A resident of Dharavi in Mumbai, India, checks his mobile phone in front of a small retail shop. Dharavi is called Asia’s largest slum, fitting a million people into an area the size of a few city blocks. Housing in Dharavi is dilapidated, and few of its residents formally own their homes. Despite this, the neighborhood teems with commercial and productive activity.
Nathalie of the Democratic Republic of Congo. Nathalie is an eight-year-old girl residing in the world’s poorest country, the Democratic Republic of Congo. She lives in a remote rural village in the eastern province of South Kivu. Nathalie has five siblings, and another died in childbirth. Tragically, her mother also died during this stillborn birth. For the most part, Nathalie is now being raised by her aunts and a grandmother. Her family and fellow villagers grow their own food and thus have a precarious food supply. Nathalie, in particular, is malnourished. She is listless and undersized—given her height and weight, she would be mistaken for a six-year-old if in the United States.

Nathalie goes to school in a small building with forty-six other children and one teacher. In a few years, Nathalie’s schooling will be done. Few girls are expected to be educated past thirteen; the age at which many of their fathers arrange for them to be married. She is absent from school quite frequently. Twice a week she misses school to walk four miles round-trip to fetch clean drinking water. (Although she struggles to carry and balance three gallons of water on her head, Nathalie’s brothers stay in school and are not expected to perform this task.) Nathalie also misses school quite frequently due to illness. She sleeps with her siblings under a mosquito net given to her family by a foreign humanitarian group, but every year Nathalie still suffers a few bouts of malaria sickness—chills, fever, vomiting, and headache. Even when in school, malnourishment complicates her ability to pay attention. Despite the schooling, Nathalie cannot read a simple text.

Nathalie’s province has been troubled by war for years. Marauding bands of rebels, some of them from neighboring Rwanda, are known to sweep through the provinces’ villages, stealing supplies, ransacking homes, and raping women and girls. Nathalie’s village has been spared from the violence, yet she knows about the potential threat from adult
villagers. They are debating whether to abandon the village and move to a refugee camp that would be a twelve-hour walk 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 and potential threat in the province, Nathalie has never seen a Congolese soldier or police officer.

**Priya of India.** Dharavi, a neighborhood in the city of Mumbai (India), is considered Asia’s largest slum. About the size of a large U.S. college campus, Dharavi has 1 million residents. Most of the homes in Dharavi are small wooden shacks with dirt floors that become muddy, like the unpaved streets outside, during the heavy rains of the summer monsoon. Few have plumbing, so queues at public faucets can be long, and residents must buy tickets for the public restrooms that are shared by hundreds of families. To avoid the cost and the wait at these latrines, some neighbors put their waste in a bag that is then hurled onto the street or nearby creek—so-called flying toilets. The neighborhood is rife with petty and violent crime, and few parents allow their children to go outside after dark.

Priya is a twenty-eight-year-old Dalit woman who moved to Dharavi from a small rural village when she was six. Her parents had just died and her new caretakers, her aunt and uncle, moved with her to the city in search of better economic opportunities. Priya 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 and gets paid in cash the equivalent of US$22 per month. Her husband works a steadier manufacturing job on an assembly line, earning US$54 per month, but every day he endures an hour-long commute on crowded trains with passengers literally spilling out the windows and on to the roof. Once off the train, he has to compete with hundreds of other commuters to hail a rickshaw to carry him the last two kilometers. On these combined wages, Priya’s family rarely lacks for food, although their diet is not incredibly diverse or rich in protein. Still, their income is not always sufficient to cover other expenses for items such as medicine, the family cell phone, train tickets, and entertainment for the girls. To supplement, Priya occasionally borrows money at about 15 percent monthly interest from a grocer who owns a small store down the street, and she remains indebted to him. She also keeps some extra savings in a bag under her bed, holding it for health emergencies or her daughters’ weddings.

Priya’s house contains two rooms—one bedroom for Priya, her husband, and oldest daughter; and a second multipurpose room with a stove, dining table, TV, and couches where everyone else sleeps. This includes an unrelated single man who pays them US$11 per month in rent. The home does have electricity, but it draws from an illegal hookup that is potentially unsafe and not monitored by the utility company. Although Priya’s home is meager, she is concerned about losing it. The Mumbai municipal government, which Priya voted against in the last election, would like to develop the area with modern housing, infrastructure, and amenities. If this development project occurs, a family like Priya’s, which simply built its home without first securing ownership of the land beneath it, might have to leave Dharavi without receiving any compensation for its lost residence. While the government promises to give each dispossessed family a small flat (300 square feet) in the redeveloped neighborhood, Priya is doubtful. Without proof of ownership, there are no guarantees, and with no real sense of their future in Dharavi, Priya’s family is hesitant to ever improve their home.

**Cheng of China.** With a sense of foreboding, Cheng looks over his sixteen-year-old son’s shoulder as he works on the family computer. His son is filling out applications for admission to some
of the top universities in China. He is a talented student who attends an elite private prep school, but Cheng silently worries about his son’s chances for admission. A year earlier, Cheng became an unlikely environmental activist and critic of local officials in the Chinese Communist Party. He thinks that, in having done so, he may have derailed his son’s educational aspirations. Cheng fears that the government could covertly keep the boy out of top schools.

Cheng’s entry into Chinese politics was sudden and unexpected. After all, he is a forty-two-year-old computer engineer whose salary affords his three-person family an apartment in a luxury high-rise complex, a car, a flat-screen television, a personal computer, and other modern amenities. Such comforts are not usually a recipe for political dissidence, but Cheng became a vocal critic of the ruling party when its environmental policy hit home. Cheng lives on the outskirts of the city of Wuxi near the shores of Lake Tai, long known as a haven for fishermen and, because of its natural beauty, tourists. Lake Tai in recent decades has become a hotbed of manufacturing activity. Local political officials encouraged industry as a means to raise the region’s gross domestic product, and it dramatically boosted their tax revenues and the region’s economic living standards. However, the boom around Lake Tai came with a dramatic cost, one that spurred Cheng’s political activity: environmental degradation. Lake Tai is now heavily polluted. The thousands of chemical factories on its shores dump toxic industrial waste into its waters. Most fish and many other aquatic species have died off along with the lake’s attraction to potential tourists. Most notoriously, the lake periodically experiences algal blooms, or overgrowths of toxic algae that literally turn the lake a fluorescent green color and emit a noxious odor that can be detected up to one mile away.

During one algal bloom, Wuxi’s tap water turned yellowish-green and became undrinkable. Residents who showered in it smelled for the rest of the day. Cheng and other citizens queued for hours at shopping malls to buy bottled drinking water, which quickly became very expensive and was ultimately rationed by store owners. At nearly the same time, Cheng’s mother died from cancer, a condition he suspected was caused by toxins in the city’s water, food, and air. In response to both incidents, Cheng decided to organize small meetings with family and friends and even one street protest against pollution. He also investigated nearby factories to determine who was dumping waste, informing local political officials of his findings in the hopes that they might shut down or at least enforce regulations against polluting factories. His complaints were ignored and, in actuality, he has been followed and verbally intimidated by police. Cheng has kept his job, but he fears for his son’s academic future.

Defining the Developing World

What do an African peasant girl, an Indian maid, and a Chinese software engineer have in common? At first glance, seemingly very little. Nathalie and Priya are poor, yet Cheng leads a comfortable middle-class lifestyle. Nathalie is often hungry, but Priya and Cheng are not. Cheng resides in an authoritarian country, Priya lives in a democracy, and Nathalie lives in a place where the government has virtually no presence at all. Nathalie is rural, Priya is urban, and Cheng is suburban. Their very different life experiences would seem to undermine any attempt to lump them or the countries in which they live together, and yet Nathalie, Priya, and Cheng are united in the fact they are all residents of the developing world. Not all of them are poor themselves, but their lives are shaped by the fact that they live in 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 experiences great difficulties in meeting basic material needs such as housing, food, water, health care, education, electricity, transport, communications, and physical security. For a society, the state of experiencing these deprivations is called under-development, and the gradual process of shedding them is called development. Less developed countries are different from developed countries like the United States, since U.S. citizens have a relatively high average income and are largely able to meet basic needs. In sum, whether or not a country is defined as less developed depends on material factors of an economic and social nature.

The use of these terms and classification scheme is not always straightforward. The term “developing country” itself is imperfect because, as a descriptor, it is often inaccurate. Many poor countries are not developing. For example, Nathalie’s DR Congo has become less prosperous, not more so, over the last fifty years. The notion of a less developed country is thus more accurate because it does not imply economic progress, yet even this seemingly innocuous term has its critics. In particular, the word “developed” offends some who see it as betraying a sense 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. Two are “global South” or just “the South.” These terms make use of the geographical fact that the wealthiest countries are in the northern hemisphere with poorer countries to their south. 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 others, these terms are imperfect. For example, wealthy Australia and New Zealand are among the southernmost countries of the world. Moreover, they obfuscate the classification issue by using a locational label for what is an economically and socially defined category of countries.

Another term frequently used is “Third World.” French anthropologist Alfred Sauvy coined the term in 1952 to give identity to the many countries that, during the Cold War, were not formally allied with either the wealthy capitalist First World countries of the West (meaning the U.S. and Western Europe) or the Second World communist countries of the East. Thus, at its inception, the term Third World had a political and not an economic or social meaning. However, since the world’s nonaligned countries also tended to be non-industrialized, the term eventually took on the economic meaning that has stuck to this day. Few users of the term today realize that some of today’s so-called Third World nations, most notably China, were not originally classified as such. Because of this inaccuracy, along with the fact that many dislike the term because it implicitly ranks the quality of countries on a scale from one to three, “Third World” is largely avoided in this textbook. In the end, although each of the terms have their flaws and slightly divergent connotations, this textbook uses “less developed countries,” “LDCs,” “developing countries,” “underdeveloped countries,” “global South,” and “South” interchangeably.

Delineating the Developing World

The map inside this book’s front cover identifies the world’s developing countries. Those classified as something other than less developed are shaded in gray. LDCs are colored by the five geographical regions that comprise the developing world: East Asia and the Pacific, Latin America and the Caribbean, the Middle East and North Africa, South Asia, and sub-Saharan Africa. To provide a point of contrast, information for the traditionally defined developed countries will often be described and summarized as the “High-income OECD” category. (The Organisation for Economic Co-operation and Development, or OECD, is an international organization that has included only rich countries since its inception in 1961.) As is clear from the map, the vast majority of countries are less developed, and in fact about 80 percent of humanity resides in an LDC. Underdevelopment
is thus much more prevalent than prosperity as a context of the human experience. Furthermore, a large minority of humans are themselves impoverished. Many experts treat US$2 per day as the global poverty line, and anyone below US$1.25 per day is classified as extremely poor. In 2008, about 2.5 billion people, or 35 percent of the world’s population, were below the poverty line, and 18 percent of humanity, or about 1.2 billion people, were below the extreme poverty line. As a region, South Asia has the largest number of these global poor, although sub-Saharan Africa stands as the world region with the highest share of its population below the extreme poverty line. Table 1.1 summarizes some of these economic and poverty statistics for each of the six world regions.3

The simple label “less developed” disguises a vast array of prosperity levels throughout the developing world. To better illustrate this diversity, Map 1.1 places LDCs into one of three categories based on the average economic living standards of their populations. The four categories are delineated by levels of gross national income (GNI) per capita. GNI per capita, along with the closely related gross domestic product (GDP) per-capita statistic, is the most commonly used measure of a country’s overall economic prosperity. (See Understanding Indicators: Measuring Prosperity with Gross Domestic Product.) For a given country, it can be thought of as the average citizen’s income. According to the World Bank, low-income countries have an annual GNI per capita of US$995 or less. At this cutoff, the average citizen has an income of about US$3 per day. Lower-middle-income countries have average incomes between US$996 and US$3,945, or about US$3 and US$10 per day, respectively. Upper-middle-income countries are between US$3,946 and US$12,195. In contrast, high-income or developed countries are those with an average annual income greater than US$12,196. 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.

As indicated by these maps, this textbook does not include the countries of the former Soviet Union among its contents. These former members of the Second World have economic and social

### Table 1.1: Poverty and Income Statistics in Six World Regions

<table>
<thead>
<tr>
<th>Region</th>
<th>Average Income</th>
<th>Percentage and Number Living in Poverty</th>
<th>Percentage and Number Living in Extreme Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Asia and the Pacific</td>
<td>US$2,720</td>
<td>33 percent (640 million)</td>
<td>14 percent (270 million)</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>US$6,860</td>
<td>12 percent (68 million)</td>
<td>6 percent (34 million)</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>US$3,380</td>
<td>14 percent (45 million)</td>
<td>3 percent (10 million)</td>
</tr>
<tr>
<td>South Asia</td>
<td>US$964</td>
<td>71 percent (1.1 billion)</td>
<td>36 percent (575 million)</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>US$1,100</td>
<td>69 percent (560 million)</td>
<td>48 percent (390 million)</td>
</tr>
<tr>
<td>High-Income OECD</td>
<td>US$40,000</td>
<td>&lt;1 percent</td>
<td>&lt;1 percent</td>
</tr>
</tbody>
</table>


Notes: Average income is GNI per capita, Atlas method. Percentage and number living in poverty are those < US$2 per day. Percentage and number living in extreme poverty reflects those < US$1.25 per day.
Chapter 1

Economic, Social, and Political Characteristics

Given its diversity, the developing world defies simple summary. Few individuals in the developing world actually match the horrific images—such as the naked, starving child with the bloated belly or the illiterate child soldier—that are often seen in Western media and characterize many Westerners’ notions of life in the developing world. Still, there are certain economic, social, and political commonalities that characterize most developing countries and that distinguish them from developed ones. All of these characteristics mentioned in this section are described in greater detail in subsequent chapters of this book.

Economic Characteristics

To say that LDCs tend to have relatively high rates of poverty or low per-capita GDPs is merely a starting point in describing their economies and economic characteristics. Another defining economic feature of the developing world is low productivity. In any given day, a typical person in the developing world produces characteristics that are distinct from the traditionally defined less developed countries. In particular, they became independent countries in 1991 (much more recently than virtually all LDCs), with higher levels of industrialization, equality, educational attainment, and life expectancy than standard LDCs. To be sure, many still have major pockets of poverty and social underdevelopment, giving them some shared characteristics with less developed countries. On most grounds, however, they are treated as a case apart.

Map 1.1 Developing Countries by Average Economic Living Standards

fewer goods and services of value than does an average person in the developed world. Indeed, asking why a country is poor is nearly equivalent to asking why it is not productive: “Prosperity is the increase in the amount of goods and services you can earn with the same amount of work.” This is why gross domestic product is such a popular proxy for prosperity.

It is important to point out that, in describing people in the developing world as less productive, they are not being characterized as inherently lazy or deficient. It is not personal ability or effort but people's surroundings—the general characteristics of the economies in which they live—that largely determine how productive and thus how wealthy they are. The importance of economic context is most evident in the fact that, worldwide, a person's country of residence is more than three times as important for determining their income than are all of their individual characteristics, including innate ability and effort. Rich countries have the technologies and institutions in place that make their citizens' efforts highly productive. For example, most of the things that make successful U.S. engineers rich are well beyond their making: the schools they attended, the banks that gave them loans for their education, 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 use at their work, the police force and legal system that protect their ownership of their earnings and home, and so on. In contrast, Nathalie and her family from this chapter's opening stories remain poor because, despite working hard to grow food and collect water, they toil in a context that does not provide them with these things. 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 import to Nathalie's 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. Infrastructure is generally divided into four sectors: transport, communications, energy, and water. Roads, telephones, electricity, and indoor plumbing are all examples of infrastructure. The opening vignettes to this chapter provide numerous examples of poor infrastructure in the developing world. Priya's husband wriggles onto a crowded train every morning and often cannot hail a rickshaw to complete his journey. Priya lives on muddy streets, has no toilet, and must use an illegal electricity hookup. Throughout India, only two-thirds of the population even has access to electricity. Nathalie lives far from any paved roads and has never seen a telephone. In her country, there are less than 2,000 miles of paved roads, and less than 20 percent of the population has a telephone. Cheng is deeply affected by the polluted drinking water in his city, and China has some of world's most polluted freshwater sources.

As another economic characteristic, a large portion of economic activity in LDCs is concentrated in the primary sector, which is largely comprised of farming activities, and in unskilled labor. Less than 5 percent of the workforce in developed countries is in agriculture, yet in LDCs the amount is typically far greater than this. The vast majority of Nathalie's compatriots reside, like her, in rural areas and farm small plots of land for survival. The same applies to more than 40 percent of the Chinese and Indian populations. For those 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 jobs and economic activities 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 comprised of economic activity that occurs outside the monitoring and legal purview of the government. Between 30 percent and 60 percent of all economic activity in most LDCs takes place in the informal sector. In developed countries, where this percentage ranges
A set of indicators all closely related to **gross domestic product (GDP)** contains the most widely used and recognized yardsticks of a country’s prosperity. This includes the GNI per-capita figures used by the World Bank 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 added in the production of goods and services by all residents of that country, and the value of a good or service is determined by its price in the local currency. (GNI differs only in that it also includes income earned by citizens from assets or jobs they have abroad.) Dividing the total GDP by population size yields the GDP per-capita measure, which is the total value produced by the average citizen in the relevant year. GDP per capita is the most widely used measure of a country’s average level of material well-being. Scholars convert GDP per-capita figures that are denominated in local currency to U.S. dollars (using the prevailing exchange rate) to make international comparisons of well-being more straightforward. In turn, a final adjustment that facilitates cross-national comparisons of these dollar amounts is the purchasing power parity (PPP) fix. A dollar goes farther in a country with a low cost of living, so, to better measure its average level of material prosperity, its raw GDP per capita figures can be adjusted upward to reflect the greater purchasing power of a dollar in its economy. 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’ well-being and will be frequently used in this book.

All that said, the heavy reliance on GDP-related measures to gauge human well-being has generated a number of criticisms. First, GDP equates the value of an economic activity or product to its price and thus does not accurately gauge its worth to quality of life. GDP excludes the many activities that contribute to a sense of fulfillment and purpose but that have no market price: volunteer activity, time spent with one’s family, leisure activities, physical and mental wellness, intellectual fulfillment, political freedoms, happiness, cultural belonging, social connectedness, natural beauty, clean air, personal efficacy, and so on. Meanwhile, GDP gives value to many things that do not enhance quality of life. For example, traffic jams (which increase the demand for gasoline), rising crime (which raises demand for lawyers and security personnel), threats to national security (military hardware), natural disasters (construction materials and services), unnecessary medical procedures (health equipment and doctors), and environmental catastrophes (cleanup services) all boost GDP.

Second, GDP overlooks the sustainability of production. For instance, politicians incentivized to grow GDP short-term figures have repeatedly created bubble economies driven by unsustainable debt that eventually implode in recession or depression. Similarly, it ignores what is destroyed in the production process. GDP makes no accounting for the depletion of natural resources used in production or for their availability to future generations. Environmental damage, greenhouse gas emissions (unless they are priced), and deaths caused by modern technologies are unaccounted for. As one example, the conversion of tropical rain forest to agricultural land by felling trees boosts a country’s GDP since it makes...
the land more economically productive, yet this has devastating consequences for the local and global environment.

Finally, GDP per capita is indifferent to equality—that is, how dispersed the gains from production are around the average income. Decreases in inequality do not register as higher GDP, and GDP figures grow even when much of the newfound wealth accrues to the 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 to measure human well-being than GDP?

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 at her maid job in cash, or under the table. This means that she receives none of the side benefits such as an eventual retirement pension or unemployment insurance that are typically offered workers in developed countries. Also, since her workplace is unregulated, there are no safety standards or rules against her dismissal in the event of illness or pregnancy. In India, an estimated 80 percent of nonagricultural jobs are informal. Second, Priya’s ownership of her home is neither recognized nor protected by the government. She thus has no means to protect this asset from theft, damage, or expropriation by other citizens or by the government itself. Third, Priya relies on informal channels to manage her cash flow. Priya stashes money in her house, making it susceptible to loss, theft, and depreciation through inflation. She also borrows from a nearby storekeeper at a very high interest rate. In India, less than 10 percent of the poor have formal bank accounts, and the average annual interest rates they pay on loans are more than five times the rates on offer in the developed world.

Table 1.2 illustrates some of these features of less developed economies by summarizing information by world region about infrastructure (paved roads as a percentage of all roads), the primary sector (share of labor force working in agriculture), and informality (share of economic activity that is informal).

Social Characteristics

Underdevelopment is more than just an economic characteristic. Social underdevelopment is also a common feature in the global South. A society with poor social development fails to deliver educational and health amenities to large shares of its population. The systematic exclusion and disempowerment of major groups is also an aspect of social underdevelopment.

In the area of health, LDCs fall short of developed countries on a long list of indicators. Life expectancies are shorter, as deaths from diseases that are easily curable or preventable in the West are more common. Recall that both Nathalie and Priya had parents who died at a relatively young age. Moreover, Nathalie herself contracts malaria a few times year, a disease that children in the West almost never get. All told, average life expectancy is only in the high forties in DR Congo and the mid-sixties in India. Infant mortality rates are also higher. Again, the tragedy of Nathalie’s sibling, who died in childbirth, attests to this. Nearly one in six children die before their fifth birthday in the DR Congo, and in India the figure is one in seventeen. Furthermore, nearly one woman in twenty dies in childbirth in the DR Congo. Even in China, where average life expectancies and infant mortality rates are closer to...
in LDCs. Worldwide, about 75 percent of those living in extreme poverty are residents of rural areas, even though less than 60 percent of LDC residents are rural. Health and educational services, as well as infrastructure, are much less likely to reach rural areas than urban ones. Although urban slums such as 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.

Table 1.3 illustrates some of the social deficits that exist between rich and less developed countries. It reports regional averages for indicators of health (infant mortality), the social exclusion of rural populations (rural/urban gap in access to sanitation facilities), and gender discrimination (female/male gap in literacy).

Political Characteristics

Providing broad characterizations of the political systems of 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, there are some tendencies that make political systems in LDCs different on average from Western standards, the poor quality of the environment poses an ongoing health threat.

Moreover, in LDCs, levels of educational attainment and the quality of schooling tend to be lower, while literacy rates are often higher. Nathalie has little hope of being educated past primary school. What 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, only about one half of children complete primary education, and a third of adults are illiterate. Similarly, Priya did not complete secondary school in India, where only a minority of people do so. The same is true in China, Cheng’s advanced degree notwithstanding.

Social exclusion based on group status is also a common characteristic of underdevelopment in LDCs. Various forms of gender discrimination are particularly pernicious in many parts of the global South. Nathalie, not her brothers, is expected to fetch water and miss school because of it. She will also have a limited say over who her eventual marriage partner is. Cheng’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. Moreover, rural dwellers also tend to suffer higher degrees of exclusion than city dwellers in LDCs. Worldwide, about 75 percent of those living in extreme poverty are residents of rural areas, even though less than 60 percent of LDC residents are rural. Health and educational services, as well as infrastructure, are much less likely to reach rural areas than urban ones. Although urban slums such as 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.

Table 1.3 illustrates some of the social deficits that exist between rich and less developed countries. It reports regional averages for indicators of health (infant mortality), the social exclusion of rural populations (rural/urban gap in access to sanitation facilities), and gender discrimination (female/male gap in literacy).
LDCs also experience more political instability than developed countries. Political instability exists when there is high uncertainty about the future existence of the current political regime. Wholesale changes in the political regime happen with some frequency in the developing world. Events that fall slightly short of this—widespread protest, political assassinations, terrorism, armed insurgencies, frequent turnover of the chief executive, failed efforts to change the government through illegal means (coup d'état attempts)—but that nonetheless indicate that the existing regime is under threat are also more prevalent in the developing world. 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 rare.

Another feature of LDC political systems is that they tend to have lower state capacity. 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. For example, many governments in LDCs 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-torn province. Priya worries about safety because her city is deficient in preventing crime and lacks a legal system that can prosecute criminals. At the extreme, low state capacity can manifest as complete state failure, in which a state has no presence or ability to govern at all in most of its territory.

Finally, the vast majority of today’s LDCs are former colonies. Colonialism is the governing of a territory by individuals and institutions from outside the territory, with the colony being the territory that is governed by foreigners. In the early 1500s, Spain and Portugal colonized much of Central and South America, commencing a five-hundred-year era of Western imperialism during which European powers took and held much of the non-Western world as their colonial possessions. Great Britain, France and the Netherlands were the other major Western colonizers during this era. Most of Africa, Asia, and the Western Hemisphere fell under Western colonial rule at various points during the era, which did not completely end until the decolonization of Africa in the 1960s and 1970s. For example, parts of Priya’s India were colonized by various European powers—Netherlands, Denmark, France, Portugal, Great Britain—in the sixteenth and seventeenth centuries, and colonial rule of the entire Indian subcontinent was centralized under the British in the eighteenth century until Indian independence in 1947. Nathalie’s DR Congo was colonized by King Leopold II of Belgium and then Belgium itself starting in the late 1800s, and European powers occupied many of the cities in Cheng’s China during the nineteenth century.

Table 1.4 illustrates a number of these political features by contrasting regional averages on three political indicators: regime type (percentage of

<table>
<thead>
<tr>
<th>Region</th>
<th>Democratic Countries</th>
<th>Failed and Successful Coups since 1946</th>
<th>Average Government Effectiveness Score*</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Asia and the Pacific</td>
<td>8 (of 16)</td>
<td>57</td>
<td>−.02</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>19 (of 24)</td>
<td>130</td>
<td>−.06</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>2 (of 18)</td>
<td>68</td>
<td>−.42</td>
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<tr>
<td>South Asia</td>
<td>3 (of 7)</td>
<td>29</td>
<td>−.23</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>19 (of 47)</td>
<td>226</td>
<td>−.82</td>
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<tr>
<td>High-Income OECD</td>
<td>30 (of 30)</td>
<td>13</td>
<td>1.33</td>
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</tbody>
</table>


Notes: -2.5 is least effective and +2.5 is most effective.
countries that are democracies), political instability (number of failed and successful coups), and state capacity (government effectiveness score assigned by the World Bank).

A Brief History of Economic Development

When looking at all of human history, the existence of less developed parts of the world is actually a rather recent occurrence, since modern economic growth and a set of more developed countries emerged just 250 years ago. A brief overview of this history helps put modern development and underdevelopment into context.

The Pre-Industrial Eras

Homo sapiens as a species has existed in its modern physiological form for about 200,000 years. For the first 190,000 (or 95 percent) of those years, humans lived as hunter-gatherers in small bands of a dozen to a few dozen people. Hunter-gatherers lived by foraging for edible plants, hunting live animals, and nomadically moving from place to place when food sources in one area became exhausted. The distribution of well-being across the human population was extremely equitable, as most food findings were shared within bands and there were no technologies or assets such as machinery or homes to make some bands wealthier than others.

Around 10,000 years ago, a variety of agricultural revolutions, 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 enabled humans to exert greater control over the production of food. This increased food yields dramatically and freed up a minority of individuals in each society to take up professions—such as priest, merchant, engineer, inventor, soldier, politician, or artist—that did not directly involve food production. Farming also tied people to particular plots of land, removing the need for nomadism and leading to sedentary societies. The first civilizations (Sumerian, Egyptian, Indus Valley) were stable settlements whose emergence was made possible by the agricultural revolution. 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.

After the agricultural revolution spread to most human societies, economic experience remained defined by and fixed to agriculture for millennia. Up until the late 1700s, the vast majority of individuals worldwide were small-time farmers. Many were peasants engaged strictly in subsistence agriculture, growing themselves what they and their families ate and rarely, if ever, having a surplus to sell to others. Even in the most advanced civilizations of the 1700s, such as those of Europe and China, nonfarmers comprised at most 20 percent of the population. Average living standards, especially in comparison to modern ones, were very low. Famine was common, and even in times of plenty most people ate a nutrition-poor and undiversified diet. Most humans died of highly curable (by today's standards) infectious diseases or malnutrition in their thirties. Housing was primitive, with entire families sharing sleeping quarters and often, if fortunate enough to not sleep on a dirt floor, a single bed. Cities did not have underground sewage and indoor plumbing, so human waste ran everywhere in urban centers. Neither people nor information moved faster than horses could carry them, and individuals rarely travelled from their city or town. 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.¹¹ In a sense, everyone yet no one lived in the developing world. In other words, all humans lived in poor societies, yet because there was no developed world to speak of, there was no less developed world to speak of.

The Industrial Revolution

These conditions began to change very gradually in a few societies with the advent of the Industrial
The trend between 1800 and 1950 in GDP per capita of one of these early Western developers: the United States. Its trend is shown in comparison to GDP per-capita trends in the three countries that were the subject of this chapter’s opening vignettes: China, DR Congo, and India. The figure depicts quite clearly the severity of the divergence. The United States did have a tiny head start as of 1800, but by any modern standards it was a poor country, with roughly the GDP per capita that African countries Cameroon or Senegal have today. A US$1,000 gap between the United States and China in 1800 grew into a $6,000 one by 1900, and by 1950 it was a US$15,000 gap. The United States, along with a small number of other Western countries, left the rest of the world behind between 1800 and 1950. In doing so, the West created not just the developed world but a lagging less developed world. During these 150 years, the ratio of incomes in the richest to poorest countries had grown from about three to one to about forty to one. This bifurcation between a wealthy developed world and a set of relatively poor less developed countries and colonies persisted until the 1950s. To be sure, some industrialization and catching up did occur among non-Western nations before then. After 1870, Eastern Europe (including Russia/Soviet Union), parts of Latin America (Argentina, Brazil, and Mexico), parts of the Middle East, and Japan began developing a manufacturing base. Given their late starts, however, they still lagged well behind Western living standards in 1950, with average incomes typically less than US$2,500 per year. Economically speaking, it is only a slight oversimplification to say that the world featured two camps in 1950: a wealthy West comprising just 20 percent of the world’s population, and the very poor rest of the world.

Modern Economic Growth in the Developing World

After 1950, modern economic growth finally occurred in many of the countries that had been left behind by the Industrial Revolution. Many
have grown as fast as or even faster than the West during this era, complicating the simple distinction between developed and developing world. This wave of progress has been much more widespread in its geographical scope than the Industrial Revolution, reaching most of the non-Western 80 percent of humanity that had been left behind. Countries throughout Latin America, the Middle East, Southeast Asia, and East Asia have experienced dramatic increases in GDP per capita and average livelihoods. Most began the 1950s mired in desperate poverty, yet the vast majority of countries in these regions today have developed at least a minimal industrial base, lowered their rates of extreme poverty, and seen average incomes rise well past US$2,500 per person. As one scholar puts it, “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.” The fraction of humanity living in extreme poverty fell from well over 50 percent in the 1950s to around 18 percent by early 2013, and world GDP per capita rose from US$2113 in 1950 to over US$10,000. The size of the middle class, defined as people who have enough income to meet basic needs and afford at least some luxuries, has risen in every world region. By some measures, it has more than tripled in size in Asia and almost doubled in Africa since 1990. Today, according to public health expert Hans Rosling, “There is no such thing as a ‘we’ and a ‘they,’ with a gap in between. The majority of people are living in the middle.”

To be sure, this wave of modern economic growth has been extremely uneven in its timing throughout the developing world. It ranges from the East Asian “Tigers” of Hong Kong, Singapore, South Korea, and Taiwan, which skyrocketed from extreme poverty in 1950 to developed world status by 1980, to much of sub-Saharan Africa, where most economies have shown signs of life only in the last decade. In between these two extremes lies a myriad of patterns. For example, Latin America and
much of the Middle East enjoyed rapid industrial growth in the first three decades following World War II, only to collapse into economic stagnation for two decades before re-emerging in the new millennium. In sharp contrast, giants China and India were late bloomers, beginning their dramatic and ongoing economic expansions in the late 1970s and early 1980s. As a result of this unevenness, the developing world now features a much more diverse array of living standards than it did in the 1950s. Figure 1.2 exemplifies this diversity and some of these regional patterns by showing the post-1950 trends in prosperity levels for the four countries of Figure 1.1 plus two more, Brazil and South Korea.

Figure 1.2 demonstrates that living standards have improved outside the West since 1950, but it also exemplifies the large and ongoing gap between the West and the South. The West itself continued to grow during this time period, and its head start as of 1950 was vast, accrued over nearly two centuries. Figure 1.2 depicts how far China, even after three decades of blazing economic growth, would have to go to ever catch up with the per-person incomes of the United States. Moreover, as exemplified by the DR Congo case, some LDCs have experienced little to no growth since 1950. Extremely poor countries, which economist Paul Collier categorizes as the “bottom billion,” are almost exclusively in Africa, although they also include Afghanistan, Haiti, Myanmar, and North Korea. Because of these laggards, the ratio in incomes of the richest and poorest countries has ballooned to more than one hundred to one.

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 means the narration of a piece...
of reality to create an image and understanding of it in the reader's or listener'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—that is, 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, the book focuses on the following question: Who or what caused less developed countries to be poor? This is thus a 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.

Causes of Underdevelopment: A Framework

Many readers might consider social science theories to be overly complicated and abstract. In fact, however, people engage in theoretical thinking about cause and effect all the time. Consider the following example. In 1948, its year of independence from Japanese occupation, Korea had a GDP per capita of just US$660. In 1960, its year of independence, Nathalie's DR Congo had a higher GDP per capita of US$870. By 2009, however, South Korea had a GDP per capita that was sixty-seven times that of DR Congo’s. 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, leadership, climate, culture, or treatment by foreign powers that caused the difference in average wealth to emerge. The many plausible answers to this question about cause and effect are examples of theory.

The West, the South, or the Natural World?

Decades of scholarship 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—economics, sociology, anthropology, political science, geography, history, genetics, archaeology, physiology—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, this book provides an easy-to-remember, threefold scheme for categorizing and understanding the various theoretical answers to the question “who causes global poverty?: the West, the South, and the natural world. This categorization is evident in the parts of this book and throughout most of the end-of-chapter case studies.

Did the West cause today’s LDCs to be 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 created disadvantageous contexts for development or even directly impoverished other parts of the world. Alternatively, are factors indigenous to the South itself the cause of global wealth disparities? This category attributes underdevelopment to origins that are internal to LDCs. A large body of scholarship indicts the domestic factors that are part of an LDC's own leadership, institutions, or culture, such as economic policy, laws and customs, and degree of internal harmony. Scholarship within this tradition attributes underdevelopment to factors such as undemocratic rule, corruption, weak property rights, a failure to embrace free markets, poor treatment of women and girls, civil conflict and violence, state failure, and rigid identities. Finally, do factors in the natural world that are beyond human design explain global poverty? This third and final category attributes economic underdevelopment to various aspects of geography and the physical environment,
such as climate, topographical terrain, land productivity, and disease burdens.

**Thinking about Theory.** In thinking about theory and the threefold classification scheme, several points are in order. First, readers should reject the temptation to conclude that a single theory could successfully explain why some countries are rich and why some are poor. Reality is far too complex to be monocausal. For example, the brief history of economic development given in the preceding section might indicate that the question of why some countries are poor today may need two answers. A country is an LDC today because (1) it was left behind by the rise of the West during the first Industrial Revolution and (2) it has failed to rise as quickly as South Korea in the post-1950 world. The causes behind the relative distancing in livelihoods between European and non-European countries in the nineteenth century may be different from those behind the failure of so many countries to replicate the South Korean skyrocket since 1950.

Second, readers must understand that no amount of logic, empirical observation, or sophisticated statistical manipulation will ever prove a theory to be accurate or inaccurate. There are always overlooked theories and factors that could be the source of the true impact on development. For example, one could attribute the differences in prosperity levels between DR Congo and Great Britain to the fact that one was colonized and the other 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. Great Britain has a relatively unified national identity while DR Congo does not. In fact, the list of differences between the two is infinite, so isolating the one or ones exerting the causal effect is impossible. For this reason, readers should remember the adage that “correlation does not mean causation.” That said, readers can certainly use their own logical and observational faculties to arrive at conclusions about which theories are more or less useful for understanding the causes of underdevelopment.

Third, as with any categorization, the threefold classification has oversimplifying imperfections. For example, one explanation for Africa's underdevelopment is that many of its countries have numerous ethnic groups that struggle to cooperate and get along. This seemingly attributes the cause of underdevelopment to the South, meaning a domestic factor. However, African countries' high levels of ethnic diversity are partly due to the West, an international factor. European colonizers drew the national borders for much of the continent and, in doing so, grouped together many ethnic groups that 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 as a useful, albeit imperfect, tool that helps them more easily understand and remember the various theories.

Finally, this textbook will avoid the emotion and ideology that often accompanies debates over the causes of underdevelopment. In practice, millions find there to be much at stake in considering what causes global poverty, since the answer allows one to assign blame for impoverishment. For example, Zimbabwe's president Robert Mugabe repeatedly deflects blame for his leadership of a country in economic decline by retorting that the roots of its plight lie in the past sins of Western colonialism and white-minority rule. *Shaping the Developing World* stays away from explicitly making moral judgments or casting blame for global inequality, although readers will surely see the ethical implications of many of the theories discussed within.

**Organization of the Book**

The threefold classification scheme provides the organizing framework for this textbook. This
chapter and the following two comprise Part I, which provides an introduction to human development and 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 LDCs’ plight. Part IV: The Natural World: Physical Geography contains two chapters on nature and the possible geographical and environmental sources of underdevelopment.

Each chapter is organized to first provide readers with important descriptive material about the topic at hand. Subsequently, in sections called “Causes of Underdevelopment,” they convey theoretical arguments about how the just-described factor might have caused underdevelopment. Since every theory has its limitations, each chapter then presents challenges to these theories in sections entitled “Critiques.” A concluding case study presents information on a single developing country to illustrate how the main theoretical arguments presented in the chapter might explain its underdevelopment. The case study introduces alternative theoretical explanations for the country’s less developed status, providing one example each from the South, the West, and the natural world framework. The next section of this chapter illustrates this case study approach, although it is not until Part II of the book that case studies with this approach return. Since Chapters 2 and 3 provide more descriptive, not theoretical, material, their case studies do not present the threefold framework.

In 2009, 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 would have if he or she had one dollar per day to spend. This figure made it the poorest country in the world and one of just a few countries whose living standards were lower in 2009 than they were in 1960. All of this is true despite the fact that DR Congo is huge (it has the largest land area in sub-Saharan Africa), rich in topography (it contains the world’s second-largest rain forest and Africa’s second-largest river), and flush with natural resources (such as diamonds and the coltan found in most cell phones). In contrast, South Korea is tiny and poor in resources, and it was actually poorer than DR Congo as recently as 1950. 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: Kleptocracy and Cultural Fragmentation

One set of possible answers lies in DR Congo’s political leadership and the makeup of its society. Five years after achieving independence from Belgium in 1960, a young army officer named Mobutu Sese Seko staged a successful coup d’état, installed himself as president, and remained in that post for thirty-two authoritarian years. In office, Mobutu established one of history’s most corrupt regimes. Telling his state employees to “go ahead and steal, as long as you don’t take too much,”21 Mobutu himself followed only the first half of this advice. Mobutu treated state funds as his own, amassing numerous palaces and mansions, many of them in Europe and some containing 14,000-bottle wine cellars, discotheques, private zoos, and doors so large they required two men to open.22 Mobutu also allowed his political allies and even opponents to participate in the plundering, keeping them quiescent to his otherwise ineffective rule. The means to wealth were not talent and hard work, but theft of taxpayers. Under Mobutu, DR Congo was considered the paradigmatic kleptocracy: government by those who steal.

In the interest of Zaireanizing (based on his own renaming of the country) the economy and redistributing wealth from rich Europeans to Zairian citizens, Mobutu expropriated most of Zaire’s foreign-owned firms and farms. He kept some of the assets for himself and handed the rest over to Zairian public officials and other elites. In doing so, he gave agricultural land and factories to individuals not because they were good farmers or industrial managers, but because they were his cronies or leaders of important ethnic groups. Economic collapse ensued. Prices rose and store shelves emptied because the new Zairian owners of many businesses were not knowledgeable...
or motivated enough to produce goods and services as productively as the previous owners. The experience of expropriation discouraged future investment by both foreigners and Zairians. Between 1973 and Mobutu’s departure from power in 1997, the average income in Zaire declined by two-thirds.23

Another possible answer resides in the fact that Congolese citizens have little cultural unity. Congolese identify more with their ethnolinguistic group, of which there are more than 200, than they do with the DR Congo as a nation. There is little sense of national identity, with one set of scholars characterizing this reality by saying that “there is no Congo.”24 This lack of national unity has erupted on multiple occasions into violent conflict that has had major economic costs. For example, in its first year of independence in 1960, the Congo nearly disintegrated into four separate countries as three different regions declared their desire to secede based largely around ethnic nationalist claims. 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

The West: Stolen Aid, Colonial Abuse, and Slavery

Yet Mobutu didn’t act alone. The West was complicit in his kleptomania. Soon after independence, Belgian and American intelligence agencies intervened in Congolese politics to place Mobutu in power over other leaders they saw as overly friendly with the Soviet Union. In the interest of keeping him in power, the United States, France, and Belgium granted Mobutu $20 billion in foreign aid over his thirty-two-year reign. Much of the aid ended up in the Swiss bank accounts of Mobutu and his cronies, and little was actually used to build schools, health clinics, or roads. The International Monetary Fund also extended eleven different bailout packages to Mobutu despite knowing that the funds were misused and ineffective in stabilizing the economy. Amidst all of the theft, U.S. president Ronald Reagan still called one of the world’s most prolific thieves a “voice of good sense and goodwill”26 because of his anticommunist credentials.

The West’s complicity in the plundering of the Congo did not begin with the rise of Mobutu.
Nearly a century earlier, King Leopold II of Belgium initiated his own reign of terror in pursuit of what he called “a slice of this magnificent African cake,” a reign that stripped the Congo of 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 contemporary Arthur Conan Doyle called “the greatest crime which has ever been committed in the history of the world.” Leopold’s armed security apparatus, the Force Publique, required native villagers to periodically collect quotas of ivory or rubber that were to be exported to Europe. These quotas grew increasingly difficult to fill as nearby reserves became exhausted, and 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 taken with no compensation in return. Leopold and other Western powers even bear some responsibility for DR Congo’s deep cultural divisions, since it was they who arbitrarily drew the colony’s and eventual country’s borders. In drawing the borders at a conference in Berlin in 1884 and 1885, they consulted no Congolese citizens and paid no heed to the fact they were uniting more than 200 different ethnic groups into a single political territory.

Leopold’s colonization of the Congo actually occurred relatively recently in the history of Western contact with Africa. As early as the sixteenth century, men and women residing in the territory that is today the DR Congo were being captured and shipped across the Atlantic Ocean to become slaves in the New World. 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 DR Congo territory. This dramatic loss of human capital, often in exchange for destructive or unproductive imports such as guns, clothing, and seashells, kept the Congo’s population growth and density low in a time when other continents were developing urban centers that were 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 Congo for centuries. Is it possible, however, that all of this exploitation has been just a sideshow to the ultimate cause of DR Congo’s poverty: geography? Beneath its flashy mineral wealth and its superlative river and rain forest lies a natural context that is quite detrimental to economic growth. First, DR Congo is wet—too wet. The country has more thunderstorms than any other in the world. This leeches its soils of their minerals and makes it impossible to grow all but a few crops. Second, DR Congo has the largest number of malaria cases in the world, and the disease is the country’s top killer. Like Nathalie, the average Congolese child suffers six to ten bouts every year, and 200,000 Congolese children die from malaria annually. At best, children heal in a few days, yet during that time they have missed out on some schooling, may have drawn an adult caregiver away from work, and have probably experienced stunted brain development.

Nature also may have cursed the DR Congo in a more paradoxical way: by endowing it with a vast quantity of valuable natural resources. Although perhaps done with some hyperbole, one source estimated DR Congo’s underground mineral wealth...
to be worth $24 trillion, more than the GDP of the United States or Europe. DR Congo has the world’s largest deposits of cobalt and coltan, and it also contains rich underground stores of copper, diamonds, and gold. Yet instead of making it rich, this mineral wealth 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 their booty to finance themselves. Moreover, few investors care to build up DR Congo’s industrial base since its minerals sector remains so attractive.

All told, this long list of explanations for DR Congo’s underdevelopment would seem to suggest that the odds are stacked heavily against the world’s poorest country. But are all of these explanations equally plausible, and is the picture this one-sided? This textbook will give readers the tools to answer these questions in an informed way.

Thinking Critically about Development

• Some of these explanations for the Congo’s poverty focus on individual people, such as Mobutu and Leopold, while others stress broader and less ephemeral factors, such as culture and climate. Generally speaking, which approach is more convincing? In other words, if the Congo had had better-intentioned colonial and post-colonial 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, p. 15
- description, p. 18
- explanation, p. 19
- gross domestic product, p. 8
- human capital, p. 16
- Industrial Revolution, p. 17
- infrastructure, p. 10
- less developed country (LDC), p. 5
- physical capital, p. 16
- political regime, p. 13
- theory, p. 19
- underdevelopment, p. 6

Suggested Readings


**Web Resources**

- Gapminder, www.gapminder.org