



IASIA

**IASIA Annual Conference
Rio de Janeiro, Brazil
3-8 August 2009**



EBAPE/FGV

Working Group VII

Leadership, Governance and Public Policy

The Growth Report Findings: Implications for Public Policy Development and Implementation

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Annual Conference of the International Association of Schools and Institutes of Administration
(IASIA)

RIO DE JANEIRO (BRAZIL) 3-8 AUGUST 2009

**“Governance for Sustainable Development: Implications for public administration
education and practice”**

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Abstract

After two years of in-depth study and extensive consultations by specialists and eminent persons representing different parts of the world, the Commission on Growth and Development of the World Bank published in 2008 the Growth Report on strategies for sustained and inclusive development. Drawing on the experiences of 13 sustained high growth countries (growing continuously at least 7 percent per year for over 25 years), the report identified key factors, which differentiate these economies from others in terms of: 1. The art of policy making, 2. the dynamic role of the government (and other sectors of the economy), and 3. policy ingredients of growth strategies (e.g. investment, competitiveness, inclusiveness). The report also discusses growth challenges for specific country contexts (e.g. by region, small states, resource-rich, and middle-income countries), and new global trends such as climate change, demographics, global imbalances and global governance, and the changing global economic situation. The purpose of this paper is to first of all draw attention to this important but as of yet less publicized report and its significance and implications for high growth seeking developing and emerging economies, and summarize key findings, especially those relevant for public policy making and effective implementation, discuss critical competencies public servants and officers need for the effective governance, leadership and management for sustaining high growth economies. The paper concludes with a preliminary comparative empirical analysis of the recent experiences of Brazil (one of the 13 countries) with South Africa, Turkey and Viet Nam, three prospective high growth seeking economies in different regions of the world, with different histories, prospects and challenges for gainful participation in the global economy and global society.

Introduction

The question of why some countries achieve and sustain relatively high rates of economic growth while others fare poorly or at best remain stagnant with low growth rates has concerned many great economists, social scientists and policy makers from Adam Smith in the eighteenth century to Karl Marx in the nineteenth century to John Maynard Keynes and Joseph Schumpeter, in the twentieth century. Contemporaneously, several thinkers and activists have revisited this in their own unique ways (e.g. Chambers, 1997; Collier, 2007; De Soto, 2000; DFID, 2006; Hamalainen, 2003; Landes, 1999; Lodge and Vogel, 1987; Olson, 1982; Porter, 1990; Reich, 1991; Yunus, 2007). While social activists have tended to focus on eliminating poverty and hunger, most economists have put more emphasis on wealth and value creation as well as the preservation of productive assets.

It is with this background that the World Bank has, over the years, made its contributions to the complex relationships between economic growth, poverty alleviation and inclusive development. For example, in 1993, the “East Asian Miracle” provided an explanation of the success of East Asian countries through rapid economic growth with equity. In 2001, the Bank’s World Development Report focused on attacking poverty and inequality by focusing on antecedents for economic growth, and removing obstacles to state and non-state performance. In 2002, the focus was on building institutions for markets and emphasizing the complementarities of the roles of the state, firms and society. Questions about the relationships between globalization, growth, poverty, and the need to build an inclusive world were also raised (World Bank, 2002). In 2004, the Bank focused on the need for a better investment climate for everyone (see the World Bank, 1993; 2001; 2002; 2004). Therefore in commissioning the Growth and Development Report (2008), the Bank is continuing its decades old tradition of contributing to better understanding of the complexity of all the basic ingredients of growth strategies and why some countries do better than others both in terms of achieving high levels of economic growth, and being able or unable to sustain such growth over a long period of time. The World Bank set up the Commission partly because of the conviction that poverty cannot be reduced in isolation from economic growth, and because of the growing awareness that knowledge about economic growth is much less definitive than is commonly thought. Accordingly, the Commission’s mandate was to take stock of the state of theoretical and empirical knowledge on economic growth with a view to drawing out implications for policy for the current and future generations of policy makers.

The purpose of this paper is first to draw attention to the existence and highlight the significance of this report, especially for emerging economies and developing countries, which need to achieve and sustain high economic growth. After summarizing the report’s key findings and pointing out areas where the report appear to be weak or silent for policy making and implementation, the paper discusses the report’s implications for building state capacity, governance, leadership and public administration and management. The paper also develops links between growth, policy ingredients, global competitiveness, governance, equity and equality of opportunities and emphasizes their interrelations for creating sustaining conditions

for high economic growth. The paper concludes by comparing Brazil (one of the high growth countries) with South Africa, Turkey, and Viet Nam, three of the countries considered good candidates to achieve sustained high economic growth, providing they can create the necessary governance, institutional and competitiveness conditions for growth.

The Growth Report:

The Commission

The Report is the product of two years of intensive study and extensive consultations lead by a 21 person Commission made up of leading world academic and policy leaders and assisted by scores of researchers, workshop organizers and participants, critics and the World Bank Secretariat. Appendix 1 lists the names of the Commissioners, their positions and home countries. The Commission includes two Nobel Laureates in Economics one of whom also served as the chair of the Commission (Robert Solow), former Presidents (Mexico) and Prime Ministers (, Peru, Singapore), Finance Ministers (South Africa, USA, Turkey), ministers for international development, cooperation and foreign affairs (Poland, Sweden), senior United Nations executives (Poland, Turkey) governors of central banks (China; Eastern Caribbean, Indonesia), and private sector executives (Citigroup). Most of the Commissions seem to have had most of their senior career experiences in the public, rather than private or social sectors. They represented both developed and emerging/developing countries. Emerging economies include all the BRIC (except Russia), Eastern Europe, South America (Brazil, Chile, and Peru), Africa and the Middle East (Egypt, Nigeria, and South Africa...the three biggest economies in Africa). The Moslem world was represented by Indonesia, Turkey, India, and Nigeria. However, a close examination of Appendix 1 shows that countries characterized by long periods of low or negative growth and those experiencing serious development challenges were not represented on the Commission. Conflict, post-conflict and low income countries under stress (LICUS) in Sub-Saharan Africa, South and Central Asia and the Americas (e.g. Sudan, Bolivia, DRC, Syria, Pakistan), and fragile states were not represented on the Commission. Yet, these countries have as much to teach us about growth and development, or lack therefore, as those countries with more success stories to tell. This leaves the World Bank open to the criticism and suggestion that there is need for another commission focused on *non-growth* and *non-development*.

Process

The commission started work in April 2006 and lasted for two years. It focused on understanding *sustained growth* because of the belief that sustained growth is essential for the things people care about like poverty reduction, productive employment, social services such as education and health, enhanced productivity, and overall improvements in people's welfare and living standards. The Commissioners' work was to be informed by leading edge knowledge relating to sustained growth and development. More than 300 distinguished academics wrote research and empirical papers and participated in 12 workshops, discussing various aspects of sustained

growth and development. Commission members met 6 times in New York, Singapore, Suzhou, London, and Washington, DC to make sense of the results and conclusions of the workshops, to draw out general observations and make practical policy recommendations. Although there was no consensus either among the academic researchers or the Commissioners, the Commission was able to make general observations and recommendations cognizant of the inherent risks arising from incomplete understanding of the complex nature of sustained growth and development. It is therefore important to note that even with this world class academic and policy group, our understanding of sustained growth and development remains incomplete in part because of the complex nature and the relationships of economic, political, socio-cultural and geographical challenges that developing countries face. Clearly all policy recommendations arising out of the Growth Report must be read as probabilistic rather than definitive statements.

Sustained High Growth Countries

Focusing on the postwar period (after 1945), the Commission defines Sustained High Growth (SHG) as annual continuous economic growth of at least 7 percent for 25 years. In all only 13 countries were found to qualify. Table 1 provides the list of these 13 countries, and the periods when they achieved SHG. These 13 countries are proof that SHG is achievable, but the fact that only thirteen countries have ever been able to achieve it attests to the fact that it is extremely difficult for countries to achieve sustained high growth as defined by the Commission, putting these countries in a class of their own. It is in recognition of this rare occasion that some of these countries' achievements have been called "miracles" (see the East Asian Miracle, 1993) They are not miracles in the sense of "divine intervention", but in the sense of hard to achieve, low probability, and requiring exceptional strategy, effort, talent, execution, and perhaps some good fortune or luck. These 13 economies are in contrast with the 58 countries Collier (2007) identified which are home to the bottom billion, which are trapped in poverty due to lack of economic growth.

Table 1

The 13 Countries of Successful Sustained High Growth

Country/Economy	Period of Sustained High Growth	Per capita income at beginning of period (Constant US\$ of 2000)	Per capita income in 2005 (Constant US\$ of 2000)
Botswana	1960-2005	210	3,800
Brazil	1950-1980	960	4,000
China	1961-2005	105	1,400
Hong Kong, China	1960-1997	3,100	29,900
Indonesia	1966-1997	200	900
Japan	1950-1983	3,500	39,600
Korea, Rep of	1960-2001	1,100	13,200
Malaysia	1967-1997	790	4,400
Malta	1963-1994	1,100	9,600
Oman	1960-1999	950	9,000
Singapore	1967-2002	2,200	25,400
Taiwan, china	1965-2002	1,500	16,400
Thailand	1960-1997	330	2,400

Source: The Growth Report (2008: Table 1:20)

Table 1 shows that 9 out of 13 SHG countries are from Asia...mostly Eastern Asia..., and one each from South America (Brazil), the Middle East (Oman), southern Europe (Malta), and Africa (Botswana). This makes Asia the undisputed home and champion for SHG. However, the fact that other regions, including Sub-Sahara Africa are included suggests that SHG can be achieved in any region of the world. The 13 SHG countries include big and diverse (China, Brazil, Indonesia), small island states (Singapore, Malta, Taiwan), landlocked (Botswana), and cover all major religions of the world. Looking at the period of sustained high growth, we note that the 1960s, 1970s and the 1980s were a period of exceptionally high economic growth for these countries. All of the 13 countries include the 1970s (1970-1979); eleven countries include all the 1980s (1980-1989); seven countries include the 1960s. As expected, for most of these countries, 1997 was the year when SHG stopped because of the East Asian economic crisis. One interesting question, which the Commission does not address, is the role Japan may have played as a role model and “growth pole” for the other SHG Asian countries. Japan’s SHG started in 1950, and by the 1960s, all the other Asian countries were following suite. Equally interesting is the unattended question as to why Brazil...the largest economy in the region... was not followed by other countries in South America. Can big regional economies serve as growth poles for their respective regions? (see Kasekende, Oshikoya and Dasah, 2007).

It is interesting to note that while all the countries listed in Table 1 achieved SHG, they had different experiences with regards to growth in terms of incomes per capita. For some countries such as Singapore, Botswana, China, Japan, Korea, Taiwan, incomes per capita improved by a factor of ten or more. For example, for Korea, income per capita grew from \$1,100 to \$13,200; for China, it grew from \$105 to \$1,400; and for Singapore it grew from \$2,200 to \$25,400. On the other hand, income per capita growth rates for other SHG countries were much lower. For example, Thailand grew from \$330 to \$2,400; Indonesia from \$200 only to \$900; and Brazil from \$960 to \$4,000. The Commission does not give detailed explanations for these differences.

What do they have in common?

The Commission found that SHG countries share five common attributes as summarized in Table 2. First and foremost, the Commission found that the *quality and integrity of government* matters. As Collier (2007:66) puts it, “governance and policies matter, conditional upon opportunities”. Governments for all SHG countries were committed to sustained economic growth, credible both at home and abroad, capable politically, technically and managerially, and sagacious and deliberate in their policy formulation and implementation. In short, building state capacity for national leadership and governance is the *sine qua non* for building the foundation for sustained high economic growth. The second common attribute these countries share is effective policy formulation and implementation for *macroeconomic management and stability*, especially maintaining stable public finances and moderate inflation. The third common attribute is that all these countries kept their countries relatively open, fully exploited comparative and competitive *advantages offered by the global economy*, global markets and global society, imported knowledge and technology to enhance national productivity, and invited and received significant amounts of quality inbound foreign direct investment (FDI), especially private capital inflows. The fourth common attribute is that they allowed *market forces to allocate resources*. The fifth common attribute is that they paid a lot of attention to the development and growth of the micro-business economy by, for example encouraging high levels of savings and investments. They clearly understood and took very seriously the fact that while governments provide the environment for growth, it is the private sector that invests and creates wealth for the citizens. At the same time, they also understood the dynamic and complex nature by which governments and markets work together under different circumstances. Commissioner and Governor of the People’s Bank of China, Zhou Xiaochuan expressed the common sentiment when he said “Markets and governments work differently at different stages of development--- their structure, their functions, their goals all change. There are phases in which governments substitute for markets and phases in which market institutions develop”. (The Growth Report, 2008:29). The real challenge for these and any other SHG seeking economy is providing the necessary leadership and governance for managing different government-market institutional arrangements at different stages of development, or facing different national or global crises. Clearly, it is not only a question of one-size does not fit all; more importantly, it is a case of one-size not fitting under different circumstances.

Table 2

Common Policy Attributes of Sustained High Growth Economies

Public Policy Initiative	Policy Elaborations
1. Government: Committed, Credible, Capable, Sagacious	National Leadership and Governance: <ul style="list-style-type: none"> • Credible, Committed to SHG • Credible Commitment to Inclusion • Building State Capacity: Capable Public Administration
2. Economy: Maintain Macroeconomic Stability	Stable Macroeconomic Management: <ul style="list-style-type: none"> • Maintain Sustainable Public Finances • Modest Inflation
3. Global Economy: Full Exploitation of the Global Economy	Globalization: <ul style="list-style-type: none"> • Openness • Import Knowledge & Technology • Exploit Changing Global Demand
4. Resources: Allow Markets to Allocate Resources	Market-Based Economy: <ul style="list-style-type: none"> • Allow Markets to allocate Resources • Price Mechanisms to Guide Resource Allocation • Allow Resources to Follow Prices
5. Micro-economy: Maintain High Rates of Saving and Investment	Future Orientation: <ul style="list-style-type: none"> • Maintain High Investment & high Savings • Enterprise Sector Development

Source: The Growth Report (2008: 21-22).

The role of government and the governments-markets relationships under conditions of sustained high economic growth need to be much more closely examined than the Growth Report was able to provide. Clearly, all the 13 SHG economies did not have similar government-market relationships. For Example, while Japan, Singapore and Hong-Kong opted for more liberal political and economic systems with a vibrant domestic private sector, China, and to a certain extent Malaysia and Indonesia had more politically closed systems with policy biases in favour of the state and state-owned enterprises against the development and growth of the domestic private sector. Brazil was governed by a series of military dictatorships for the twenty year period 1964 to 1984. The economies of Japan and Korea were dominated by large monopolistic enterprises (e.g. Korea's global conglomerates called *Chaebol*) with very close ties to political powers, banks and other sources of capital. Under these conditions, it would appear that sustained high economic growth can *coexist* with different conditions of *imperfections: government and markets*. As well, the Growth Report is silent on matters of *sequencing and relative importance* of any of these public policy initiatives at different stages of development.

Collier found evidence relating different forms of government to rates of economic growth. For example, he found that “globally, autocracy in ethnically diverse societies reduces growth” (2007:49). Yet, the Growth Report does not distinguish between resource-rich ethnically diverse economies (e.g. Indonesia) from resource-poor ethnically homogeneous ones (e.g. Japan); emerging democracies (e.g. Japan), from dictatorships (e.g. Brazil from the 1069s to the 1980s); quality of investments with high rates of return (e.g. Taiwan) from public white elephant investments (e.g. Malaysia, Indonesia). Nor does the Report provide information on the differences in the *quality of institutional constraints* on governments among SHG economies. A key question that needs to be addressed is what SHG-seeking countries need to do to achieve SHG under conditions of poor governance and poor policy? How do they sequence the reforms?

Sustained High Growth Policy Ingredients

The Commissioners identified almost twenty key policy ingredients, which characterized and served as the driving force for the 13 sustained high growth economies. These policy ingredients are summarized in Table 3. In general these policy drivers include effective management of globalization (e.g. capital flows and financial market openness, technology transfer, export promotion, regional development), macroeconomic management and stabilization (e.g. investments, savings, exchange rates), microeconomic enterprise development (e.g. competition and structural change, labour markets, industrial policy, infrastructure development), inclusive leadership and governance with equity (e.g. urban and rural development, equity and equality of opportunity, effective government, anti-corruption measures), and maintaining an open national dialogue and deliberations (e.g. quality of debate, dealing with bad ideas). The effective and sustaining implementation of these key policy ingredients appear to have distinguished the sustained high growth economies from the rest of the world.

These economies excelled in understanding the macro-micro economic dynamics of governance and growth. On the one hand, sustained high growth strategies were pursued by the political leadership with a long term commitment pursued with patience, perseverance and pragmatism. On the other hand, to quote from the report, “The growth of GDP may be measured up in the macroeconomic treetops, but all the action is in the microeconomic undergrowth, where new limbs sprout, and dead wood is cleared away” (The Growth Report. 2008:2-3). It is also worth noting that these countries deliberately pursued a policy of inclusive growth and development with equity and equality of opportunity. Commissioner Robert Solow, Nobel Laureate in economics aptly explained the rationale for this approach to growth when he said, “ In many ways, the more equitable the growth, the more sustainable it’s likely to be, because there will be less controversy , less disagreement, less resistance, and also there’s an enormous amount of talent in populations that needs to be tapped. Excluding some parts of the population, whether by gender, age, or ethnicity, from the benefits of growth loses the talents that they have. So in my view, it is not only desirable that they go together, it’s useful that they go together” (The Growth Report, 2008; 62). This is a critically important lesson for many emerging economies and developing countries experiencing difficulties managing diversity and inclusive development

The Role of the State and the Market

In explaining the roles of the state and the market as drivers of sustained high growth (SHG), the Growth Commission was careful to avoid falling in the trap of the “tyranny of the or” (state or market), and embraced the “genius of the and” (the state and the market). The report clearly concludes that both the state and the market are important and both play different but complementary roles in driving and sustaining high growth. What still remain unclear are the details of the dynamic and complex interplay between these two sectors at different stages of development. For example, we still do not know what type or quality of public-private interactions, partnerships and other undertakings contribute most effectively to sustained high growth, and which ones detract. This is particularly important because, in the World Bank’s Enterprise Survey, public-private sector interactions are identified as an important variable for enterprise growth and development. Nor did the report spell out detailed policy or strategic ingredients, which characterize key private sector players for sustained high growth economies at different stages of development. While China used foreign invested firms (FIFs) as drivers of economic growth in the early stages of reform, Japan and Korea put more emphasis on the development of national champions. Equally missing is an informed discussion of the role of civil society or the third sector in driving or impeding sustained high growth. Yet, there is evidence to suggest that in countries like India, Brazil, and South Africa, but not so much in China, civil society organizations play an important role in removing impediments against or creating conditions for high economic growth. Khanna (2009) argues that in India and other emerging countries where state capacity is relatively weak or uneven, civil society compensates for state inadequacy.

Implications for Building State Capacity and Public Administration and Management

Since the Growth report was intended for policy makers both current and for future generations, it is important to reflect on its major findings and their implications for building state capacity and public sector administration and management, especially for the increasing number of globalizing and sustaining high growth seeking countries. Exhibit 1 identifies ten areas of interest framed in terms of questions partly because the report does not provide adequate details for the SHG countries and partly because of the realization that specific details and modalities would differ across countries and stages of development. These ten areas of interest were selected because of their relevancy for building state capacity and managing the public sector and include, governance and leadership, the quality of institutions and institutional arrangements (public & private), sequencing of key policy ingredients, managing coordination, alignments and interfaces across sectors, subsectors, institutions and hierarchies (including balancing competing interests and minimizing conflict), identifying and developing the critical state capacities and competencies in the public sector, and developing and sustaining a national culture, capabilities and mindset in support of experimentation, learning, innovation and renewal all in support of sustained high growth.

Exhibit 1

The Growth Report: Implications for Public Policy and Management

1. **Governance & Leadership:** What specific attributes characterize good governance and national leadership for SHG? What is the relative importance of the public, business and civil society sectors in driving SHG?
2. **Institutions & Institutional Arrangements:** What institutions and institutional arrangements (public & private) do countries need for making and effectively implementing policies and programs for SHG? Do they change over time or different stages of development?
3. **Sequencing:** The Report identifying policy ingredients for SHG. Is there a logical sequencing for these ingredients? Are there local contingencies for effective sequencing?
4. **SHG Under High Risk Environments:** Since all the 13 high growth economies did not have perfect alignments (e.g. governance, leadership and institutions), the economies were growing under risky conditions. What country-specific or generalizable strategies do SHG countries use to sustain high growth under conditions of high risk environments (economic, political, security, social, cultural etc)?
5. **Additive or Multiplicative?** How do the various categories of policy ingredients combine to support sustained high growth? Are they behave as additive (compensatory) or multiplicative?
6. **Policy Ingredients for Effective Glocalization:** While all the 13 countries exploited globalization to advantage (economic, social, technological), they did not fully or mindlessly open their economies, but were very strategic and selective; combining the local with the global to achieve SHG-supporting *glocal balance*. What are the policy ingredients for effective glocalization in support of SHG?
7. **Market Economy without an Indigenous Private Sector.** Some of the 13 SHG economies (e.g. China) did not have a critical mass of indigenous private sector, while others (e.g. Hong Kong) used the sector as the key driver for SHG. What policy ingredients and innovative institutional arrangements do countries need to achieve SHG without a viable private sector, and how do these change as the private sector begins to emerge and grow (e.g. China, Brazil)?
8. **Managing Coordination, Alignments and Interfaces:** Sustained high growth demands effective coordination, alignments and interfaces among many key actors across sectors and subsectors. It is like conducting an orchestra for 25 years nonstop. What practical mechanisms do SHG economies need to ensure effective management of coordination, alignments and interfacing across time, sectors and stages of development, and how do they change with changes in globalization? What practical mechanisms do policy makers need to achieve balance and harmony in light of competing realities such as growth & inequality, growth and poverty, growth and winners and losers?
9. **Critical State Capacities & Competencies in the Public Sector:** The Report confirms the vital role of the public sector for SHG. This requires effective engagement of various subsectors of the public sector (executive, parliament, the military & other security forces, civil & public service, local authorities, state enterprises sector, judiciary & regulatory sector, etc.). What state capacities and competencies (knowledge, skills, values, attitudes, mindsets, passion & energy, etc) do each of these subsectors need to initiate and sustain high sustained growth?
10. **Test and Learn, Innovation & Renewal.** Growth is about change, mutual adjustments and renewal. Sustaining high growth requires constant testing, learning, and introducing changes in various areas of economic management. How do SHG countries create and sustain an innovative national culture and capacity in support of experimentation, learning, creativity, innovation and renewal that drive high growth? How do they deal with bad ideas?

There are several items in Exhibit 1 which are of particular interest to emerging and transitional economies seeking sustained high growth of their economies. For example, these countries often open their economies to market competitive pressures *without a viable* or competitive indigenous *private or enterprise sector*. This was true of the People's Republic of China and Malaysia, but not true of Hong Kong or Taiwan. Yet, it is not clear what governance, leadership and institutional arrangements and public sector management strategies are needed to kick-start the private sector and how these approaches change over time as the sector evolves and becomes more competitive. A second area of interest to many developing and transition economies relates to state capacity requirements and public sector management strategies, tools and mechanisms needed for sustained high growth under conditions of *high risk environments*. These risks may be political resulting from poor governance and leadership, institutional, resulting from weak or captured national institutions, economic, resulting from inherent characteristics of the economy (e.g. resource dependence) or poor macroeconomic management, social, resulting from conflict or lack of social harmony, insecurity, resulting from internal conflicts or geographical location in an unstable neighbourhood. Looking at the 13 SHG countries, it is clear that at least a number of them experienced high growth while at the same time experiencing conditions of high risk environments. For Example, Brazil was under dictatorship during the twenty year (1974-94) period. Policy makers of countries seeking sustained high growth today and in the future would like to know what policy options, ingredients and public sector management strategies they need to adopt when their countries experience conditions of high risk environments.

Another area of interest to policy makers identified in Exhibit 1 is the question of developing and *sequencing of policy ingredients* in support of sustained high growth. The Report identified almost twenty policy ingredients covering various sectors of the economy, society and the rest of the world (regional development). It is almost impossible to have these policies developed and all implemented at the same time. Most emerging, transitional and developing countries simply do not have the state capacity to do so. As well, it may not be necessary to have them all implemented at the same time. Therefore, policy makers would like to have a better idea as to whether there is an *optimal sequencing* of different SHG enhancing policy ingredients, and whether there are contingent factors across countries, sectors or over time during different stages of development. The question of sequencing becomes particularly important if a growth seeking country is characterized by weaknesses in several areas of state capacity and public sector management. For example, if a country experiences poor governance, weak institutions, poor policies (e.g. macroeconomic management), weak public service, social disharmony, and systematic exclusion, which of these weaknesses should the national leadership address first and in what sequence?

Finally, managing for sustained high growth is not a sprint but a marathon. Sustaining it over a period of at least 25 years is not easy because it means that government is constantly setting and resetting the agenda, formulating and reformulating policies, choosing among competing policy options, implementing selected policies, learning and making mutually reinforcing adjustments

in various areas of economic management and public administration. As Hewlett (2009) points out, it requires state capacity for evidence-based policy-making so as to avoid or minimize policy failures and enhance the potential for policy success through “test and learn” policy experimentation. It also requires structuring and restructuring public institutions and providing incentives aligned to the required policy changes and expected outcomes. It also requires developing and sustaining a culture and national mindset in support of “constructive destruction” in the public service: creative and innovative ideas and practices, quickly drawing out lessons of experience, making necessary changes, taking risks, eliminating what doesn’t work, overcoming resistance to change, and fostering institutional, group and individual policy changes and renewal. Most countries do not have these policy ingredients, state capacities and societal competencies, and therefore policy makers in high growth seeking countries would like to know how to develop and sustain them.

Growth, Competitiveness and Governance

According to the Growth report, SHG economies are characterised by, among other things: 1. A productive, dynamic competitive domestic economy; 2. Good governance, leadership, sound policies, strong and effective institutions, and effective checks and balances on political powers and institutions, 3. Regional and global integration, opening the country to the global economy, society and technology, and 4. A period of sustained social harmony, political stability, equity and equality of opportunities, with minimal or absence of social discord, conflict or civil war. Table 3 attempts to capture these attributes by listing the report’s key policy ingredients along with the 12 pillars used by the World Economic Forum (www.weforum.org) to assess a country’s global competitiveness and the five dimensions of governance used by the World Bank to assess the quality of a country’s national governance, leadership and overall public sector administration and management. Comparing the report’s policy ingredients with the 12 pillars of competitiveness and the five governance dimensions, similarities begin to emerge. These include focus on good macroeconomic management (e.g. macroeconomic stability), social development (e.g. equity and equality of opportunity, health and education, voice and accountability), state capacity (e.g. institutions, government effectiveness, and regulatory quality), openness (e.g. regional development, technological readiness), and ethical conduct (e.g. anti-corruption measures, control of corruption). Kaufmann and Kraay (2002) have argued that there is a strong causal relationship running from better governance to higher per capita incomes, but not the other way round. They have also shown empirically the absence of a “vicious circle” in which higher incomes lead to further improvements in governance. Using data from Latin America and the Caribbean, they have speculated that the potential importance of *elite influence* and *state capture* accounts for the negative effects of per capita incomes on governance, when such pernicious elite influence shapes public policy and the behaviour of public institutions. Countries seeking sustaining high growth must eschew undue elite influence and state capture.

Table 3

Comparison of SHG Key Policy Ingredients, Governance and Competitiveness

SHG Key Policy Ingredients *	The 12 Pillars of Global Competitiveness **
1. High Levels of Investment	1. Institutions
2. Technology transfer	2. Infrastructure
3. Competition & Structural Change	3. Macroeconomic Stability
4. Labour Markets	4. Health and Primary Education
5. Export Promotion and Industrial Policy	5. Higher education and Training
6. Exchange Rates	6. Goods Market Efficiency
7. Capital Flows and financial Market Openness	7. Labour Market Efficiency
8. Macroeconomic stability	8. Financial Market Sophistication
9. Savings	9. Technological Readiness
10. Financial sector Development	10. Market Size
11. Urbanization & Rural Investment	11. Business Sophistication
12. Equity & Equality of Opportunity	12. Innovation
13. Regional Development	5 Governance Dimensions ***
14. The Environment & Energy Use	1. Voice and Accountability
15. Effective Government	2. Political Stability & Absence of Violence
16. The Quality of Debate	3. Government Effectiveness
17. Bad Ideas	4. Regulatory Quality
18. Anti-corruption Measures	5. Control of Corruption

Sources: * The Growth Report (2008: 33-69); ** The Global Competitiveness Report 2008-2009, World Economic Forum, Geneva, Switzerland www.weforum.org *** Governance Matters, Daniel Kaufmann, and Aart Kraay. www.governance.org .

Global Competitiveness, Equity and Equality of Opportunity

Sustaining high economic growth requires economies to remain competitive both at home and abroad. Using the Global Competitiveness Index (GCI) developed by the World Economic Forum, Table 4 provides a comparative assessment of global competitiveness of the 13 SHG economies for the period 2002 to 2008-09, the tail end of their respective growth period (see Table above). Although none of the 13 economies was at the very top of the GCI ranks and scores (the USA tops most of the time), most of them did quite well, especially Singapore (top 6), Japan (top 15), and Taiwan (top 20). During the period, Japan and Korea made the most improvements. However, Brazil and Botswana did not make significant improvements and appear to have been struggling to maintain their comparative global competitiveness. Table 4 also provides data on the countries' income distribution as measured by the Gini coefficient. This

was done to assess the extent to which these countries could be characterized as pursuing economic development policies of inclusive development with equity and equality of opportunity. The results show rather high levels of income inequalities, especially for countries such as Botswana (63%), Brazil (56.7%), Hong Kong (52.3%), and China (46.9%). The countries with the best income distribution (low Gini coefficient) are Malta (28%), Taiwan (33%), and Korea (31.1%). These results seem to suggest that it may be relatively easier for small homogenous economies to achieve better income distribution than bigger diverse economies such as Brazil and China (46.9). The Data in Table 4 also seem to suggest that countries with higher inequalities as measured by the Gini coefficient may find it difficult to sustain global competitiveness and by implication high economic growth (see Botswana, Brazil, and South Africa).

Table 4

Global Competitiveness Ranks and Scores

Country/ Economy	GCI 2002 (N=80)		GCI 2005 (N=117)		GCI 2008-09 (N=134)		Gini Coefficient s
	Rank	Scores	Rank	Scores	Rank	Scores	
Botswana	41	4.22	48	4.21	56	4.25	63 (1993)
Brazil	46	4.09	65	3.69	64	4.13	56.7 (2005)
China	33	4.37	49	4.07	30	4.70	46.9 (2004)
Hong Kong	17	4.93	28	4.83	11	5.11	52.3 (2001)
Indonesia	67	3.36	74	3.53	55	4.25	36.3 (2005)
Japan	13	5.08	12	5.18	9	5.38	38.1 (2002)
Korea, Rep.	21	4.89	17	5.07	13	5.28	31.3 (2007)
Malaysia	27	4.70	24	4.90	21	5.04	46.1 (2002)
Malta	---	---	35	4.54	52	4.31	28 (2005)
Oman	---	---	---	---	38	4.55	---
Singapore	4	5.42	6	5.48	5	5.53	42.5 (1998)
Taiwan	3	5.50	5	5.58	17	5.22	33 (2000)
Thailand	31	4.52	36	4.50	34	4.60	42 (2002)
SHG Candidates							
South Africa	32	4.47	42	4.31	45	4.41	57.8 (2000)
Turkey	69	3.31	66	3.68	63	4.15	43.6 (2003)
Vietnam	65	3.63	81	3.37	70	4.10	37 (2004)

Sources: The Global Competitiveness Reports: 2002-2003, Table 2, p.12; 2005-2006, Table 2, p.7; and 2008-2009, Table 4, p. 10. Available from the World Economic Forum; www.weforum.org

Note: For 2001 and 2005, the data refer to the Growth Competitiveness Index; for 2008-09, they refer to Global Competitiveness Index. Readers are advised to consult the original sources for more details. N=80 refers to the number of countries included in the ranks for that year.

Table 4 also provides data for three other countries: South Africa, Turkey and Viet Nam. These countries were selected to be compared with the 13 SHG economies because of their potential as promising candidates to become high growth economies as well. These three countries, each in a different strategic part of the world, have each opened up their economies for globalization; they each have relatively large domestic markets and young growing populations, and fair amount of resource endowment (e.g. human resources, fisheries, minerals, oil and gas, etc). They have been predicted to be among the leading emerging economies of the global economy by 2050, predicated on the assumption that they can achieve and sustain relatively high levels of economic growth (Hawksworth, 2006). In this part of the paper, these countries' are compared among themselves and with Brazil, one of the 13 SHG countries using the World Economic forum's global competitiveness GCI framework. Looking at the bottom of Table 4 (SHG Candidates), we note that South Africa's global competitiveness scores and ranks compare favourably with several of the 13 SHG economies. Indeed, South Africa has better scores than Botswana, Brazil, and Indonesia. Still, South Africa scores less than Malaysia, Thailand, China and Korea...countries with which it should benchmark. The data also show that both Turkey and Viet Nam score significantly lower than any of the 13 SHG economies. These results are discussed in more details below.

Table 5 provides more detailed information by presenting measures of the 12 pillars of competitiveness used by the World Economic Forum to compute the overall GCI ranks and scores as well as the ranks and scores for each of the 12 pillars. Competitiveness is defined as set of institutions, policies, and factors that determine the level of productivity of a country or economy. Improvements in productivity lead to higher levels of income for the citizens, and therefore more competitive economies tend to grow faster over the medium and longer term. The 12 pillars which together determine the economy's overall competitiveness are: institutions (public and private), infrastructure (e.g. transport, energy, communications), macroeconomic stability (e.g. macroeconomic management, national savings rate, government finances), health and primary education (e.g. impact of diseases, life expectancy, quality of primary education, education expenditure), higher education and skills training (e.g. secondary & tertiary enrolment, quality of math and science education, internet access in schools, extent of staff training). Goods, labour and financial markets efficiency and sophistication (competitiveness of the domestic market, human resources management practices, capital flows, soundness of financial institutions), technological readiness (e.g. availability of latest technology, FDI and technology transfer, Internet use), market size (foreign & domestic), business sophistication (e.g. local supplier and customer sophistication, value chain breadth, production process sophistication), and innovation (e.g. capacity for innovation, university-industry research collaboration, utility patents).

Like the policy ingredients identified above (see Table 3), the GCI 12 pillars cover various institutions and factors at the macroeconomic, microeconomic, public and private sectors of the economy. The first four pillars (institutions, infrastructure, macroeconomic stability, and health

and primary education), together make up the *Basic Requirements*...the most important for developing countries just starting out and competing in the global economy mainly because of their natural basic factor endowments such as surplus cheap labour, natural resources or geographical location. The next six pillars (higher education and skills training, goods market efficiency, labour market efficiency, financial market sophistication, technological readiness, and market size) make up the *Efficiency Enhancers*, which together make an economy more efficient beyond its factor endowments. These factors are particularly important for newly industrializing countries, competing in the global economy by using new technologies to gain efficiencies in their production processes. The last two pillars, business sophistication and innovation, which focus at the more microeconomic enterprise levels of the economy, make up the third *Innovation and Sophistication Factors*. These pillars are particularly important for already industrialized economies whose continuing competitiveness in the global economy depends on their capacity to innovate and bring to market new products, processes, technologies, etc. The computation of the GCI scores takes into account the country's level of development by giving different weights to each of these three factors, depending on the country's stage of development. More details of these pillars, the factors, their measurement and calculations are available in the annual global competitiveness reports www.weforum.org The detailed results of the GCI and the individual pillars, which are published annually, provide useful diagnostic information relevant for understanding and developing strategies for building state capacity in areas that matter most. For details of these pillars for these and other countries, see The Global Competitiveness Report (various years), www.weforum.org.

Table 5

The Twelve Pillars of Competitiveness: Brazil, South Africa, Turkey and Viet Nam.

GCI Measure	Brazil		South Africa		Turkey		Viet Nam	
	Rank	Scores	Rank	Scores	Rank	Scores	Rank	Scores
GCI 2008-2009	64	4.1	45	4.4	63	4.1	70	4.1
Basic Requirements:	96	4.0	69	4.4	72	4.3	79	4.2
Institutions	91	3.6	46	4.6	80	3.7	71	3.9
Infrastructure	78	3.2	48	4.2	66	3.5	93	2.9
Macroeconomic Stability	122	3.9	63	5.1	79	4.8	70	4.9
Health & Primary Education	79	5.3	122	3.8	78	5.3	84	5.3
Efficiency Enhancers:	51	4.3	35	4.5	59	4.1	73	3.9
Higher education & training	58	4.1	57	4.1	72	3.9	98	3.4
Goods market efficiency	101	3.9	31	4.8	55	4.4	70	4.2
Labour market efficiency	91	4.2	88	4.2	125	3.6	47	4.7
Financial market sophistication	64	4.4	24	5.2	76	4.1	80	4.1
Technological Readiness	56	3.6	49	3.7	58	3.5	79	3.1
Market size	10	5.5	23	4.8	15	5.2	40	4.4
Innovation and Sophistication factors:	42	4.0	36	4.1	63	3.7	71	3.6
Business Sophistication	35	4.6	33	4.6	60	4.2	84	3.8
Innovation	43	3.5	37	3.6	66	3.2	57	3.3
Key Indicators:								
Population	191.3		47.7		75.2		86.4	
GDP (US\$ Billions)	1313.6		282.6		663.4		70.0	
GDP per capita	US\$ 6937.9		US\$ 5906.5		US\$ 9629.1		US\$ 818.1	
GDP (PPP) as share of world total (%)	2.81		0.72		1.37		0.34	
Stage of Development	Efficiency Driven		Efficiency Driven		Efficiency Driven		Factor Driven	
HDI (2006)	0.807 High		0.670 Medium		0.798 Medium		0.718 Medium	

Source: The Global Competitiveness Report 2008-2009; Country /Economy Profiles, pp 81-351.

www.weforum.org; HDI (Human Development Index): Human Development Report, UNDP, www.hdrstats.undp.org/2008 ; Population in Millions (2007); All key indicators are for 2007; GDP per capita in US\$, 2007.

Table 5 provides more comparative data for GCI and the 12 pillars for Brazil and the three SHG candidate countries: South Africa, Turkey and Viet Nam, indicating in which areas (pillars) the country is doing well, and which ones are lagging behind. This analysis is particularly useful for policy makers interested in pursuing policies in support of strong economic growth. Looking at

Brazil, the data suggests that the country's best pillars are market size and business sophistication. The pillars showing weaknesses are: macroeconomic stability (e.g. interest rate spread, 131/134; government deficit/surplus, 91/134; national savings rate, 85/134; and government debt, 85/134), infrastructure (e.g. quality of ports infrastructure 123/134; quality of roads, 110/134; quality of air transport infrastructure, 101/134, and quality of railroad infrastructure, 86/134), and goods market efficiency (e.g. extent and effect of taxation, 134/134; time required to start a business, 127/134; burden of customs procedures, 127/134, and prevalence of trade barriers, 106/134). As for South Africa, the best performing pillars are: financial market sophistication (e.g. financing through local equity market, 4/143; regulation of security exchanges, 5/134; and strength of investor protection, 9/134), and macroeconomic stability. The one pillar showing severe weaknesses in South Africa is health and primary education (e.g. tuberculosis incidence, 134/134; business impact of HIV/AIDS, 133/134; quality of primary education, 104/134; primary enrolment 97/134; and overall life expectancy, 121/134). While these results are the direct result of the discriminatory policies of the previous Apartheid government, they underscore the critical importance for the present governments, national, provincial, and local, as well as the business and social sectors to pay particular attention to the country's social and human development with equity in order to strengthen the pillars for global competitiveness and continuing national prosperity. (Detailed rankings for component parts of each of the pillars are available for each of the 134 countries in the Global Competitiveness Report 2008-2009; www.weforum.org). Kasekende, et al. (2007) provide additional challenges for South African competitiveness.

Turning to Turkey and Viet Nam, overall in terms of GCI, the data show that Turkey (GCI rank 63) performs about the same as Brazil (GCI rank 63), both worse than South Africa (GCI rank 45), but better than Viet Nam (GCI rank 70). Turkey's best performing pillar is market size (15/134), but it performs poorly on labour market efficiency (e.g. cooperation in labour-employer relations, 116/134; female participation in the labour force, 129/134; firing costs, 113/134; and pay and productivity, 102/134), and institutions (e.g. efficacy of corporate boards, 127/134; business costs of terrorism, 117/134; burden of government regulations, 104/134; and intellectual property protection, 93/134). These institutional "loose bricks" transcend both public and private sectors, suggesting the need for a joint public-business strategy for Turkey to undertake institutional reforms needed to drive and sustain high economic growth. Three of the 13 SHG countries...Indonesia, Malaysia and Oman...are Islamic countries like Turkey. An in-depth comparative study of the competitive advantages and disadvantages between Turkey and these other three Moslem countries could prove useful for Turkey's policy makers as well as other Moslem countries seeking high economic growth (e.g. Jordan, Egypt, Tunisia; Algeria, Morocco, etc). Twinning arrangements among Moslem countries based on matching and targeted pillars and "loose bricks" could help build the necessary state capacity for sustained high economic growth.

It is not surprising that as a post-conflict state, Viet Nam still lags behind on many of the pillars that drive global competitiveness. Indeed, on most pillars, it is the weakest of the four countries shown in Table 5. Because of its population (86.4 million in 2007) and geographical location in South East Asia, Viet Nam's best performing pillar is market size (40/134; foreign market size, 29/134). Weaknesses exist in all pillars, especially in the basic requirements (e.g. institutions, infrastructure, social services), efficiency enhancers (e.g. higher education and skills training), and innovation and sophistication factors (not critical for a factor driven economy). Weaknesses in the country's institutions include strength/weaknesses of auditing and reporting standards, (106/134), burden of government regulations (105/134), and intellectual property protection (84/134). As for the country's infrastructure pillar, weaknesses exist in the quality of ports infrastructure (112/134), quality of electricity supply (104/134), and quality of roads (102/134). For health and primary education, the most problematic areas include tuberculosis incidence (100/134), education expenditure (100/134), and the quality of primary education (96/134). For higher education and skills training, Viet Nam suffers from secondary and tertiary enrolment (100/134), and the quality of its schools and education in general (120/134). Its markets for goods and labour also show areas of weaknesses including prevalence of trade barriers (110/134), time required to start a business (105/134), and effectiveness of anti-monopoly policy (91/134). Looking at these results in total, they suggest that policy makers in Viet Nam need a holistic approach to building state capacity for global competitiveness and sustained economic growth because of fundamental weaknesses in most of the pillars, especially the first four pillars (institutions, infrastructure, macroeconomic management, and health and primary education), which together make up the basic requirements for global competitiveness, and which are the most important pillars for factor driven economies, like Viet Nam. They also suggest that it is unlikely that the government of Viet Nam can do it alone. Rather, the country needs a concerted and sustaining effort to build state capacity, private sector institutions and civil society organizations with the help of regional (e.g. ASEAN, China, Japan, Korea) private and public sector actors, and the international community (e.g. donors, multinationals, United Nations, etc).

Most Problematic Factors for Doing Business

To be locally and globally competitive, and to be able to support sustained high growth, governments need policies and practices that support the development and growth of the productive sector driven by business enterprises both local and foreign. As part of the assessment of a country's overall competitiveness, the World Economic Forum, using local partners, collects information from local informed respondents (e.g. government officials, accountants, lawyers, business executives) to identify the factors in the country or economy which are most problematic for doing business. Table 6 provides a summary of the top five most problematic factors for doing business in Brazil, South Africa, Turkey and Viet Nam for the year 2008-2009.

Table 6

The Five Top Most Problematic Factors for Doing Business

Brazil	South Africa	Turkey	Viet Nam
1. Tax regulations	1. Inadequately educated workforce	1. Inefficient government bureaucracy	1. Inflation
2. Inadequate supply of infrastructure	2. Crime and theft	2. Tax regulations	2. Inadequate supply of infrastructure
3. Tax rates	3. Inadequate supply of infrastructure	3. Policy instability	3. Inadequately educated workforce
4. Restrictive labour regulations	4. Inefficient government bureaucracy	4. Access to finance	4. Corruption
5. Inefficient government bureaucracy	5. Restrictive labour markets	5. Tax rates	5. Policy instability

Source: The Global Competitiveness Report 2008-2009; county/Economy Profiles, pp 81-351 (data from each country pages)

For Brazil, one of the 13 SHG countries, the top five most problematic factors for doing business in 2008-09 were, in that order: Tax regulations, inadequate supply of infrastructure, tax rates, restrictive labour regulations, and inefficient government bureaucracy. South Africa has similar problematic factors, but added on inadequately educated labour force and crime and theft. Turkey added on policy instability and problems of access to finance. Finally, Viet Nam added inflation and corruption. While some of these problematic factors reflect the results of the individual pillars as shown in Table 5 above (e.g. inadequately educated workforce corresponds to problems with primary, secondary and tertiary education for South Africa), they also provide additional and more focused information for policy makers. For example, Table 6 shows that the majority of the countries suffer from inefficient government bureaucracy. This suggests the need to examine the structures, processes and management of the public service with the view to introducing public service reforms to improve public service delivery to all sectors of the

economy and society. Problems relating to tax regulations and tax rates are the direct responsibility of the government of the day, and given political will, and an efficient and effective government bureaucracy (public administration and management), these should be relatively easy to fix. Problems of crime and theft point to the need to improve safety and security (personal, property, corporate, collective, etc) by reforming and working with the police, the courts and other law enforcement agencies responsible for security and the administration of justice. Problems of policy instability, reported for Turkey and Viet Nam, suggest the presence of political instability, or a government not in full control of running the state. This may require reform of the political system or institutions. Not surprisingly, Viet Nam reports problems of corruption in public administration. Unfortunately, although corruption has been shown to impede fast economic growth, it has also proven difficult to eradicate or reduce, especially for post-conflict countries like Viet Nam. This is one of the areas where the country needs external assistance in order to overcome domestic entrenched interests such as elite state capture and elite influence on public policy and institutional performance. The British Government, through the Department for International Development (DFID), is playing a significant role in building state capacity and fighting against corruption in Viet Nam. More concerted efforts are needed both nationally and from the international community.

It is important to realize that the problematic factors as those identified in Table 6 are often interrelated. For example, institutional weaknesses may manifest themselves in terms of inefficient government bureaucracy. When government is inefficient, it may not be able to develop and effectively implement tax reforming policies, plan for infrastructure development or fight crime and theft. Likewise, if the workforce is inadequately educated, public institutions may lack staff with the necessary competencies, attitudes, values and mindsets to identify “loose bricks” among the competitiveness pillars, and to develop policies and programs for removing impediments to global competitiveness. When government bureaucracies are staffed with people with poor attitudes values and ethics, the state capacity to fight corruption, crime and theft is seriously compromised. Political will must be aligned with state capacity and effective public administration and management. Progress in all these areas is possible only when the “vicious circle” is permanently broken.

Summary and Conclusion

The Growth Report is an important document and its findings and policy implications for state capacity building for sustained high economic growth need to be better and more widely disseminated. The World Bank, working in partnership with state capacity national institutions such as MDIs and IPAs needs to develop better dissemination capacities and capabilities commensurate with the high quality research reports it produces. Policy makers need to deliberate on the key findings of the report in terms of its practical implications for their respective growth and development needs and strategies. As well, the report leaves a number of

unanswered questions, which researchers and think tanks interested in sustained high growth and inclusive development need to investigate further. In-depth case studies of some of the 13 SHG countries or comparisons thereof detailing key policy ingredients and their effective and sustaining implementation, relating to governance, leadership, public administration and management as well as enterprise development and inclusive development can provide other countries useful and potentially useable insights. National, regional and international organizations and policy makers interested in addressing some of the world's most intractable challenges such as poverty, gross inequalities and hunger, the environment and climate change, war, violence, crime and terrorism, and health, education and demographic shifts need to look at the lessons and implications of this report because achieving sustained economic growth and inclusive development is the first realistic step in finding lasting solutions to these and similar global challenges.

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Appendix 1

Members of the Growth and Development Commission

Name	Position	Home Country
Ahluwalia, Montak Singh	Deputy Chair, Planning Commission, Gov. India	India
Edmar Bacha	Director, Casa Das Garcas Institute for Econ. Policy Studies & Advisor to Gov.	Brazil
Dr. Boediono	Governor, Bank Indonesia, Former Minister & Professor	Indonesia
Lord John Browne	Managing Director, Riverstone Europe, former CEO BP	U.K.
Kemal Dervis	UNDP Administrator, former finance minister	Turkey
Alejandro Foxley	Minister for Foreign Affairs, former finance minister	Chile
Goh Chok Tong	Senior Minister, former Prime Minister	Singapore
Han Duck-soo	Former prime minister & minister of finance	Republic of Korea
Danuta Hubner	European Commissioner, former UN under secretary, former minister	Poland
Carin Jamtin	Former minister for international development cooperation	Sweden
Pedro-Pablo Kuczynski	Former prime minister & finance minister	Peru
Danny Leipziger **	VP, Poverty Reduction & Econ Dev. World Bank	USA
Trevor Manuel	Minister of Finance	South Africa
Mahmoud Mohieldin	Minister of Investments	Egypt
Ngozi N. Okonjo-Iweala	Managing Director, The World Bank Group, former minister of finance	Nigeria
Robert Rubin	Chairman, Citigroup, former Secretary of the Treasury	USA
Robert Solow	Nobel Laureate in Economics, Professor Emeritus, MIT	USA
Michel Spence *	Nobel Laureate in Economics, Professor Emeritus, Stanford Univ.	USA
Sir K. Dwight Venner	Governor Eastern Caribbean Central Bank	St. Kitts and Nevis
Ernesto Zedillo	Former President, Mexico, Director, Yale Centre on Globalization	Mexico
Zhou Xiaochuan	Governor, Central Bank (PBC)	China

Source: The Growth Report (2008: iv). Readers are advised to consult the original for more biographical information of the Commission Members. * served as Chairman of the Commission; ** as Vice-Chairman.