

Preface xi

Introduction 3

## **PART ONE: THE GLOBAL ECONOMY AND DEVELOPING COUNTRIES**

1. 1950: The Start of a Remarkable Century 11

2. Static Views of a Changing World 15

3. Postwar Changes in the Global Economy 18

4. The Origins of the Global Economy 26

5. Economic Growth 31

6. Common Questions About the Developing World and the  
Global Economy 42

## **PART TWO: SUSTAINED HIGH GROWTH IN THE DEVELOPING WORLD**

7. The High-Growth Developing Countries in the Postwar Period 53

8. The Opening of the Global Economy 56

9. Knowledge Transfer and Catch-up Growth in Developing Countries 58

10. Global Demand and Catch-up Growth 64

11. The Internal Dynamics of Sustained High Growth 69

12. Key Internal Ingredients of Sustained High-Growth Recipes 71

13. Opening Up: An Issue of Speed and Sequencing 89

14. The Washington Consensus and the Role of Government 92

15. Managing One's Currency in the Course of Growth 97

16. The Middle-Income Transition 100



17. The Political, Leadership, and Governance Underpinnings of Growth	104
18. Low-Growth Economies in the Developing World	112
19. Natural Resource Wealth and Growth	116
20. The Challenge for Small States	120
21. The Adding-Up Problem	122

### **PART THREE: THE CRISIS AND ITS AFTERMATH**

22. Emerging Markets During and After the Global Crisis	131
23. Instability in the Global Economy and Lessons from the Crisis	140
24. Stimulus in the Crisis and the Need for Cooperative Behavior	148
25. Rebalancing the Global Economy and Its Consequences for Growth	150
26. The Excess-Savings Challenge in China	161
27. The Openness of the Global System and the WTO	166
28. Legacies of the Crisis: Slow Growth and Sovereign-Debt Issues in Advanced Countries	169
29. Periodic Systemic Risk and Investment Behavior	174

### **PART FOUR: THE FUTURE OF GROWTH**

30. Can the Emerging Economies Sustain High Growth?	187
31. China and India	191
32. China's Structural Challenges	194
33. India's Growth, Diversification, and Urbanization	199
34. Brazil's Growth Reset	203
35. Energy and Growth	206
36. The Challenge of Climate Change and Developing-Country Growth	209
37. Information Technology and the Integration of the Global Economy	222
38. European Integration and Transnational Governance	244
39. Global Governance in a Multispeed World	247
40. The G20, the Advanced Countries, and Global Growth	260
41. Sustaining Growth: The Second Half Century of Convergence	270

Notes	275
Index	283