1 Underdevelopment and Diversity in the Global South

Nathalie of the Democratic Republic of Congo. Nathalie is an eight-year-old girl who lives in a remote rural village in the eastern province of North Kivu, Democratic Republic of Congo. Nathalie and her five young siblings are being raised by her grandmother and some of her aunts because, tragically, Nathalie's mother died minutes after her sixth sibling's birth. The infant sibling also died soon thereafter. Nathalie's family and fellow villagers grow most of their own food, so they have a precarious food supply. As a result, Nathalie is malnourished and undersized; she would likely be mistaken for a six-year-old if in the United States. She attends school, but for multiple reasons Nathalie still cannot read a simple text. Her one-teacher school crams forty-six children into a small building with no electricity or chairs. Moreover, she is frequently absent, since once or twice a week her caregivers make her skip school to walk three miles to fetch clean drinking water. Although Nathalie struggles to balance and carry two gallons of water on her head, her brothers are not expected to perform this task and miss fewer school days. Nathalie also frequently misses school because of illnesses, often malaria or diseases caused by intestinal worms. Finally, even when she attends school, malnourishment makes her listless and complicates her ability to pay attention.

In addition to these challenges, Nathalie's province has been troubled by war for years. Around forty different armed groups exist in North Kivu, and their members are known to sweep into villages and steal food supplies, ransack homes, and rape women and girls. Nathalie's village has been mercifully spared from the violence, but she hears about the potential threat from adult villagers. The adults are debating whether to abandon the village and flee to a refugee camp in neighboring Uganda, an uncertain days-long journey through thick forest and over muddy roads. The prospect terrifies Nathalie, as she has never been more than ten miles from her village. Despite the ongoing violence, Nathalie has never seen a Congolese soldier or police officer.

Priya of India. Priya is a thirty-year-old Dalit woman who lives in Dharavi, India's largest slum. Dharavi squeezes almost 1 million residents into a single square mile (about the size of a large U.S. college campus) within the sprawling megacity of Mumbai. Many of the homes in Dharavi are small wooden shacks with dirt floors that become muddy and occasionally inundated during the heavy rains of the summer monsoon. Few of the homes have toilets, so public restrooms are shared by hundreds of families and have long queues. Most Dharavi houses have electricity and running water, but many, like

Priya's, draw from illegal hookups that are potentially unsafe and not monitored by the utility company.

Priya moved to Dharavi with her family from a small rural village when she was six. She dropped out of school to marry around the age of sixteen and has since birthed three daughters. She works as a maid for a middle-class family who pays her ₹5,000 rupees (about US$70) per month in cash. Her husband works a manufacturing job in one of Dharavi's 20,000 single-room factories, earning about twice Priya's salary. On these combined wages Priya's family rarely lacks for food, but their income is not always sufficient to cover expenses for other items such as medicine and the family mobile phone. Priya occasionally puts extra cash in a bag under her bed, saving it for health emergencies and her daughters' weddings. Although her two-room home is meager for six people (she rents space to an unrelated single man to earn an extra ₹1,500 rupees each month), Priya is concerned about losing it. Politicians in the Mumbai municipal government, against whom Priya voted in the last election, would like to develop the area with modern housing, infrastructure, and amenities. Families who can prove they have lived there since 1999 will receive a small apartment (about 300 square feet) in the redeveloped neighborhood, but Priya doubts that she has a convincing way to prove to authorities that she has lived there for that long.

Jun of China. Jun is stunned, worried, and angry, but he is also somewhat relieved. The forty-two-year-old journalist was just fired from a newspaper job he held for twelve years. The steady paycheck had afforded him, his wife, and their twelve-year-old son a middle-class lifestyle in a high-rise apartment building on the outskirts of a major Chinese city, but Jun now must find a new job to maintain this standard of living. He is particularly worried about his son's schooling prospects, as Jun has been saving up for the sponsorship fees he eventually needs to pay to get his son admitted into an elite preparatory school. Chinese education is public and thus technically free for students, but the (legally dubious) sponsorship fees are widely expected by administrators at top schools. Without his job, Jun cannot continue to save up for the fees.

Jun lost his job because he wrote some investigative articles that hit too close to the ruling Communist Party's home. For years he had written stories on China's environmental woes: its notoriously smoggy urban air, its metal-laden soils, its chemically polluted lakes and rivers, and so on. These stories had raised no objections from the reading and evaluation teams of the Central Propaganda Department, who review China's media output behind closed doors. Recently, however, Jun began pinning these environmental problems on the Communist Party itself. In one article he wrote about how local politicians let industrial pollution slide because their administrations depend on the tax revenues from polluting firms. In another story he documented how party officials, unlike the general public, work in offices with high-grade air purifiers and purchase their own food from special pollution-free farms. After these stories were published, Jun's editor fired him under pressure from party officials who Jun never saw or met. Although Jun is angry, he is partly relieved. He seems to have escaped the fate—imprisonment and threats against family members—of some journalists who criticized the ruling party.

DEFINING THE DEVELOPING WORLD

What do an African peasant girl, an Indian maid, and a Chinese journalist have in common?[1] At first glance, seemingly very little. Nathalie and Priya are poor, but Jun is in the middle class. Nathalie is often hungry, but Priya and Jun are sufficiently fed. Jun is in an authoritarian country, Priya lives in a democracy, and Nathalie is in a place where the government has virtually no presence at all. Nathalie resides in a rural area, Priya lives in a dense metropolis, and Jun dwells in a suburb. Their very different life experiences would seem to undermine any attempt to lump them or the countries in which they live together. Yet Nathalie, Priya, and Jun are united in the fact that they are residents of the developing world. Not all of them are poor themselves, but each of their lives and life chances are shaped by their status as citizens of a less developed country.

Naming the Developing World

A developing or **less developed country (LDC)** is one in which a large share of the population cannot meet or struggles to meet basic material needs, such as housing, food, water, health care, and education. For a society, the state of experiencing these deprivations is called **underdevelopment**, and the gradual process of shedding them is called development. Less developed countries are different from developed countries like France because the vast majority of French citizens can consume basic economic and social necessities.

The use of the terms "developing" and "less developed" countries is not always straightforward. The phrase "developing country" is imperfect because it is often inaccurate: Many poor countries are not developing. For example, Nathalie's Democratic Republic of Congo (DR Congo) has become less prosperous, not more so, over the last fifty years. Thus the concept of a "less developed country" is more accurate because it does not imply economic progress. Still, to some observers the word "developed" is undesirable because it betrays a sentiment that rich countries and their peoples are more evolved, perfected, and superior to underdeveloped ones. Other commonly used labels for poor countries also have shortcomings. "Global South," or just "the South," makes use of the geographical fact that the wealthiest countries lie to the north of LDCs: Latin America is to the south of the United States, Africa and the Middle East are south of Europe, and the poorer regions of Asia are south of industrialized Russia. Like the other terms, these geographical ones are imperfect. Wealthy Australia and New Zealand, for instance, are among the southernmost countries of the world. Furthermore, use of "South" muddies classification by employing a locational label for what is an economically and socially defined category of countries. Despite their flaws and slightly divergent connotations, this textbook uses the terms "less developed countries," "LDCs," "developing countries," "underdeveloped countries," "global South," and "the South" interchangeably. It will avoid, however, the term "Third World."[2]

Delineating the Developing World

The map at the beginning of this book identifies nine world regions. Five of them are the regions of the developing world—those covered in this textbook. From west to east, they are Latin America and the Caribbean, Sub-Saharan Africa, Middle East and North Africa, South Asia, and East Asia and the Pacific. (Although major pockets of underdevelopment exist in Central Asia, these former Soviet countries are not covered in this textbook because they have economic, political, and social histories that are distinct from those of traditionally defined LDCs.) A large majority of the world's countries lies in one of these five regions, and about 80 percent of humanity resides in an LDC.

Underdevelopment, in other words, is much more prevalent than prosperity as a context of the human experience. A large number of humans are impoverished. In 2015 about 10 percent of the global population (roughly 740 million people) lived in extreme poverty, meaning their average daily income was below their local currency equivalent of what can be purchased for US$1.90 (the World Bank's international extreme poverty line).[3] Moreover, many LDC residents live just above this extreme poverty line, still struggling to meet basic needs. The World Bank draws another international poverty line at US$5.50 per day, which is equivalent to a meager US$2,000 per year. Fully 54 percent of individuals in the developing world (and 46 percent of all humans) live below this threshold. Millions of others live just above poverty, the so-called vulnerable class, earning between US$5.50 and US$13.00 per day and still, by rich world standards, quite deprived. Because of precarious jobs, unexpected health problems, and other risks, daily incomes and expenses for many in the developing world are highly variable, so millions whose average incomes exceed the various poverty lines are still at constant risk of falling into severe deprivation.[4]

Table 1.1 summarizes some of these income and poverty statistics for the five LDC regions plus, to provide a point of contrast, the West. (Throughout this book, "West" refers to the countries of Western Europe[5] as well as Australia, Canada, New Zealand, and the United States.) According to Table 1.1, the vast majority of the world's poor live in sub-Saharan Africa and South Asia. The table also shows that the simple label "less developed" disguises a wide array of prosperity levels within the developing world.[6]

To better illustrate this diversity, Map 1.1 categorizes countries of the five developing world regions by their gross national income (GNI) per capita. GNI per capita as well as the closely related gross domestic product (GDP) per capita statistic are the most commonly used measures of a country's overall economic prosperity because they can be thought of as the average citizen's income. (See "Understanding Indicators: Measuring Prosperity with Gross Domestic Product.") In Map 1.1 the four income categories (defined and used by the World Bank) are low income (annual GNI per capita of US$1,035 or less), lower-middle income (US$1,036 to US$4,045), upper-middle income (US$4,046 and US$12,535), and high income (greater than US$12,536). Map 1.1 makes it clear that less developed countries span everything from the many low-income countries of sub-Saharan Africa to numerous upper-middle income countries scattered throughout all five regions.

TABLE 1.1

Poverty and Income Statistics in Six World Regions

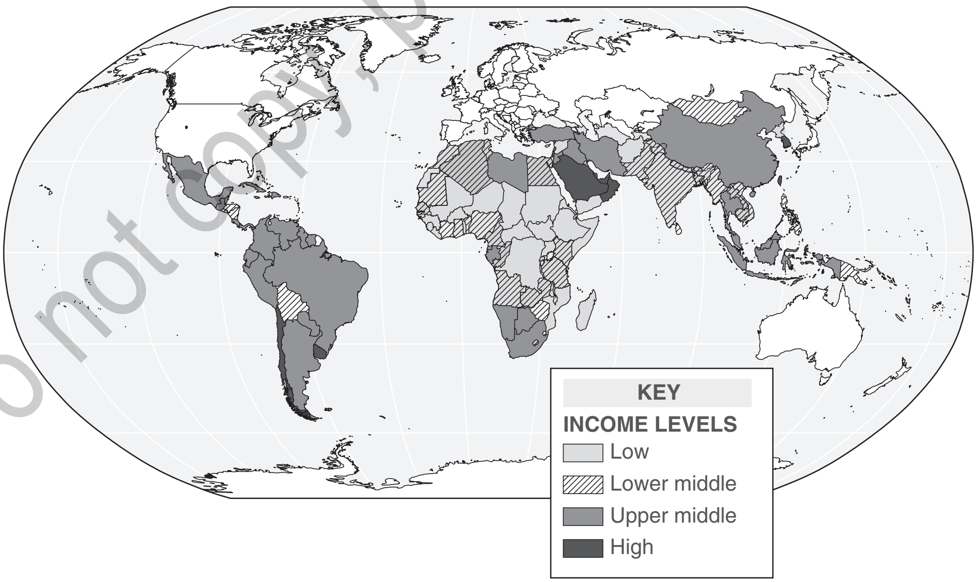
Region	(1) Average Income	(2) Percentage and Number Living in Extreme Poverty	(3) Percentage and Number Living in Poverty
East Asia and the Pacific	US$7,601	2.3% (47 million)	34.8% (710 million)
Latin America and the Caribbean	US$8,302	3.9% (24 million)	26.7% (165 million)
Middle East and North Africa	US$3,868	4.2% (16 million)	42.1% (156 million)
South Asia	US$1,925	16.2% (274 million)	84.0% (1.4 billion)
Sub-Saharan Africa	US$1,506	41.0% (413 million)	84.5% (850 million)
West	US$50,813	0.6% (5 million)	1.5% (12 million)

Sources: World Bank Open Data, https://data.worldbank.org; World Bank PovcalNet, http://iresearch.worldbank.org/PovcalNet/home.aspx.

Notes: (1) Gross national income per capita using the World Bank Atlas method, 2018. (2) Poverty headcount ratio at US$1.90 (2011 purchasing power parity) a day. (3) Poverty headcount ratio at US$5.50 a day, 2013–2015.

MAP 1.1

Countries in Developing World Regions by Average Income, 2020



Source: World Bank Open Data, http://data.worldbank.org/.

Technically, the World Bank defines less developed countries as those in the low, lower-middle, or upper-middle income categories, while all countries of high-income status are classified as developed. In general, this book accepts this definition and thus ignores the high-income countries in the five developing world regions (e.g., Saudi Arabia, South Korea) and excludes them from calculations of regional statistics. That said, some high-income countries, especially those in Latin America (e.g., Chile, Panama), hold an ambiguous place, both because they graduated to developed-country status only recently and because they still have average incomes that are less than one-third those prevailing in typical high-income countries. Their experiences are occasionally relevant and referred to in this textbook.

ECONOMIC, SOCIAL, AND POLITICAL CHARACTERISTICS OF LDCs

Given its diversity, the developing world defies simple summary. Few individuals in the developing world match the stereotypes propagated by some Western media portrayals, such as the gun-bearing boy soldier or the naked starving child with the bloated belly. Still, there are certain economic, social, and political commonalities that distinguish the developing from the developed world.

Economic Characteristics

Table 1.1 and Map 1.1 make it clear that developing countries are defined by their low per capita GDPs and high rates of poverty. More generally, LDCs have lower levels of economic development than the countries of the West. **Economic development** is the process of increasing a society's average income by accumulating the technologies and knowledge that make its people more productive. Developed countries have higher incomes than LDCs because they have averaged higher per-person rates of economic development (i.e., economic growth) over their histories.

Developed countries have higher incomes because, as the definition of economic development implies, they have higher **productivity**. On any given day, people in the developing world are less productive, meaning they produce fewer goods and services of value than the average citizen of the developed world. In fact, asking why a country is poor is nearly equivalent to asking why it is relatively unproductive, which is why gross domestic *product* is such a popular proxy for prosperity. Saying that people in the developing world are less productive is not at all the same as saying they are lazy or inherently deficient. Instead, the general nature of the economy and society in which a person lives—not her or his personal ability or work ethic—has the greatest influence on how productive and thus how wealthy that person is. Worldwide, country of residence is more than three times as important for determining a person's income than are all of that person's individual characteristics.[7]

Stated differently, rich countries have the technologies and institutions in place that make their citizens' efforts highly productive; poor countries do not have these technologies and institutions to the same degree. Most of the things that make successful U.S. engineers rich, for example, are features of their economy and society. These features are well beyond the engineers' individual making: the schools they attended, the banks that gave them loans to fund their educations, the companies that hired them, the many customers rich enough to afford their services, the roads they use to get to work, the computer and telecommunications technologies they employ at their jobs, the police force and legal systems that protect their ownership of their earnings and home, and so on. Despite working hard to grow food, by contrast, Nathalie and her family (from this chapter's opening vignette) remain poor because they toil in a context that fails to provide this list of amenities. They lack modern farming equipment, roads and security to transport crops to markets, good schools, banks from which to borrow, a pool of well-off potential customers, and, of particular importance to Nathalie's future productivity, a clean water tap nearby.

Another feature of economies in the developing world is poor **infrastructure**, a term that refers to the facilities that make economic activity and economic exchange possible. Experts divide infrastructure into four sectors: transport, communications, energy, and water. Roads, telephones, electricity, and indoor plumbing are all examples of infrastructure. Column 1 of Table 1.2 shows the relatively low quality of

TABLE 1.2

Economic Characteristics in Six World Regions

Region	(1) Paved Roads (as percentage of all roads)	(2) Employment in Agriculture (as percentage of all employment)	(3) Size of the Informal Sector (as percentage of total economy)
East Asia and the Pacific	36.5%	29.0%	21.2%
Latin America and the Caribbean	43.1%	14.0%	33.3%
Middle East and North Africa	75.4%	21.1%	23.4%
South Asia	45.5%	43.6%	28.1%
Sub-Saharan Africa	24.1%	54.6%	36.2%
West	79.6%	2.2%	11.6%

Sources: (1) International Road Federation, *IRF World Road Statistics: Data 2010–2015* (Geneva, Switzerland: IRF, 2017); (2) World Bank Open Data; (3) Leandro Medina and Friedrich Schneider, "Shadow Economies around the World: What Did We Learn over the Last 20 Years?" International Monetary Fund Working Paper No. 18/17 (2018): 58.

one of these, roads, in most less developed regions. The opening vignettes to this chapter provide other examples of poor infrastructure in the developing world. Nathalie is one of 1 billion people worldwide who has no electricity, a form of energy poverty. She also lives far from any paved road, and in fact the city of Washington, D.C. has more miles of paved road than does her entire vast country.[8] Priya has no toilet and must use an illegal electricity hookup. Electricity blackouts are common throughout India, and the country suffered the worst one in history in 2012 when 600 million people lost power. Finally, most freshwater sources in Jun's China are highly polluted.

Additionally, in LDCs more economic activity is concentrated in the primary sector (farming and mining) than is economic activity in developed countries, and LDCs have a higher share of workers who are classified as unskilled. Less than 3 percent of the labor force in developed countries works in agriculture, while rates are far higher in LDCs. (See column 2 of Table 1.2.) For example, the vast majority of Nathalie's compatriots reside, like her, in rural areas and farm small plots of land for survival. For LDC residents who do not work in agriculture, unskilled labor in the secondary (manufacturing) or tertiary (services) sectors is likely. As a maid, Priya provides manual labor in the services sector and her husband, as a factory worker, in the secondary sector. Skill-oriented professional jobs that require a high degree of specialization and education are rarer in LDCs than in developed countries.

Finally, less developed economies have large informal sectors. The informal sector is composed of economic activity that occurs outside the monitoring and legal purview of the government. In most LDCs, between 20 and 50 percent of all economic activity takes place in the informal sector (column 3 of Table 1.2), and 40 to 90 percent of workers are informal. In developed countries, where these percentages range from the single digits to the teens, governments register, regulate, and tax most businesses, workers, and major assets. In doing so, governments can provide a variety of benefits and services to citizens. Priya's story provides three examples of informality and its costs. First, she is paid in cash, or "under the table." This means she receives none of the side benefits, such as an eventual retirement pension or unemployment insurance, that are typically offered workers in developed countries. In India a staggering 86 percent of workers are employed informally.[9] Second, Priya's ownership of her home is neither recognized nor protected by the government, so she runs the risk of losing it. Third, Priya relies on informal practices to manage her cash flow. She stashes money in her house rather than putting it in a bank, so her savings are susceptible to loss, theft, and depreciation through inflation. In India less than 10 percent of the poor have formal bank accounts.[10]

Social Characteristics

Underdevelopment is more than just an economic characteristic. **Social development** is the extent to which a society prioritizes the needs and desires of all of its people. The exclusion of individuals and entire groups from health and educational amenities are primary examples of social underdevelopment.

Understanding Indicators

MEASURING PROSPERITY WITH GROSS DOMESTIC PRODUCT

The most widely used yardstick of a country's prosperity consists of a set of indicators related to **gross domestic product (GDP)**. This set of indicators includes the GNI per capita figures used to classify countries into the groups reported in Map 1.1. Roughly speaking, a country's GDP for a given year is the total value its residents create through the production of goods and services, and the value of each good or service is determined by its market price. (GNI differs only in that this total value includes value created abroad by citizens with foreign assets or jobs.) Quarterly or annual changes in GDP are the economic growth rates so frequently reported by news media throughout the world. For a given year, dividing a country's GDP by its population size yields its GDP per capita. A country's GDP per capita is the total value produced by its average citizen in the relevant year, so the indicator serves as a proxy for the annual income of the country's average citizen. Scholars convert these GDP per capita figures to U.S. dollars using the country's prevailing currency exchange rate, and this conversion allows for comparisons of well-being across countries. In turn, a final modification that further facilitates cross-national comparison is the purchasing power parity (PPP) adjustment. A dollar's worth of local currency goes farther (i.e., purchases more goods and services) in a country with a low cost of living than in an expensive country, and LDCs tend to have lower costs of living than high-income countries. The PPP fix adjusts the GDP per capita figure of the low-cost economy upwards to reflect the greater purchasing power of a dollar within its borders. In the end, of the various indicators within the GDP family, the GDP per capita at PPP measure allows for the most informative cross-national comparisons of citizens' material well-being and will be frequently used in this book.

Still, GDP-related measures attract numerous criticisms. First, GDP equates the worth of a good or service to the price at which it is bought and sold, but price is typically a poor gauge of that product's value to well-being. GDP excludes all unpriced activities, many of which are necessary (e.g., housework and child-rearing) or contribute to a sense of fulfillment and purpose (e.g., physical and mental wellness, political freedoms, social connectedness). Similarly, the triumph of many technological breakthroughs, such as the internet, is to make highly desired and formerly costly services (e.g., information searches, international phone calls) free, at which point GDP statistics treat them as valueless. Meanwhile, GDP increases with many things that do not enhance quality of life, such as traffic jams (which increase the demand for gasoline) and crime (prisons).

Second, GDP overlooks the sustainability of production. Most importantly, it ignores any permanent loss of value that occurs as a result of production, including depletion of natural resources, pollution of air and water, and depreciation of physical capital. Third, because GDP figures are so widely reported and economic growth so highly valued, politicians and bureaucrats in some countries (e.g., China and India) artificially inflate GDP statistics, making them somewhat inaccurate in many instances.[11] Finally, as a measure of a country's average income, GDP per capita is indifferent to how equitably that income is distributed among its citizens. For instance, GDP per capita increases even when newfound income accrues entirely to the very wealthy. Subsequent chapters in this book will introduce inequality measures and raise alternatives to GDP.

- Despite its shortcomings, why is GDP per capita so widely used as a measure of prosperity?
- What might be some better ways than GDP per capita to measure a society's well-being?

In the area of health, LDCs fall short of developed countries on a long list of indicators. Life expectancies are shorter, largely because deaths are more common from diseases that are curable and from medical events that are preventable in the West. Recall, for instance, that Nathalie's mother died from complications in childbirth. Women in DR Congo are over 200 times more likely than Western women to die from pregnancy or childbirth complications. In addition, Nathalie herself occasionally contracts malaria, a disease that children in the West almost never get. Similarly, child mortality rates are worse in LDCs. (Column 1 of Table 1.3 compares this statistic across regions.) The tragedy of Nathalie's sibling who died soon after birth exemplifies this. Nearly one in eleven children in the DR Congo die before their fifth birthday, and one in twenty-five do in India. Overall, average life expectancies are twenty-one years shorter in the DR Congo and twelve years shorter in India than they are in the West. Even in Jun's China, where average life expectancies and child mortality rates are closer to Western standards, environmental degradation poses an ongoing health threat. China's poor air quality, for example, causes an estimated 1 million premature deaths every year.

Furthermore, levels of educational attainment and the quality of schooling tend to be lower in LDCs, while rates of illiteracy are often higher. Nathalie has little hope of being educated past primary school. The education she is able to attain is of low quality, as she is in a classroom with more than forty children and can herself barely read. In DR Congo 30 percent of children fail to complete their primary education, and nearly

TABLE 1.3

Social Characteristics in Six World Regions

Region	(1) Child Mortality Rate	(2) Female Literacy Rate	(3) Male Literacy Rate	(4) Rural Population with Basic Sanitation	(5) Urban Population with Basic Sanitation
East Asia and the Pacific	16.6	93.6%	97.2%	62.7%	85.2%
Latin America and the Caribbean	17.9	92.9%	93.9%	67.2%	89.7%
Middle East and North Africa	25.1	69.7%	83.9%	80.0%	92.0%
South Asia	44.8	62.2%	79.4%	37.3%	65.4%
Sub-Saharan Africa	75.5	57.1%	71.7%	20.2%	41.7%
West	5.0	>99%	>99%	99.5%	99.5%

Source: World Bank Open Data, http://data.worldbank.org/.

Note: Child mortality rate is deaths before age five per 1,000 live births. Basic sanitation means a household toilet or latrine that safely separates users from their waste. All figures are the most recent available from the 2015–2017 interval.

a quarter of adults are illiterate. Similarly, Priya did not complete secondary school, and only a minority of Indian adults have done so. Just two-thirds of China's adults have completed secondary school, Jun's college degree notwithstanding.[12]

Social exclusion based on group status is also a common characteristic of underdevelopment in LDCs. For instance, various forms of gender discrimination are pernicious in the global South. Nathalie—not her brothers—is expected to fetch water and to miss school because of it. Jun's only child is a son in a country where many parents strongly prefer sons to daughters and are willing to have sex-selective abortions to achieve this goal. As another example, rural dwellers tend to suffer higher degrees of social underdevelopment than city dwellers in LDCs. Worldwide, an estimated 80 percent of people living in extreme poverty are residents of rural areas, even though less than half of LDC residents are rural.[13] In East Asia, Latin America, and the Middle East, almost everyone living in extreme poverty is rural. Health and educational services, such as basic sanitation facilities (e.g., toilets) that safely separate individuals from their human waste, are much less likely to reach rural areas than urban ones. Although urban slums like Priya's Dharavi are often portrayed as the context for developing world poverty, Nathalie's rural reality is a much more common setting for the global poor. The numbers in Table 1.3 exemplify some of the social development deficits faced by females (columns 2 and 3) and rural dwellers (columns 4 and 5) in LDCs.

Political Characteristics

Providing broad characterizations of political systems in the less developed world is more difficult than describing its economic and social characteristics. After all, the very term "less developed" refers to an economic and social state of being, not a political one. Still, political systems in LDCs are different on average from political systems in developed countries. Most importantly, **political regimes**—that is, the set of rules that shape how leaders govern a society—tend to be more authoritarian and less democratic than regimes in developed countries. For the most part, the developed countries in Western Europe and North America are democracies with free and fair elections, with alternations in power among competing political parties, and with legal protections of basic civil rights and liberties. By contrast, many LDCs have authoritarian regimes, meaning their top political leaders are not selected through free and fair elections and their citizens' fundamental civil and political rights are not upheld. As shown in column 1 of Table 1.4, only about half of LDCs are democracies, and nearly all of the political regimes in the Middle East as well as a majority in Africa and Asia are authoritarian. This includes China, where Jun's story exemplifies the lack of protections for free speech and a free press. Even in the LDCs where democracy does prevail, such as Priya's India, it is often the case that the country became a democracy only in recent decades. In comparison, most Western countries have been democracies for nearly a century or more.

LDCs also experience more political instability than developed countries. Political instability exists when there is uncertainty about the future existence of the current political regime. Wholesale collapse and replacement of a political regime happens with some frequency in the developing world, often through successful *coup d'état*, which are attempts to change the government through illegal means. Other kinds of events,

TABLE 1.4
Political Characteristics in Six World Regions

Region	(1) Democratic Countries	(2) Failed and Successful Coup Attempts between 1946 and 2016	(3) Average Government Effectiveness Score
East Asia and the Pacific	6 (of 15)	57	–.32
Latin America and the Caribbean	14 (of 20)	118	–.37
Middle East and North Africa	3 (of 12)	63	–.78
South Asia	4 (of 7)	29	–.44
Sub-Saharan Africa	20 (of 47)	239	–.86
West	22 (of 22)	11	1.50

Sources: (1) Center for Systemic Peace, Polity5 Annual Time Series, http://www.systemicpeace.org/inscrdata.html; (2) Center for Systemic Peace, Coups d'état, 1946–2017, http://www.systemicpeace.org/inscrdata.html; (3) World Bank, World Governance Indicators, 2017, https://info.worldbank.org/governance/wgi/.

Note: For the average government effectiveness score, -2.5 is least effective and +2.5 is most effective. Entries are unweighted cross-national averages.

which are also more prevalent in the developing world, fall short of regime change but still indicate that the existing regime is under threat. These include widespread protests, political assassinations, acts of terrorism, armed insurgencies, and failed coups. (See column 2 of Table 1.4 for evidence on the relative frequency of coups in developing-world regions.) The violence propagated by the armed bands in Nathalie's DR Congo is one indicator of political instability. By contrast, in the democracies of the developed world, alternations in power occur through election-based competition, and regime change and political violence are relatively rare.

Another feature of LDC political systems is that they tend to have less state capacity or government effectiveness (See column 3 of Table 1.4.) State capacity is the degree to which a state is able to successfully and efficiently carry out its designated responsibilities and provide high-quality public goods and services. Many governments in LDCs, for example, are entirely ineffective at providing a safe environment for their citizens to live in. Recall that Nathalie has never seen a police officer or Congolese army soldier, despite the fact that she lives in a war-stricken province. At the extreme, weak state capacity can manifest as complete state failure, in which a state has no presence and thus no ability to govern in most of its territory.

Finally, the vast majority of today's LDCs are former colonies. Colonialism is the governing of a territory—the colony—by individuals and institutions from outside the colony. In the early 1500s Spain and Portugal conquered much of (what today is) Central and South America, commencing a 500-year era of Western imperialism during which European powers took and held much of the non-Western world as their colonial possessions. For example, parts of Priya's India were colonized by various European powers (Denmark, France, Great Britain, Netherlands, Portugal) in the sixteenth and seventeenth centuries, and colonial rule of the entire Indian subcontinent was centralized under the British in the nineteenth century until Indian independence in 1947. Starting in the late 1800s, Nathalie's DR Congo was colonized by King Leopold II of Belgium and then by Belgium itself, and European powers occupied many of the cities in Jun's China during the nineteenth century.

A BRIEF HISTORY OF ECONOMIC DEVELOPMENT

This textbook is oriented around the reasons why developed and developing countries have such different characteristics, and particularly the causes of their differences in levels of economic development. To provide crucial background for understanding these causes, this section provides a brief history of economic development, focusing on long-term dynamics in average incomes and poverty levels. Because strictly *economic* development is just one way of thinking about living standards and human well-being, Chapter 2 describes historical trends in aspects of social development, such as health and education.

The Pre-Industrial Eras

Homo sapiens as a species has existed in its modern physiological form for about 200,000 years. For the first 95 percent of those years, the so-called Paleolithic Era, humans lived as hunter-gatherers in small bands of a few dozen people. Hunter-gatherers lived by foraging for edible plants, by hunting live animals, and by nomadically moving from place to place when food sources in an area became exhausted. Every person lived in abject poverty (by modern standards), meaning poverty is the default condition of humanity. The distribution of well-being across the human population, however, was extremely equitable, because most food findings were shared within bands and because there were no advanced technologies or assets, such as machinery or homes, to make some bands wealthier than others.

Around 10,000 years ago, the **agricultural revolution**, defined as the invention and dissemination of farming, occurred in different pockets of the world and ushered in the Neolithic Era. The domestication of plants and animals increased food yields dramatically and freed up a minority of individuals in each society to take up professions, such as priest, merchant, or politician, that did not directly involve food production. Farming also tied people to particular plots of land, removing the need for nomadism. This enabled the sedentary lifestyles that ultimately led to the first civilizations (Sumerian, Egyptian, Indus Valley) some 5,000 years ago. The emergence of new specializations and the associated division of labor, along with variations in productivity across different farmers, introduced wealth inequalities into the human experience.

Over the subsequent millennia, the techniques of agriculture spread to most human societies and became the defining economic experience for much of humanity. As recently as the late 1700s, the vast majority of individuals worldwide were peasant farmers, growing themselves what they and their families needed to subsist and rarely producing a surplus that they could sell to others. Even in the most advanced civilizations of the 1700s (Western Europe and China), nonfarmers comprised less than 20 percent of the population. Average living standards (again by modern standards) were extremely low. Famine was common, and even in times of plenty most people ate a nutrition-poor and undiversified diet. A majority of humans died before their fortieth birthday of malnutrition or infectious diseases that were, with today's knowledge, highly curable. Cities had no underground sewage and no indoor plumbing, so human waste was visible throughout urban areas. Neither humans nor information moved faster than horses could carry them, and individuals only rarely traveled from their city or village of residence. By the early 1700s the ratio of average income in the world's richest societies to the world's poorest was a modest three to one.[14] In a sense, everyone yet no one lived in the developing world. Stated differently, all humans lived in poor societies, yet because there were no developed countries of which to speak, there were no so-called *less* developed countries of which to speak.

The Industrial Revolution

With the advent of the **Industrial Revolution** in the late eighteenth century, a few societies finally escaped the impoverishment that had until then prevailed on all of humanity, ushering in the current Era of Modern Economic Growth (a mere 0.1 percent of human history). Beginning first in Great Britain and then spreading to other parts of Western Europe and the United States, the Industrial Revolution rose out of a variety of inventions and small improvements to existing technologies that replaced human and animal labor with machine power. Vast improvements in economic productivity were driven by the rapid accumulation of **physical capital**, meaning the tangible human-made items (machines, buildings, equipment, infrastructure) that are used to produce goods and services. Perhaps most importantly, the steam engine, fueled by burning wood and eventually coal, powered new machines that could carry out menial tasks and create consumer products, such as cotton clothing, in a fraction of the time that was previously required. Similarly, the advent of telegraph and railroad technology dramatically increased the speed at which goods, information, and people could be transported. Technological advances in agriculture boosted annual crop yields and created surpluses that farmers could sell to others. These advances, in turn, freed up many farmers and their children to move to cities, where they took manufacturing or service jobs that were wholly unrelated to food production. Finally, improvements in medical knowledge and the increasing availability of education for the masses led to steady improvements in **human capital**—the skills, knowledge, and health of the labor force.

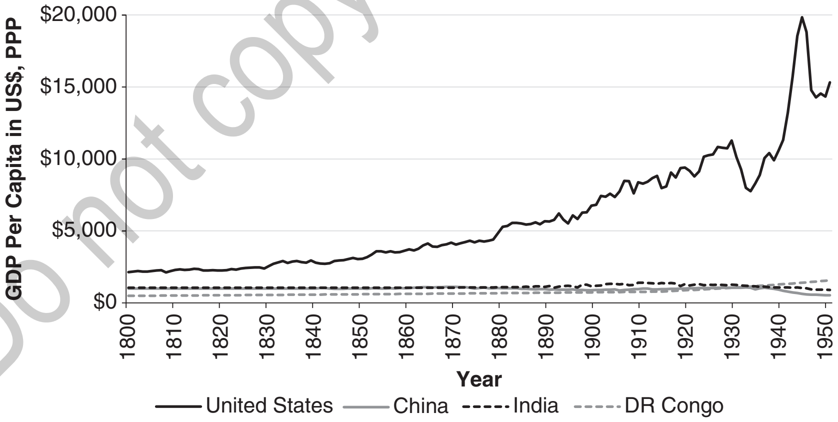
Thus began a steady separation in living standards between the West and the rest of the world, a separation that historian Kenneth Pomeranz calls the "Great

Divergence."[15] The divergence created the gap, still in existence today, between the rich countries that initially adopted the technologies of the Industrial Revolution and the less developed countries that did not. Figure 1.1 depicts the severity of this divergence by comparing the United States trendline of GDP per capita (PPP) between 1800 and 1950 to the trendlines for the three countries that were the subject of this chapter's opening vignettes: China, DR Congo, and India. The United States did have a tiny head start as of 1800, but by today's standards it was a poor country like the others. However, a US$1,000 gap in 1800 between the United States and China grew into a US$6,000 one by 1900, and by 1950 the gap was US$15,000.

In undergoing this economic rise, the United States, along with a small number of other Western countries, created the developed world, leaving behind a lagging less developed world. During these 150 years, the ratio of incomes in the richest to poorest countries grew from roughly three to one to about forty to one. Some parts of the non-Western world (e.g., Russia/Soviet Union, Japan, parts of Latin America and the Middle East) did develop nascent manufacturing bases during this time, but it is only a slight oversimplification to say that the world in 1950 featured two economic camps: a wealthy West composed of just 20 percent of the world's population and the very poor remainder of the world.

FIGURE 1.1

The Great Divergence between the West and the Global South, 1800–1950



Source: Gapminder, https://www.gapminder.org.

Modern Economic Growth in the Developing World

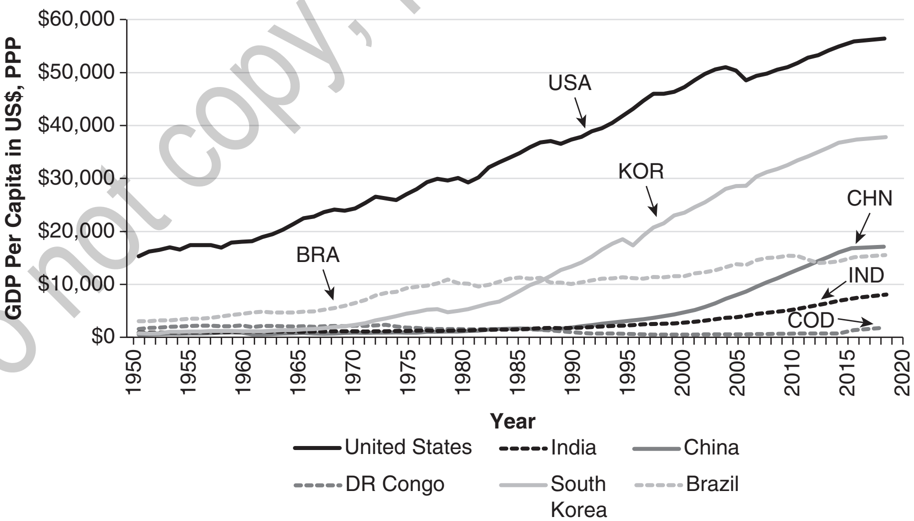
Since 1950 modern economic growth has finally occurred in most of the countries that had been left behind by the Industrial Revolution. This wave of progress has been much more widespread in its scope, reaching most of the non-Western 80 percent of humanity and lifting billions of people out of poverty. Yet massive cross-national income disparities remain, both because rates of growth have varied dramatically across LDCs and because the head start enjoyed by the West in 1950 has been too great to bridge. Figure 1.2 illustrates each of these points by showing the post-1950 trends in GDP per capita for the four countries of Figure 1.1 plus two more, Brazil and South Korea.

Every country in Figure 1.2, except for the DR Congo, has experienced visible improvements in its average income. The most extreme case is South Korea, exemplary of the East Asian Tigers (also Hong Kong, Singapore, and Taiwan) that industrialized and skyrocketed from low-income status in 1950 to developed world status by the 1990s. Although their growth was not as rapid, Brazil, China, and India also underwent rising living standards after beginning the period mired in desperate poverty, a broad trend representative of similar patterns in much of East Asia, Latin America, the Middle East, and South Asia during this time.

Most of these economic gains have occurred quite recently, as exemplified by the late-bloomers China and India. Economist Steven Radelet calls this period from 1990 to the present the "Great Surge," since there have been massive and unprecedented declines in both the share and the number of people living in extreme poverty.[16] Consider Figure 1.3. The absolute number of people living in extreme poverty was relatively stable—between 1 and 1.5 billion—for the first 150 years of the Era of Modern Economic

FIGURE 1.2

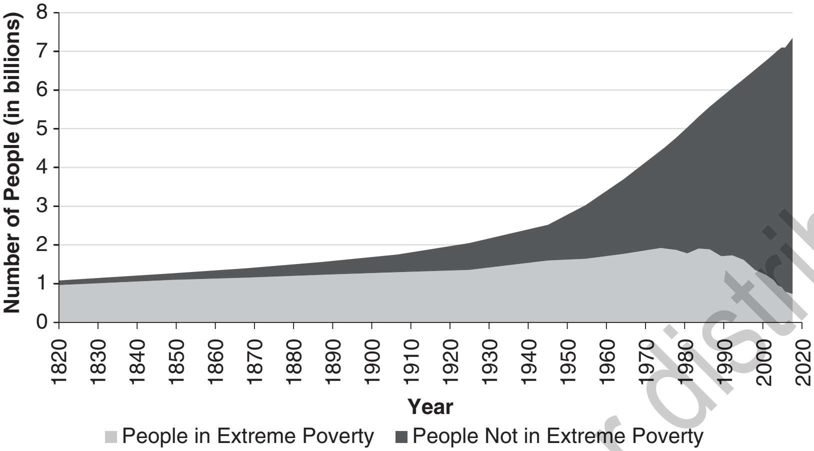
Average Incomes in Six Countries, 1950–2018



Source: Gapminder, www.gapminder.org

FIGURE 1.3

Extreme Poverty in the Human Population during the Era of Modern Economic Growth, 1820–2015



Source: Martin Ravallion, *The Economics of Poverty: History, Measurement, and Policy* (New York: Oxford University Press, 2015).

Growth. This number encompassed the vast majority of humans, evidencing how geographically narrow were the gains from the Industrial Revolution. This began to change in 1950. Over the following forty years, the absolute number of extremely poor people grew only modestly while the overall global population grew rapidly (Figure 1.3). In other words, the *proportion* of all humans living in extreme poverty fell, dropping below the 50 percent mark for the first time in human history around 1970. Even more stunning, in the 25 years after the advent of the Great Surge in 1990, both the absolute number and the share of humans living in extreme poverty collapsed—from 2 billion to 740 million and from 36 to 9 percent, respectively. Over this time, an average of 130,000 people escaped extreme poverty every day. Today, nearly half of humanity now belongs to the booming global middle class, able to meet basic needs and afford at least some luxuries.[17] It is not hyperbole to say that "Never in the history of the world have the incomes of so many people risen by so much over such a prolonged period of time."[18] The Great Surge also saw massive advancements in social development, which are documented in Chapter 2. Unfortunately, some of these gains in economic and social development were reversed by the COVID-19 pandemic of 2020. Although precise data were not yet available in mid-2020, the pandemic thrust between 80 million and 440 million people below the extreme poverty line, reversing two to ten years of recent improvements.[19]

Despite the overall scope and speed of improvements during the Great Surge, it has not erased cross-national differences in material well-being. As exemplified by the DR Congo case in Figure 1.2, some LDCs have experienced little to no growth since 1950. These low-income countries, which economist Paul Collier labels the "bottom-billion countries,"[20] are almost exclusively in sub-Saharan Africa, although they also include Afghanistan, Haiti, and North Korea. Because of these laggards, the ratio of incomes in the richest to the poorest countries has ballooned to around 100 to 1. Moreover, remaining LDCs are now split between the two middle income levels (recall Map 1.1) and thus feature living standards that fall short of those prevailing in the West. In fact, a majority of the globe's extremely poor people are residents of a middle-income country, largely because 75 percent of humans currently live in one.[21] (Many of the world's most populated countries—China, India, Indonesia, Brazil, Pakistan, Nigeria, Bangladesh—are middle-income countries). Figure 1.2 makes it clear how wide the remaining gap is between the upper-middle income country of surging China and the high-income United States. (Also, recall the large cross-regional income gaps reported in Table 1.1.) In other words, even strongly performing LDCs will not overcome the West's head start from the Great Divergence to catch up any time soon. Income disparities across countries have started to decline (as described in Chapter 3), but they will continue to be a fact of global economic life for decades to come. The central purpose of this book is to convey the possible explanations for these historical and contemporary income disparities between the developed and developing world.

GOALS AND ORGANIZATION: WHO OR WHAT CAUSES GLOBAL POVERTY?

This textbook has two primary goals. The first is to provide readers with a rich description of political, economic, and social life in the developing world. **Description** is the narration of a piece of reality to create an image and understanding of it in an audience's mind. To that end, this book defines and portrays various features of the global South that distinguish it from the developed world, giving empirical data—facts, histories, summaries, and other observable information—that capture many important aspects of less developed countries. The second goal is to lay out the various explanations for why global income inequalities exist. Stated differently, this second goal addresses the following question: Who or what caused less developed countries to stay poor? This is the goal of **explanation**, meaning argumentation about how one factor causes or influences another one. Any well-reasoned argument about why and how a particular factor causes another one is called a **theory**.

Many readers might consider social science theories to be overly complicated and abstract, but laypeople engage in theoretical thinking about cause and effect all the time. Consider the following example. In 1948, its year of independence, South Korea had a GDP per capita (PPP) of just US$700. In 1960, its year of independence, Nathalie's DR Congo had a higher GDP per capita (PPP) of US$2,240.[22] By 2018, however, South Korea had a GDP per capita that was about fifty times that of DR Congo. Why did this reversal of economic fortunes occur? Even if they know little about South Korea and DR Congo, most people can surely think of some plausible possibilities to answer this "why" question. Perhaps there is something about the countries' natural resources, leaders, climates, cultures, or treatment by foreign powers (i.e., the possible causes) that created this difference in average incomes (the consequence or outcome). The many plausible answers to this question about cause and effect are examples of theory.

Causes of Underdevelopment: A Framework

Decades of scholarly research on economic growth and global poverty have yielded a huge number of theories about why global poverty and inequalities between wealthy and poor nations exist and persist. Scholars from numerous disciplines—archaeology, anthropology, biology, economics, geography, history, political science, sociology—have weighed in on this important question, blaming poverty on everything from tropical diseases to the International Monetary Fund. To give readers some means to navigate this complex scholarly terrain, *Shaping the Developing World* provides an easy-to-remember threefold scheme for categorizing the various theoretical answers to the question "Who causes global poverty?": the West, the South, and the natural world.

Did the West cause LDCs to stay poor? This category attributes underdevelopment in the developing world to international factors, namely those originating in foreign lands and particularly in Western Europe and the United States. Through the international slave trade, colonialism, globalization, and foreign aid, the West may have thwarted development in the global South. Alternatively, are factors indigenous to the South itself the cause of global wealth disparities? This category considers features such as domestic leadership, institutions, and culture. Scholarship within this tradition attributes underdevelopment to internal characteristics of LDCs, such as undemocratic rule, corruption, weak property rights, a failure to embrace free markets, poor treatment of women and girls, community and political violence, and rigid ethnic identities. Finally, do factors in the natural world that are beyond human design explain global poverty? This third category attributes economic underdevelopment to various aspects of geography and the physical environment, such as bad climactic conditions, difficult topographical terrain, low land productivity, and heavy tropical disease burdens.

Thinking about Theory

In thinking about theory and the threefold classification scheme, several points are in order. First, a useful theory requires the cause to have little or no definitional overlap with the consequence it is meant to explain, so *Shaping the Developing World* focuses on causes of development that are clearly distinct from the concept of development itself. Until the 1980s mainstream economists' explanations of cross-national income differences stressed causes such as a country's amounts of physical capital, human capital, and technology.[23] The problem with citing these factors as explanations for economic development is that they are virtually synonymous with economic development. Economic development *is* the process of acquiring the capital and technologies that make a society more productive; there is no way to experience economic development without these things. Invoking them as explanations leaves unanswered the more important and interesting question of what explains *why* some countries have acquired large quantities of physical capital, human capital, and technology, while others have not. This textbook avoids circular explanations (sometimes called tautologies) and focuses instead on causes—in politics, in the law, in foreign lands, in geography, and so on—that are cleanly distinct from the concept of economic prosperity itself. These causes are known as deep, fundamental, or ultimate causes.

Second, readers should reject the temptation to conclude that a single theory could successfully explain why some countries are rich and some are poor. Reality is far too complex to be monocausal, and there are no universal rules for achieving economic prosperity. The brief history of economic development given in the preceding section, for example, suggests that the question of why some countries are poor today may need at least two answers. A country is an LDC today because it was left behind with the rise of the West during the Industrial Revolution and because it has failed to rise as quickly as South Korea in the post-1950 world. The causes behind the Great Divergence of the nineteenth century may be different from those behind the failure of so many countries to replicate South Korea's success since 1950.

Third, no amount of expertise, empirical observation, or sophisticated statistical manipulation will ever prove a theory to be 100 percent accurate. There are always overlooked factors that could be the source of the true impact on development, so readers should keep in mind the adage that "correlation does not prove causation." For example, one could attribute the differences in prosperity levels between DR Congo and Great Britain to the fact that DR Congo was colonized and Great Britain was a colonizer. But the differences between the two do not stop there. Great Britain is far from the equator, while DR Congo is on it. Great Britain is a democracy, while DR Congo is not. In fact, the list of differences between the two is infinite, so isolating the factor or factors exerting the causal effect is impossible. When two factors are correlated, moreover, it can be difficult to know which one is the cause and which is the effect. For instance, Great Britain is wealthy and a democracy, while DR Congo is poor and authoritarian. But did democracy cause Great Britain to be prosperous, or did prosperity cause Great Britain to be a democracy? This tricky direction-of-causation question is recurrent when trying to explain development and comes up frequently in this textbook. For these reasons, *Shaping the Developing World* avoids reaching summary conclusions about which theories are most accurate or useful. That said, readers can and should use their own logical and observational faculties to arrive at conclusions about which theories they find more and less useful for understanding the causes of underdevelopment.

Fourth, this textbook avoids the emotion and ideology that often accompany debates over the causes of underdevelopment. In practice, millions see much at stake when asking "What causes global poverty?" since the answer to this question allows one to assign moral blame for impoverishment. Zimbabwe's former president Robert Mugabe (1980–2017), for example, repeatedly deflected blame for his leadership of a country in economic decline by retorting that Zimbabwe's plight was rooted in the past sins of Western colonialism and white-minority rule. *Shaping the Developing World* avoids making explicit moral judgments or casting blame for global inequality, although readers will surely see the ethical implications of many of the theories.

Finally, as with any categorization, the threefold classification has oversimplifying imperfections. One explanation for Africa's underdevelopment, for instance, is that many of its countries have numerous ethnic groups that struggle to cooperate with one another.

This seemingly attributes the cause of underdevelopment to the South—to a domestic factor. African countries' high levels of ethnic diversity, however, are partly due to the West—to an international factor. European colonizers drew the eventual national borders on much of the continent and, in doing so, created countries that grouped together different ethnic groups who had little in common. Rather than getting overly hung up on whether the theory attributes ultimate cause to the South or the West, readers should simply think of the classification scheme as a useful, albeit imperfect, tool that helps them more easily understand and remember the various theories.

Organization of the Book

The threefold classification scheme provides the organizing framework for this textbook. The current and following two chapters compose Part I ("Introduction"), which provides introductory material on economic and human development as well as the costs of development. Part II ("The West: International Contexts") contains three chapters on the various arguments that claim that Western factors are the cause of global poverty. Part III ("The South: Domestic Factors") contains six chapters on the various aspects of the South that might be the cause of the economic plight of LDCs. Part IV ("The Natural World: Physical Geography") contains two chapters on nature and the possible geographical and environmental sources of underdevelopment.

After opening with a (typically fictional) vignette, each chapter is organized to first provide readers with important descriptive material about the theme and factor at hand. Subsequently, in sections called "Causes of Underdevelopment," the chapters convey theoretical arguments about how the just-described factor might cause underdevelopment. Because every theory has its limitations, each chapter then presents challenges to these theories in sections entitled "Critique." Most chapters discuss at least two related factors and thus repeat this progression. (Because this progression of sections is built into each chapter's organization, readers must *not* conclude that the final argument is the strongest one. As mentioned above, this book avoids making summary conclusions about which arguments are most accurate.) A concluding "Case Study" on the country referenced in the opening vignette first presents information to illustrate how the main theoretical arguments presented in the chapter might explain this country's underdevelopment. The case study then introduces alternative theoretical explanations for the country's less developed status. In the end, each case study provides at least one theoretical example from each piece of the threefold theoretical framework. The next section of this chapter illustrates this case study approach. Finally, this overall progression of sections does not occur in Chapters 2 and 3 (although both do contain case studies) since these chapters are introductory material and do not yet present any theories of underdevelopment.

"Development in the Field" and "Understanding Indicators" features also appear sporadically throughout the chapters. "Development in the Field" boxes describe aid agencies and opportunities for activism and employment that are relevant to the topic at hand. "Understanding Indicators" boxes describe how social scientists statistically measure important concepts in development. These two sets of features also provide critiques of the activist efforts and statistical measures, respectively. Throughout the book, moreover, readers will find data about LDCs and developed countries contrasted in tables and figures. In some figures, case study countries and some developed countries are labeled to make comparisons easier. The Appendix provides a list of these country code labels. Finally, each chapter ends with a list of key terms and a list of data and web resources as well as a description of one or two relevant active learning exercises.

Case Study

WHY IS THE DEMOCRATIC REPUBLIC OF CONGO SO POOR?

In 2018 the average citizen in Nathalie's Democratic Republic of Congo (DR Congo, named Zaire from 1971 to 1997) had a living standard equivalent to what a U.S. citizen with about US$2 per day to spend would have. This figure made the country one of the poorest in the world and one of just a few countries whose living standards were lower in 2018 than in 1960.[24] All of this is true despite the fact that DR Congo is flush with natural resources, such as diamonds, copper, gold, and coltan (required to operate a mobile phone). Similarly, its powerful but still untapped rivers contain enough hydropower to provide electricity for the entire African continent.

By contrast, South Korea has few mineral resources, and it was actually poorer than DR Congo as recently as 1970. Why is DR Congo, a country with so much potential, still so poor? Table 1.5 provides some possible answers that are described in greater detail in this case study.

The South: Cultural Fragmentation and Kleptocracy

One possible answer emphasizes the makeup of Congolese society. DR Congo has no cultural unity; its citizens identify more with their ethnolinguistic

TABLE 1.5

Development Comparison: DR Congo and South Korea

Indicator	DR Congo	South Korea
GDP per capita at PPP	US$1,085	US$39,492
Human Development Index	0.459 (179th of 189)	0.906 (22nd of 189)
Percentage living in extreme poverty	76.6%	0.2%
Number of languages spoken	216	1
Persons removed during Atlantic slave trade	~1,000,000	0
Malaria cases per 1,000 people	307.6	0.1

Sources: (Rows 1, 3, and 6) World Bank Open Data, 2018, 2012, and 2017; (2) Human Development Data, 2018, http://hdr.undp.org/en/data; (4) *Ethnologue: Languages of the World*, https://www.ethnologue.com; (5) Nathan Nunn, "The Long-Term Effects of Africa's Slave Trades," *Quarterly Journal of Economics* 123, no. 1 (2008): 139–176.

group, of which there are more than 200, than with the DR Congo as a nation. This lack of national unity has erupted on multiple occasions into violent conflict that has exacted major economic costs. In its first year of independence from Belgium in 1960, for example, the Congo nearly disintegrated into four separate countries when three different regions attempted to secede, each along ethnic nationalist lines. The Congolese military eventually reunified the country, but only after years of violently repressing secessionist movements. More recently, the Great War of Africa (1998–2003), the deadliest war in the continent's history, occurred on Congolese soil when militias claiming to represent disillusioned ethnic groups in the far eastern corner of the country attempted to march all the way to Kinshasa in the west to overthrow the incumbent government. The conflict killed an estimated 5.4 million people and cost billions of dollars in lost economic activity.[25]

Another possible answer lies in DR Congo's political leadership. Five years after achieving independence, a young army officer named Joseph Mobutu staged a successful coup, installed himself as president, and remained in that post for thirty-two authoritarian years. In office, Mobutu (who later renamed himself Mobutu Sese Seko) established the paradigmatic kleptocracy: government by those who steal. Telling his state employees to "go ahead and steal, as long as you don't take too much,"[26] Mobutu himself followed only the first half of this advice. He treated state funds as his own and amassed numerous palaces and mansions, some of them in Europe and one of which contained a 14,000-bottle wine cellar, a discotheque, a private zoo, and doors so large they required two men to open.[27] Under Mobutu the means to wealth were not investment and work but thefts of taxpayers. In addition, Mobutu expropriated most of Zaire's foreign-owned firms and farms, keeping some of the assets for himself and handing the rest over to his elite cronies and (as a form of hush money) opponents. Prices rose and store shelves emptied because the new Zairian owners, chosen for political reasons rather than their knowledge of farming and industry, oversaw production of far fewer goods and services than did the previous owners. This experience of expropriation discouraged future investment by both foreigners and Zairians. During Mobutu's tenure, average incomes fell by two-thirds.[28]

The West: Stolen Aid, Colonial Abuse, and Slavery

Mobutu's thievery was notorious, but he did not act alone. The West was complicit in his kleptomania. Soon after DR Congo's independence, American and Belgian intelligence agencies helped place Mobutu in power, maneuvering against alternative leaders (and even killing one) who they saw as too friendly with the Soviet Union. Then, to keep him in power, Belgium, France, and the United States granted Mobutu US$1 billion in foreign aid during his thirty-two-year reign. Much of the aid ended up in the Swiss bank accounts of Mobutu and his cronies. The International Monetary Fund

U.S. president Ronald Reagan (1981–1989) welcomes Zairian president Mobutu Sese Seko (1965–1997) to the White House in 1986. Although Mobutu stole from his citizens and further impoverished his country, Reagan called him a "voice of good sense and goodwill" because of Mobutu's anticommunist credentials.

Afro Newspaper/Gado / Contributor / Getty Images

(*Continued*)

(Continued)

also extended eleven different bailout packages to Mobutu despite knowing that the funds were misused and ineffective in stabilizing the economy. Rather than funding schools, health clinics, and roads, these Western monies propped up an inept dictator.

The West's complicity in the plundering of DR Congo has even deeper historical roots. Eight decades before the rise of Mobutu, King Leopold II (1865–1909) of Belgium initiated his own reign of terror in pursuit of what he called "a slice of this magnificent African cake."[29] His reign stripped Congolese territory of invaluable natural and human resources. Leopold, who from 1885 to 1908 was the sole proprietor of the Congo Free State, implemented a brutal system of forced labor and looting that his contemporary Arthur Conan Doyle called "the greatest crime which has ever been committed in the history of the world."[30] Leopold's armed security apparatus required native villagers to periodically collect quotas of ivory or rubber, but these quotas grew increasingly difficult to fill as nearby reserves became exhausted. When villagers failed to deliver a sufficient amount, they were whipped with strips of dried hippopotamus hide, had their hands chopped off, or were shot. Under Leopold the population loss in the Congo Free State was an estimated 10 million people, and countless hours of labor and troves of natural resources were extracted without compensation.[31] Meanwhile, the ivory and rubber were exported to Europe to Leopold's great profit. Furthermore, Leopold and other Western powers even bear some responsibility for DR Congo's deep cultural divisions. It was they who, without consulting any Africans, arbitrarily drew the colony's and eventual country's borders in the 1880s, grouping together the more than 200 different ethnic groups into a single political territory.

If these two forms of Western abuse were not bad enough, the Atlantic slave trade predates them both. As early as the sixteenth century, men and women residing in the territory that is today the DR Congo were forcibly shipped across the Atlantic Ocean by white slave traders to become slaves in the Western Hemisphere. Slavery was devastating not just to the slaves themselves but also to the African economies they left behind. Between 1400 and 1900, almost 1 million people were forcibly removed from Congolese territory. This dramatic loss of human capital, often in exchange for destructive and unproductive imports such as guns and seashells, kept the area's population growth and density low in a time when Europe was developing dense urban hotbeds of productivity and innovation.

The Natural World: Geography and the Resource Curse

Clearly, Congolese leaders and Western personnel have ravaged both the human and natural richness of the territory for centuries. But is it possible that all of this exploitation has been just a sideshow to the ultimate cause of DR Congo's poverty: geography? In fact, its natural context is quite detrimental to economic growth. First, DR Congo is wet—too wet. The country has more thunderstorms than any other country in the world. This leeches its soils of their minerals and makes it impossible to grow all but a few kinds of crops.[32] Second, the country's top killer, malaria, is a disease that barely exists in South Korea and other nontropical countries. Nearly 50,000 Congolese citizens, about half of them children under five, died of malaria in 2017.[33] Millions of other children suffer multiple bouts of malaria each year, an experience that, while not deadly, can cause permanent neurological damage. Finally, nature may have paradoxically cursed the DR Congo by endowing it with so many natural resources. Mineral wealth seemingly fuels DR Congo's recurring political violence and conflict. For example, some of the violent domestic and foreign militias that marauded DR Congo during the Great War looted mines and used this booty to finance themselves. Moreover, few investors care to build up DR Congo's industrial base since its minerals sector remains so attractive.

Conclusion

Overall, this long list of explanations for DR Congo's underdevelopment would seem to suggest that the odds are stacked heavily against it. But are all of these explanations equally plausible, and is the DR Congo's reality this one-sided? *Shaping the Developing World* will give readers the tools to think about these questions in an informed way.

Thinking Critically about Development

- Some of these explanations for the Congo's poverty focus on individuals, such as Mobutu and Leopold, while others stress more long-term factors, such as culture and climate. Which approach is more convincing? In other words, if the Congo had had better-intentioned colonial and postcolonial leaders, would it be wealthier today, or would this not have mattered?
- Is it possible that some of the factors listed as sources of Congolese underdevelopment, such as deaths from malaria and number of languages spoken, are more a *result* of underdevelopment than its cause?
- Is the comparison between DR Congo and South Korea useful for deciphering cause and effect, or are the countries too different from one another?

KEY TERMS

agricultural revolution 15
description 20
economic development 8
explanation 20
gross domestic product (GDP) 11
human capital 16
Industrial Revolution 16
infrastructure 9
less developed country (LDC) 5
physical capital 16
political regime 13
productivity 8
social development 10
theory 20
underdevelopment 5

ACTIVE LEARNING EXERCISES

Take and Reflect on the Factfulness Quiz

On the first day of class and before you start reading this book, take the Factfulness Quiz (https://factfulnessquiz.com/) to see how much you know about recent patterns and trends in global development. After class, write a memo describing how well you performed on the quiz. If you performed poorly (<80% correct, as most people do), be honest about it and explain why you got so many wrong. If you performed well, explain why you already know more about the topic than most people. Finish the memo by describing your learning goals for this course. For a longer paper assignment, read and reflect on the arguments by Hans Rosling in *Factfulness* (New York: Flatiron Books, 2018) about the quiz and about popular knowledge on development.

DATA AND WEB RESOURCES

Gapminder, https://www.gapminder.org/tools/

Our World in Data, https://ourworldindata.org

World Bank Open Data, https://data.worldbank.org

World Bank PovcalNet, http://iresearch.worldbank.org/PovcalNet/home.aspx