an ascendant Asia and a declining West—coupled with greater competition over scarce resources, or growing global religious and ideological hostilities—spark increased conflict, both within and between countries. Western countries increasingly turn inward, creating a global leadership void that allows security threats to grow as trade and investment suffer. International organizations lose legitimacy and effectiveness. Democracy is seen as an unsuccessful experiment, and dictators rise again. Economic growth decelerates sharply, much as it did in the 1970s and 1980s, and the declines in global poverty slow significantly. Development progress largely ends, and some countries go backward. Any of these futures, or shades between them, is possible. It is easy to be pessimistic, and to conclude that the obstacles to continued progress are just too great, and that progress will falter. For hundreds of years, people have predicted at one point or another that global progress would halt. However, they have always underestimated the world's growing abilities to work cooperatively, meet new challenges, and expand global prosperity and basic freedoms. While we can picture many of the future difficulties facing developing countries, it is much harder for us to envision the new ideas, innovations, technologies, governance structures, and leadership that will emerge to tackle them. These ideas and innovations will not happen automatically. They will depend on human choices, sacrifice, cooperation, leadership, and action. I believe that in the coming decades, development progress can and will continue to expand and endure in most developing countries. We are in the early stages of a new age of global prosperity in which, with many setbacks and challenges along the way, extreme poverty will continue to decline, incomes in developing countries will grow, health and education will improve, and democracy and basic freedoms will expand—haltingly, unevenly, but unrelentingly. I. Consumption of \$1.25 a day is the World Bank's definition of "extreme" poverty, with all figures in purchasing power parity terms and adjusted for inflation, as described in chapter 2. II. This figure was calculated as a simple (unweighted) average, counting each country the same. A weighted average yields a higher growth rate due to the impact of China and a few other fast-growing countries with large populations. III. In RCTs, two groups of people are randomly selected from a population. One group (the treatment group) receives the product, policy, program, or action that is being studied (e.g., a new malaria medication, or free school lunches), and the other group (the control group) does not. This approach provides the basis for a more precise measure of the impact of the treatment.