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THE RISE OF THE WORLD'S POOREST COUNTRIES

Steven Radelet

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For more than two decades now, the majority of the world's poorest countries have been making some of the fastest and biggest development gains in history. The momentous progress achieved since the early 1990s is unprecedented. One-billion people have been lifted out of extreme poverty, the child death rate has been cut in half, life expectancy has increased significantly, millions more girls are enrolled in school, deaths in civil wars have dropped by three-quarters, average incomes have almost doubled, food production has increased by half, and democracy has spread like never before in the world's poorest countries, notwithstanding with many setbacks, obstacles, and imperfections along the way.

Some of these gains—especially the declines in poverty and child mortality—rank among the greatest achievements in human history. Yet few people are aware that this progress is even happening. Most people believe that, apart from a few special cases such as China and India, developing countries by and large remain hopelessly mired in poverty, stagnation, and dictatorship.

In reality, a major transformation has been quietly underway. It began in the 1960s and 1970s in a small handful of primarily East Asian countries, along with a few others such as Botswana and Mauritius. China's re-emergence, which began in 1980, changed history. But the wider surge of progress really took off in the late 1980s and early 1990s, when dozens of developing countries around the world began to make gains, including Bangladesh, Brazil, Bulgaria, Chile, Costa Rica, the

Dominican Republic, Ghana, Hungary, India, Moldova, Mongolia, Mozambique, the Philippines, Senegal, Tunisia, Turkey, and many more. Some of these countries are advancing quickly; others are moving at a more moderate pace, but still rapidly enough to achieve substantial progress in raising incomes, improving health, and reducing poverty.

Not all developing countries are making progress, however. The Central African Republic, the Democratic Republic of Congo, Haiti, North Korea, and Uzbekistan, among others, are making little progress. War, while far less common, still rages in Afghanistan, South Sudan, Syria, and beyond. In some countries, there is growing cause for concern about economic slowdown and democratic backsliding or reversal. But the number of countries lagging behind is shrinking, and stagnation is the exception rather than the rule. The larger reality, often missed, is that the majority of developing countries are far healthier, wealthier, and better governed than they were 25 years ago. What happened? What spurred this surge of progress? And can it continue and spread further in the decades to come?

Six Dimensions of Development Progress

The depth and breadth of the unfolding development transformation can be seen by exploring the changes in six key areas: poverty, health, education, income, democracy, and war.

1) There has been an enormous decline in global poverty. Throughout human history, the number of people living in extreme poverty has grown steadily alongside the growth of the overall population. Two-hundred years ago, almost everyone was poor. Following the Industrial Revolution, the *share* of people living in poverty began to fall, but the *total number* continued to rise. By 1993, about two-billion people—equivalent to about 42 percent of the population of the developing world—lived on less than \$1.25 a day (the World Bank’s definition of “extreme” poverty, with all figures using a consistent, inflation-adjusted measure).¹ But at that point, the number of people living in extreme poverty, which had been rising since the beginning of human history, began to fall. And it fell really fast. By 2011, the number of people living in extreme poverty had dropped to just over one billion, or 17 percent of the population of developing countries. *In just eighteen years, the number of extremely poor people decreased by half.*

China, of course, is a big part of the story. But the real surprise is that, excluding China, the number of people living in extreme poverty has decreased by 400 million, and continues to drop in dozens of countries around the world. Since the early 1980s, a total of 81 developing countries have reached the historic turning point at which their total number of extreme poor began to decline, despite continued population growth. For the first time ever, poverty reduction is a widespread, if not yet universal, phenomenon.

2) *There have been huge improvements in health.* These gains started earlier (in the 1960s) and have been even more far-reaching. In 1960, some 22 percent of children in developing countries died before their fifth birthday. By 1990, that rate had fallen to 10 percent, and in 2013 it was below 5 percent. This means that out of every hundred children born in developing countries, seventeen more survive today than would have in 1960. Life expectancy at birth has increased from 50 years in 1960 to 65 years today. Between 2000 and 2013, malaria mortality declined by 47 percent, and tuberculosis deaths fell by 33 percent. AIDS-related deaths dropped from 2.4 million in 2005 to 1.5 million in 2013, a decline of nearly a third in just eight years. In the early 1990s, diarrhea killed five-million children a year; today that number is just 760,000.

One of the most remarkable aspects of the improvements in health is how widespread they have been. Even in the most poorly governed countries run by dictators, most major health indicators have improved. Consider this extraordinary fact: Since 1980, the child-mortality rate has decreased in every single developing country in the world for which data are available. *There are no exceptions.*²

3) *Far more children, especially girls, are receiving formal education.* The share of children enrolled in school jumped from 72 percent in the late 1980s to more than 87 percent today. In 1999, there were 106 million primary-school-aged children not attending school; by 2008, that number was down to 68 million. In the span of just a decade, forty-million more children were going to school. Schooling for girls has increased the most: In 1980, just half of all girls in developing countries completed primary school; today four out of five do so. In 1970, adults in developing countries had completed an average of only 3.4 years of schooling; by 2010, that number had more than doubled to 7.1 years.³

To be clear, the quality of education remains a serious concern, and more years of schooling do not always result in greater skills and knowledge. Thus the main educational focus in developing countries is now shifting from increasing access to improving quality. Still, the change has already been significant, and it is beginning to translate into increased capacity and skill among workers.

4) *Incomes are growing steadily in most countries.* Between 1977 and 1994, real GDP growth per person across all developing countries was *zero*. Beginning in the mid-1990s, however, the average rate of growth jumped to 3 percent per person per year. That rate may not sound impressive, but sustained over more than two decades, this seemingly modest growth has brought massive improvements: On a population-weighted basis, average incomes in developing countries (excluding China) have increased by 90 percent since the mid-1990s. Moreover, this acceleration in income growth has steadily expanded geographically. Between 1977 and 1994, only 21 of 109 developing countries with populations greater than one million⁴ achieved the moderate standard of

2 percent annual per capita growth; between 1995 and 2013, however, 71 countries reached that mark. Falling incomes also are much less common today: In the earlier period, 51 countries—nearly half of all developing nations—recorded negative growth; since then, that number has dropped to just ten.

5) *Dozens of countries have become democracies.* In 1983, only seventeen developing countries were democracies; by 2013, that number had tripled to 56 (and this figure excludes many other countries with populations under a million, which I do not count here).⁵ Until the 1980s, most developing countries were run by dictators on the far left or far right with little accountability. Coups and countercoups were common, violence and assassinations were regular occurrences, and human-rights abuses were widespread. Starting in the 1980s, however, dictatorships began to collapse—a trend that only accelerated after the fall of the Berlin Wall.

Today, power is far more likely to be transferred through the ballot box than through violence. Elections, while not ensuring democracy, are more widespread, and in most countries they have become fairer and more transparent. Individual freedoms and rights are honored and enforced to a much greater degree. Legislative bodies have more power and are more diverse, with multiple parties and greater competition. Civil society groups, nongovernmental organizations, and other voices aimed at monitoring government and improving transparency and accountability are stronger and more active than ever.

To be sure, many of the new democracies are imperfect and fragile: Elections are sometimes flawed; there is too much corruption; relationships between politicians and business leaders are far too cozy; and the courts do not always work well. Moreover, as many observers have noted, the march toward democracy has slowed since 2005, and in some countries, such as Thailand and Venezuela, democracy has been reversed. But the fact that there are shortcomings and setbacks should not obscure the larger truth, which is that since the 1980s the political transformation in the developing world has been enormous. Never before in history have so many low-income countries become democracies in so short a time.

6) *There is much less violent conflict and war in developing countries.* In his masterful work *The Better Angels of Our Nature: Why Violence Has Declined*, Steven Pinker shows that, despite pessimistic views to the contrary, we live in the most peaceful time in history.⁶ At any given point during the 1980s, there was an average of nearly thirteen major civil wars going on in the developing world, meaning that typically about one of every eight developing countries was at war. But in the ten years from 2004 through 2013, that average dropped to around five a year. Deaths in battle have fallen even more sharply. In every year between 1981 and 1988, deaths from all conflicts in developing

countries (interstate and civil war) exceeded 200,000 people. But since 2002, deaths from war have averaged well below 50,000 per year. In other words, deaths from conflict in developing countries dropped by more than 75 percent in just two decades.⁷ The number of battle deaths has risen somewhat since 2011, primarily because of the war in Syria, but still remains far below what it was in the 1980s.

What is unprecedented about the surge of progress since the early 1990s is that there have been gains across so many areas, in so many countries, at the same time. Because scholars and analysts tend to specialize deeply in one field, they often fail to recognize progress in other areas. Poverty experts know all about the massive decline in global poverty, but will be surprised to learn how much democracy has spread since the 1980s. Democracy experts, while deeply knowledgeable about Samuel Huntington's "third wave" of democracy and current concerns about a trend toward authoritarian backsliding, may be only vaguely aware of the massive reduction in child mortality or increases in school enrollment. Likewise, few people working in development are aware of the major declines in war and conflict.

The general public is even less aware of this transformation. The massive reduction in extreme poverty since the early 1990s surely is one of the greatest achievements in human history. Yet not only are few people aware of it, but most think that the opposite has occurred. A recent survey asked Americans what had happened to the share of the world's population living in extreme poverty over the last two decades. Sixty-six percent of respondents believed that it had doubled, and another 29 percent thought that it had remained broadly unchanged. Together, that means that 95 percent of Americans got it wrong. Only 5 percent knew (or guessed) the truth—that the share of people living in extreme poverty had decreased by more than half.⁸

To be sure, the gains have not reached everyone. One-billion people still live in extreme poverty, six-million children still die every year from preventable diseases, and too many people still live under authoritarian rule. And the very successes of the last two decades have brought new challenges in the form of climate change, environmental damage, and changing geopolitical dynamics. Yet despite these shortcomings and concerns, there is no question that a great development transformation is underway, improving the lives of hundreds of millions of people.

The Forces of Change

How has all this happened? Why did so many developing countries begin to move forward at almost the same time? There were three major forces contributing to this dynamic.

First, global political and economic conditions became much more favorable for development, especially following the end of the Cold

War. The United States and the Soviet Union stopped unconditionally backing some of the world's nastiest dictators, and one by one these began to fall. War and political violence associated with the Cold War came to an end in Central America, Southeast Asia, southern Africa, and elsewhere. And perhaps most powerfully, economic and political ideologies shifted substantially. Communism, strong state control, and right-wing dictatorship all lost credibility. China's change in direction in the 1980s had a profound effect on other developing countries, and with the success of other Asian economies, a new consensus began to form around more market-based economic systems. At the same time, the failures of dictatorship and authoritarianism led to a new consensus (in most places, at least) about the desirability of more accountable, transparent, and democratic governance, along with 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.

Second, globalization and the spread of technologies in areas ranging from health to agriculture to communications created new economic opportunities. Globalization brought more trade and finance, much faster and deeper sharing of information, more extensive exchange of ideas, and far greater movement of people. New technologies such as vaccines, medicines, plant seeds, fertilizer, shipping containers, cellphones, and the Internet, together with the spread of some older technologies such as electricity, provided the vehicles through which people could begin to improve health, earn higher incomes, reduce poverty, and strengthen governance. Trade in developing countries is seven times larger today than it was just twenty years ago, and financial flows are twenty times greater. The Internet and cellphones have created new job opportunities and facilitated the rapid flow of information and innovation as never before.

The big post-Cold War geopolitical shifts, as well as globalization and the spread of technologies, broadly affected all developing countries. Thus these forces tell us little about why some countries made big progress while others did not. But there is a third force at work, which is unique to each country: the choices, decisions, and actions of the people in developing countries themselves, and more specifically, the actions of leaders in these countries. Where new leaders—at all levels of society—stepped forward to forge change, developing countries began to build more effective institutions and make progress. Nelson Mandela in South Africa, Corazon “Cory” Aquino in the Philippines, Oscar Arias in Costa Rica, Lech Wałęsa in Poland, and many others worked to build new and more inclusive political systems while introducing stronger economic management. Civil society and religious leaders such as Rigoberta Menchú of Guatemala, Desmond Tutu of South Africa, Muhammad Yunus of Bangladesh, and Wangari Maathai of Kenya pushed hard

for a greater voice for the voiceless and expanded economic opportunities for the poor. Countless less famous local leaders opened schools, clinics, microfinance organizations, NGOs, and businesses to support the economic and political turnaround.

By contrast, where old dictators stayed in power or new tyrants stepped in to replace them, political and economic systems remained rigged to favor a few at the expense of the many. The contrast between Nelson Mandela in South Africa and Robert Mugabe in Zimbabwe could not be more stark. The former made choices to forge reconciliation and the beginnings—however imperfect—of accountability and greater economic opportunities, while the latter moved to consolidate power, reduce accountability, and eliminate promising economic opportunities. Strong leadership, smart policy choices, and committed and courageous action at the village, local, and national levels made all the difference when it came to starting to build the institutions needed to ignite and sustain progress.

In addition to these three major forces driving the surge in development progress, evidence suggests that foreign aid played a key supporting role. Although there is no question that some aid has gone to waste, much of it has helped finance big development successes. Foreign aid played an important part in reducing child mortality (through vaccine programs), fighting disease (such as HIV/AIDS, malaria, and smallpox), increasing agriculture production (the so-called Green Revolution), mitigating the impacts of natural disasters and humanitarian crises, and helping to jumpstart recovery from war in countries such as Mozambique and Liberia (and, in an earlier era, South Korea and Taiwan). The bulk of academic research (although not all) tends to show that aid is associated with faster economic growth, adding around one percentage point per year to growth on average across developing countries. Research also suggests that aid has helped to support transitions to democracy, especially since the end of the Cold War.⁹

Democracy and Development

The dramatic shift in political systems in recent decades has upended some old ideas about democracy and development. Until recently the prevailing view was that if a developing country wanted progress, it was best to put a benign dictator in charge. The rapid growth during the 1970s and 1980s in Indonesia, Malaysia, Singapore, South Korea, Taiwan, Thailand, and (later) China—all under authoritarian governments—seemed to provide the evidence, especially when compared to the laggard performance of the world's largest democracy, India. The claim of authoritarianism's superiority has an old pedigree, dating back to the monarchs and emperors who warned that self-government would only lead to chaos. During the Great Depression, critics on both the

left and the right charged that the economic meltdown was the result of democracy's failure, and that Italy and the Soviet Union highlighted the superiority of illiberal systems. In the 1950s and 1960s, the Soviet

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Union was seen as an economic juggernaut that was sure to outperform the West, just as China is seen today. In many postcolonial developing countries, dictators used this line of argument to help them consolidate power. But far more often than not, the result was disaster.

Since the end of the Cold War, the pattern has changed: Most of the developing countries that have been making steady economic and social progress have been democracies. While there

are important exceptions such as China, Ethiopia, Rwanda, and Vietnam, increasingly they are exactly that—exceptions. Botswana, Brazil, Chile, Costa Rica, the Dominican Republic, Ghana, India, Indonesia, Liberia, Moldova, Mongolia, the Philippines, Poland, Senegal, South Africa, South Korea, Tunisia, Turkey, and dozens of other developing countries are showing that democracy and development progress go hand in hand. The relationship between the two is one of both cause and effect. Democratic governments are more responsive to citizen needs and thus have the political motivation to create more opportunities for economic and social progress. At the same time, progress tends to create greater pressures for increased political participation, political accountability, and democracy.

Although the benign-dictator argument continues to have appeal (especially in light of China's success), it has several weaknesses. From a simple strategic point of view, signing up with a dictator is a risky proposition. Though you may desire a "benign" Lee Kuan Yew or Deng Xiaoping, you are far more likely to end up with a not-so-benign Robert Mugabe, Mobutu Sese Seko, Jean-Claude Duvalier, Anastasio Somoza, or Islam Karimov. While there are a few exceptions, most autocrats just get nastier over time, and economic performance deteriorates. And then you are stuck with political repression and economic disaster.

In addition, for most people around the world freedom and self-government are critically important in and of themselves. Amartya Sen made this case persuasively in his 1999 classic *Development as Freedom*. I lived in Indonesia for four years in the early 1990s during the Suharto regime, and I regularly heard elites argue that Indonesians just wanted economic development and did not care much about democracy. But then the Asian financial crisis erupted, and citizens seized the opportunity to rise up, at great personal risk, and to throw Suharto out.

Contrary to the old argument, it turned out that Indonesians wanted *both* democracy and development. Today, that is what they are getting, as they are well into more than a decade of vibrant (though imperfect) democracy alongside rapid (though imperfect) development.

Moreover, the argument that authoritarian governments have achieved better economic performance is increasingly hard to sustain, especially over the long run. The growth rate for the developing-country democracies since 1995 has averaged 3 percent per person, while for the nondemocracies, it has averaged 2.9 percent—essentially identical on average, but the nondemocracies have much greater variance. (As per capita growth rates, both of these are high by historical standards.) Sure, China, Rwanda, Vietnam, and several other countries have recorded rapid growth in recent years. But so have some democracies, including Botswana, Chile, the Dominican Republic, Georgia, Ghana, India, Indonesia, Latvia, Mauritius, Mongolia, Panama, and many others. Perhaps their growth rates have not been quite as spectacular as China's, but by any global historical standard they have been extremely good. Meanwhile, many authoritarian governments have presided over disastrous economies with negative growth rates.

Recent research suggests that, overall, democracies outperform non-democracies, especially in the long term. That has been the pattern in sub-Saharan Africa since the mid-1990s. John Gerring and his associates found that democracy—particularly if it endured and strengthened—added about 0.7 percentage points to annual growth rates over time. Similarly, Daron Acemoglu and his coauthors have concluded that countries that democratize tend to increase their GDP per capita by about 20 percent over twenty to thirty years.¹⁰

In recent years, there has been growing concern about democracy's apparently declining fortunes around the world. Thailand, Russia, and Venezuela have all taken giant steps backward. South Africa has made less progress in consolidating its democracy than many had anticipated. The great hopes that came with the Arab Spring have turned into frustration. Turkey seems to be shifting toward more authoritarian rule, and Viktor Orbán, the prime minister of Hungary—a NATO country and a strong democracy since the end of the Cold War—has spoken publicly about the advantages of illiberalism. The number of developing-country democracies stopped growing in 2005, and may have declined slightly since then. And Freedom House scores on political rights and civil liberties are moving in the wrong direction in some places.

These setbacks have raised important questions about the future of democracy in the developing world. But while some developing countries have retreated from democracy, the more common experience by far has been for the new democracies to solidify the transition over time. Of the 48 developing countries that were democracies in 1995, 41 were still democracies in 2013 (and 33 of those had continuously remained

democracies throughout that period). The developing countries that began democratizing in the late 1980s and early 1990s are far more likely to have stuck with it and deepened democracy than to have reverted to authoritarianism.

Moreover, several promising democracies that began to slip backward in recent years, such as Senegal, Mali, and the Philippines, have regrouped and shifted again toward democracy. Some observers feared that Indonesia was beginning to backslide a few years ago, but the recent elections and transfer of power have put it back on track. Tunisia's democratic progress provides a ray of hope in North Africa. And Nigeria's presidential election in April 2015 marked the first democratic transition of power from one party to another in Africa's most populous country. Against all odds, in most poor countries, democracy has become the new norm.

Three Possible Scenarios

The gains achieved over the past two decades mark a major turning point for developing countries. But twenty years is not a very long time. Can the surge of progress continue and spread more widely? Broadly speaking, I see three possible scenarios for developing countries in the coming decades.

First, the surge of progress could continue to unfold, with further advances in health, education, incomes, and poverty reduction for millions of people. Smart investments and policy choices by both rich and poor countries, stronger health and education systems, continued technological innovations, and deepening democracy lead to continued economic growth and much greater prosperity in the coming decades. Brazil, Chile, China, India, Turkey, and other middle-income countries continue their rise (with gradually slowing growth rates), followed by Bangladesh, Colombia, Ghana, Indonesia, and many others. Trade and financial flows between developing countries continue to grow, mobile phones expand their reach, and the Internet and electricity become available to more people in poor countries. New technologies spur further advances in health, increased agricultural productivity, cleaner and more efficient energy sources, and new sources of fresh water (through desalinization, for example).

With even modest rates of growth and investment sustained over the next two decades, 700 million more people are lifted out of extreme poverty; disease and infant death continue to decline; millions more children gain access to better education; incomes more than double again; and basic rights and democratic freedoms spread further. Although progress does not reach every country, and some stagnate or face tragic setbacks, countries such as Burma, Cuba, and Nigeria begin to make steady gains. Democracy, accountability, and good governance gradually spread further, with many bumps and stumbles along the way,

perhaps in different forms and new variations. The world becomes a safer, healthier, and more prosperous place.

A second scenario is that development progress begins to stall. Storm clouds are brewing—global growth has slowed since the 2008 financial crisis, several countries have taken big steps back from democracy, and concerns about resource demand and environmental degradation are rising. In the coming decades, growth rates could slow significantly, especially if China's expansion continues to decelerate and growth in the United States and Europe remains sluggish. As competition widens, countries respond by building new barriers to trade, further slowing growth. Rich and poor countries alike fail to invest adequately in education, infrastructure, and technology. New diseases emerge, antimicrobial resistance spreads, and known diseases suddenly break out more intensely, as with Ebola in West Africa. As the pace of progress slows, people become disenchanting with democracy, and reversals mount.

A third scenario is worse: Because of climate change, population pressures, environmental degradation, and a return to war, development progress halts or even goes into reverse. Although developing countries (apart from China) are hardly responsible for climate change, they bear the brunt of its impact through reduced food production, water shortages, and worsening health conditions. Growing urban populations coupled with lower agricultural productivity lead to higher and more volatile food prices. International organizations—established after World War II to face a set of specific problems and based on power structures rooted in that era—fail to adapt to a changing world, losing both legitimacy and the ability to meet new challenges. China's ascent, coupled with a declining West, leads to growing tensions over trade, investment, international leadership, and scarce resources, ultimately leading to war. Democracy is seen as a failed experiment, and despots rise again. Development stops, and the world's poor suffer.

Any of these scenarios, or variations in between, are entirely possible. It is easy to be pessimistic, given the mounting challenges. It is also easy to forget that people have always despaired about the future of the planet, as articulated most clearly in Thomas Malthus's 1798 writings on population. It may be true that some of the challenges facing the world today are greater than those of the past. But so are the world's capacities to meet these challenges, even if it is hard to envision the new innovations, technologies, ideas, governance structures, and leadership that will emerge to confront them. Yet the last sixty years alone have seen huge innovations in technologies, governance structures, international organizations, and finance and trade arrangements that at one time would have been unimaginable. In order to tackle future challenges, we will need to devise new ideas and innovations, and this will not just happen spontaneously—doing so will require smart human choices, sacrifice, cooperation, leadership, and action.

The key question is not which of these scenarios is more or less likely, but how do we get to the first scenario of continued progress for the global poor? What must be done? Getting there will require action in three crucial areas: global leadership and cooperation, investments in technology, and effective leadership and action within developing countries.

What Must Be Done?

The actions of the world's most advanced countries will be pivotal for continued development progress. They must take steps to strengthen their own economic and political systems—not just for their own benefit, but to establish a global environment in which developing countries can prosper. Most important, perhaps, they must lead by example with respect to democracy. The political gridlock, deep polarization, and unwillingness to compromise to find solutions to pressing problems that characterize a number of advanced democracies today have raised concerns that democracy is no longer functioning effectively. As Francis Fukuyama recently observed, “American government is hardly a source of inspiration around the world at the present moment.”¹¹ Democracy will not continue to spread in developing countries if the leading countries are poor examples.

At the same time, the richest countries, in cooperation with China, India, and other emerging economies, must take steps to begin to address climate change. The November 2014 agreement between the United States and China to curb carbon emissions, coupled with the Obama administration's executive actions to reduce power-plant emissions and raise truck and automobile fuel-efficiency standards, are important first steps. But there is a long way to go, and failure to act will seriously undermine the prospects for continued development in the world's poorest countries.

The rich countries must also take the lead in efforts to improve the effectiveness and legitimacy of international organizations such as the United Nations, the International Monetary Fund (IMF), the World Trade Organization, and the World Bank. The international system—which has been at the foundation of growing global prosperity and reduced conflict since the end of the Second World War—needs significant reform to better reflect today's economic and political relationships and changing power structures, and to better address new global challenges. One concrete step would be to change the voting structure in key organizations to take account of the growing economic might of emerging countries. But the failure of the U.S. Congress in 2014 to approve new voting shares and financing arrangements at the IMF—changes to which every other member country had agreed—dealt a major setback to the legitimacy of international organizations.

Second, continued progress will require sizeable investments in new technologies and innovations by rich and poor countries alike. We live in a time of some of the most rapid technological advances in history, including cellphones, the Internet, advanced aircraft, and powerful vaccines and medications. Many of these existing technologies (along with some older ones such as electricity) have not yet reached their full potential in developing countries, and there is an opportunity for continued advancements simply by making them more widely accessible. But new innovations and technologies will be needed to address emerging challenges: By 2050, global food production must increase by around 70 percent, freshwater requirements will grow by 50 percent, and the demand for energy in developing countries will double. Technology alone will not solve these problems, but these challenges cannot be met without robust investments in new technologies.

Third, as has been the case for the last twenty years, leadership and action in developing countries will be the major driving force for continued advancement. Lasting progress will require good governance and effective leadership aimed at building more competent and effective states and institutions. Sustained development requires a state with the capacity to effectively protect property rights, administer justice, provide security, control corruption, regulate commerce, deliver basic health and education services, and safeguard freedoms. Consolidating democracy will depend on governments delivering economic and social progress. Most developing countries have only begun to build the needed institutions, and continuing to do so will take time, effort, leadership, sacrifice, and money.

At the same time, further progress will require sustained—and inclusive—economic growth. Developing countries must diversify their economies to rely less on natural resources and invest more in increasing agricultural productivity and creating new job opportunities in basic manufacturing and services. Yet natural resources will continue to be important. Most countries need to strengthen their management of them in order to avoid the “resource curse” and rapid resource depletion, and they need to minimize corruption through stronger transparency and accountability mechanisms. Sustained growth will also require robust public investment in roads, power supplies, port facilities, and water systems.

Finally, equitable long-term development will demand significant investments in education, health, and social safety nets. The right next steps in education differ across countries, but improved teacher training, higher pay for skilled teachers, stronger curricula, and more local control over schools will typically help to move countries forward, as will a greater focus on tertiary education in many countries. Health systems are stronger than they once were, but there is still a long way to go, as shown by the recent Ebola crisis. The *Lancet's* “Global Health 2035 Commis-

sion” concluded that most developing countries should focus on building a network of primary healthcare clinics equipped to deliver basic services, complemented by community healthcare workers at the local level and hospitals at the national level. This will require investments both in infrastructure and in building the skills of healthcare workers.¹²

This is an ambitious agenda. Some will think it impossible. But it is not. It is no more ambitious than the agenda carried out after World War II: rebuilding Japan and Europe; ending fascism and Nazism; creating a range of new international organizations to help (imperfectly) to maintain peace and spread prosperity; developing new and previously unimaginable technologies in agriculture, shipping, air travel, and information flows; forging cooperation to push back against the Soviet Union until its eventual—and peaceful—dissolution; avoiding World War III; eradicating smallpox; cutting child mortality by three-quarters; and reducing the number of the extreme poor by a billion in just eighteen years. Yet all this was achieved through global leadership, international cooperation, investments in new technologies, expanded trade, and increased capacity and stronger leadership in developing countries.

So it can be done. We should not underestimate the potential for continued gains for the global poor, despite the challenges that lie ahead. Sustaining progress will not be automatic, and it certainly will not be easy. But the stakes are high—not just for the people living in developing countries, but for the world as a whole. The opportunity is within our grasp to further reduce poverty dramatically and to expand the reach of sustained development, prosperity, and freedom. It is an opportunity that we must seize.

NOTES

1. For historical estimates dating back to 1830, see François Bourguignon and Christian Morrisson, “Inequality Among World Citizens: 1820–1992,” *American Economic Review* 92 (September 2002): 727–44. For more detailed data since 1981, see the World Bank’s PovcalNet database (<http://iresearch.worldbank.org/PovcalNet>). Also see Shao-hua Chen and Martin Ravallion, “An Update to the World Bank’s Estimates of Consumption Poverty in the Developing World,” World Bank, Development Research Group, 1 March 2012, http://siteresources.worldbank.org/INTPOVCALNET/Resources/Global_Poverty_Update_2012_02-29-12.pdf.

2. Most of the data in this essay are from the World Bank’s World Development Indicators. The disease-specific data are from the World Health Organization (WHO) Global Malaria Programme, *World Malaria Report 2014* (Geneva: WHO, 2014), xii, http://apps.who.int/iris/bitstream/10665/144852/2/9789241564830_eng.pdf?ua=1; Joint UN Programme on HIV/AIDS, *Fast-Track: Ending the AIDS Epidemic by 2030*, 2014 World AIDS Day report (Geneva: UNAIDS, 2014), 6, www.unaids.org/sites/default/files/media_asset/JC2686_WAD2014report_en.pdf; WHO, *Global Tuberculosis Report 2014* (Geneva: WHO, 2014), Table CD.1, http://apps.who.int/iris/bitstream/10665/137094/1/9789241564809_eng.pdf?ua=1; WHO and United Nations Children’s Fund (UNICEF), *Diarrhoea: Why Children Are Still Dying and What Can Be Done* (New York and Geneva: WHO/UNICEF, 2009), <http://whqlibdoc.who.int/publi->

cations/2009/9789241598415_eng.pdf; and WHO, “Diarrhoeal Disease: Fact Sheet No. 330,” www.who.int/mediacentre/factsheets/fs330/en.

3. Robert J. Barro and Jong-Wha Lee, “A New Data Set of Educational Attainment in the World, 1950–2010,” NBER Working Paper 15902, National Bureau of Economic Research (NBER), Cambridge, Mass., April 2010, www.nber.org/papers/w15902.pdf.

4. My analysis centers on a group of 109 developing countries in which 1) per capita incomes were below \$3,000 (in constant U.S. dollars from the year 2000) at some point between 1960 and 2013; 2) populations were greater than 1 million in 2012; and 3) sufficient data are available for most of the indicators to be included in the analysis.

5. Definitions of democracy differ. I count countries as democracies if they score an average of 4 or lower on Freedom House’s Freedom in the World ranking of civil liberties and political rights, and greater than zero on the Polity IV Index of Political Regime Characteristics and Transitions. The numbers are not significantly different when using other measures of democracy.

6. Steven Pinker, *The Better Angels of Our Nature: Why Violence Has Declined* (New York: Penguin, 2011).

7. Uppsala Conflict Data Project (12 June 2014) “UCDP/PRIO Armed Conflict Dataset, v.4-2014, 1946–2013,” Uppsala University, Uppsala, Sweden, www.pcr.uu.se/research/ucdp/datasets/ucdp_prio_armed_conflict_dataset. For the underlying research papers, see Lotta Themnér and Peter Wallensteen, “Armed Conflict, 1946–2013,” *Journal of Peace Research* 51 (July 2014): 528–40; and Nils Petter Gleditsch et al., “Armed Conflict, 1946–2001: A New Dataset,” *Journal of Peace Research* 39 (September 2002): 615–37.

8. Gapminder, “The Ignorance Survey: United States,” Stockholm, 2013, question 8, www.gapminder.org/GapminderMedia/wp-uploads/Results-from-the-Ignorance-Survey-in-the-US..pdf.

9. For recent research on the relationship between aid and democracy, see Thad Dunning, “Conditioning the Effects of Aid: Cold War Politics, Donor Credibility, and Democracy in Africa,” *International Organization* 58 (Spring 2004): 409–23; Sarah Bermeo, “Foreign Aid and Regime Change: A Role for Donor Intent,” *World Development* 39 (November 2011): 2021–31; Simone Dietrich and Joseph Wright, “Foreign Aid Allocation Tactics and Democratic Change in Africa,” *Journal of Politics* 77 (January 2015): 216–34; and Erasmus Kersting and Christopher Kilby, “Aid and Democracy Redux,” *European Economic Review* 67 (April 2014): 125–43.

10. John Gerring et al., “Democracy and Economic Growth: A Historical Perspective,” *World Politics* 57 (April 2005): 323–64; Daron Acemoglu et al., “Democracy Does Cause Growth,” NBER Working Paper 20004, NBER, Cambridge, Mass., 2014.

11. Francis Fukuyama, “At the ‘End of History’ Still Stands Democracy,” *Wall Street Journal*, 6 June 2014.

12. Dean Jamison et al., “Global Health 2035: A World Converging Within a Generation,” *Lancet*, 7 December 2013, 1898–1955.