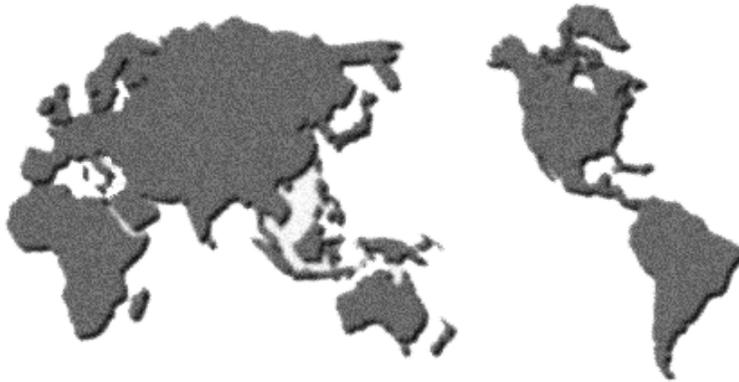


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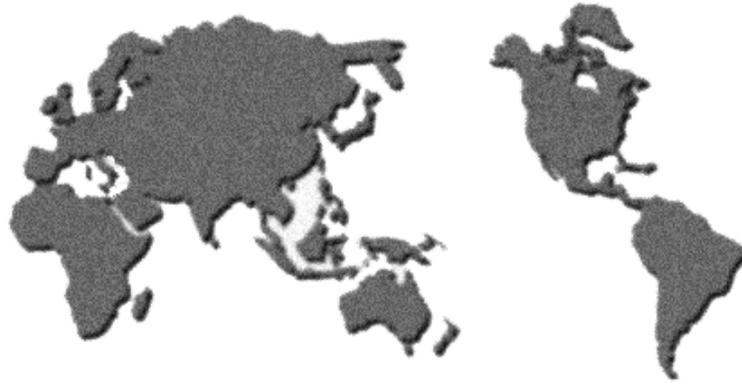
The Development Record and the Effectiveness of Foreign Aid

by

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Introduction

Critics of foreign aid like to argue that there has been little or no progress in the developing world. The Heritage Foundation's initial survey of economic freedom claimed: "Not only has U.S. development aid been wasted, it has actually retarded economic development in the countries that receive it. Not one country receiving foreign aid has succeeded in developing sustained economic growth." A more recent attack by the Cato Institute alleged that "few programs have consumed as many resources with as few positive results as foreign aid. . . . The recipients of that largesse have, by and large, failed to grow economically and develop democratically." On the basis of these sorts of claims, congressional critics have attacked foreign aid, complaining that "poor countries are still poor." Others might concede that economic growth has been achieved in parts of the developing world but argue that the poor have not benefited, owing to increased inequality in income. Some critics claim that few countries have graduated from foreign aid, and dependence on U.S. and other foreign assistance has been perpetuated. One prominent senator has argued that foreign aid has largely been poured down ratholes and is now an obsolete relic of the Cold War. (With this view of the role of foreign aid during the Cold War, why would one expect development progress?) Looking toward the future, these critics see only dim prospects for successful development, and little or no role at all for foreign aid.

Each of these arguments follows the same logical structure: recipients of foreign aid have failed to make development progress; therefore, foreign aid has failed. There is nothing wrong with the logic. If the premise held, the conclusion would follow.

In point of fact, the premise is false. This paper examines the extent of progress (and lack of progress) in development, paying particular attention to the sorts of criticisms cited above. It demonstrates that these critiques are largely without empirical foundation. Development performance on the whole has been positive, with much more success than failure, and much more progress than stagnation or decline. Prospects for further success are good.

Development progress does not by itself demonstrate the effectiveness of foreign aid. There is still the hypothetical possibility that while much progress has been made, foreign aid had little or nothing to do with it. More extensive analysis, including case studies, is needed to isolate the role of foreign aid.

Nonetheless, the fact of widespread development progress provides powerful *circumstantial* evidence for the effectiveness of foreign aid. And it clearly refutes the arguments made by the most politically prominent critics of foreign aid.

The Development Record

The findings in this paper are based on an examination of the record *over the past three decades of 90 countries, currently inhabited by 3 billion people* (see table 1, at end). With one exception (South Africa), all were considered developing countries during the 1960s and 1970s, and all have been foreign aid recipients. Together they received \$120 billion in U.S. bilateral economic aid during 1962–90. Since the explicit concern is with foreign aid recipients, the analysis excludes countries that were largely outside the sphere of development cooperation over the past three decades—such as China, the countries of Eastern Europe and the new independent states, Iran, Iraq, Lebanon, Libya, and Syria. Also excluded are numerous tiny countries, many of them islands.

1. *Have foreign aid recipients been able to sustain economic growth?* Readily available data offer both long-term and more recent perspectives on growth performance (table 1).

Looking at the period from 1965 to 1990, 41 countries, inhabited by more than 2.1 billion people, achieved significantly positive average annual rates of economic growth in per capita income, ranging from 1.3 to 8.4 percent.* The average growth rate for these countries was 3.3 percent.

Of the remaining countries, some have realized greater success more recently. If we look at the period 1985–95, an additional 16 countries (280 million people) achieved significantly positive growth.†

Combining the two groups, 57 out of 90 countries, embracing nearly 2.4 billion people (80 percent of the total population of 3 billion) have been able to sustain economic growth at meaningful rates for a reasonably long period of time.

2. *Are poor countries still poor? Have poor countries failed to make economic progress?* Of the 41 countries that achieved significant growth over the period 1965–90, most (25), accounting for 1.8 out of 2.1 billion people, were “poor” in 1965, using a per capita income criterion of \$1,000 in 1990 prices.‡ The average annual growth rate in per capita income for these countries was 3.5 percent. All of these countries have received large amounts of foreign aid, either in absolute terms or on a per capita basis. Of the 25, about half are now middle-income countries (using a \$1,000 threshold), and several others are about to cross the threshold.

Does the more recent growth performance of poor countries indicate a lack of economic progress? About three quarters of the people in poor developing countries live in countries that achieved significant economic growth over the past decade. The *1996 World Development Report* provides 1985–95 annual growth rates in per capita income for 42 countries (not counting China and the new independent states) with per capita incomes below \$1,000, comprising 2.1 billion people. Of these, 15 countries totaling 1.7 billion people achieved significantly positive average annual growth in per capita income, ranging from 1.3 to 6.0 percent.§ (The average annual growth rate for the United States over the

* They are Algeria, Belize, Botswana, Brazil, Burkina Faso, Burundi, Cameroon, Colombia, Congo, Costa Rica, Cyprus, the Dominican Republic, Ecuador, Egypt, Greece, Hong Kong, India, Indonesia, Israel, Kenya, Korea, Lesotho, Malaysia, Mali, Mauritius, Mexico, Morocco, Pakistan, Panama, Paraguay, the Philippines, Portugal, Singapore, South Africa, Spain, Sri Lanka, Swaziland, Taiwan, Thailand, Tunisia, and Turkey.

† These recipients are Argentina, Bangladesh, Bolivia, Cambodia, Chile, El Salvador, Ghana, Guinea, Guinea-Bissau, Jamaica, Mozambique, Nepal, Papua New Guinea, Uganda, Uruguay, and Vietnam.

‡ These 25 are Botswana, Burkina Faso, Burundi, Cameroon, Colombia, Congo, the Dominican Republic, Ecuador, Egypt, India, Indonesia, Kenya, Korea, Lesotho, Malaysia, Mali, Morocco, Pakistan, Paraguay, Philippines, Sri Lanka, Swaziland, Thailand, Tunisia, and Turkey. (See table 1.)

§ They include Bangladesh, Bolivia, Egypt, Ghana, Guinea, Guinea-Bissau, India, Indonesia, Mozambique, Nepal, Pakistan, the Philippines, Sri Lanka, Uganda, and (during the specific period 1986–95) Vietnam. Recent growth performance in Cambodia has also been good.

same period was 1.3 percent.) The average growth rate in per capita income for these countries was 3.3 percent. Thus, while only about a third of poor countries are making at least fair economic progress, this group accounts for the bulk of the population of poor countries and for the bulk of global poverty.

3. *Has economic growth reduced poverty?* The available data—covering 33 countries that account for more than 2 billion people and the major share of global poverty—confirm that *economic growth has almost always resulted in declines in the proportion of the population below the poverty line*. In 35 out of 37 episodes of economic growth, the proportion of the population in poverty fell. The lone exceptions to the rule are Brazil (1980–90)—where growth was very weak, less than 1 percent a year—and Honduras (1986–89). The data also confirm that economic decline has resulted in increased rates of poverty. This occurred during specific intervals in nine countries.*

How strong and direct are the effects of economic growth on poverty? Analysis both by USAID and the World Bank confirms that the more rapid the rate of growth, the sharper the decline in poverty; and that the effects of economic growth on poverty are direct, substantial, and not subject to lags. USAID analysis indicates that economic growth in per capita income at 2 percent a year over two decades can be expected to reduce the share of the population falling below the poverty line by half (e.g., from 50 to 25 percent). With continued development cooperation this sort of growth is well within the reach of most of our recipients; many, particularly the largest, have achieved it. More recent World Bank analysis of a larger data set indicates that a 10 percent increase in income per capita is associated with a 29 per-

cent decline in the share of the population below the poverty line. Further, the effects of economic growth (or economic decline) on poverty have been fairly direct and immediate. Many observations are for periods of two to six years, implying that growth affects poverty in the near term.†

Has inequality increased with economic growth? More often than not (in at least 23 out of 33 cases, with 4 others uncertain), income distribution has improved with growth and contributed to declines in poverty. Thus, the basis for lack of confidence that growth reduces poverty—the reading that income distribution systematically tended to worsen with growth—is not consistent with the data. World Bank analysis of a larger sample that includes Eastern Europe, the new independent states, and some industrial countries indicates that changes in income distribution over time tend to be small, with no systematic tendency for inequality to worsen with growth.

4. *What about social well-being more generally?* When viewed from the perspective of indicators of well-being, progress has been substantial and nearly universal. The impacts of poverty are ultimately revealed in high infant mortality, low life expectancy, illiteracy, high rates of fertility, and other social indicators. By and large, improvements in these indicators signal improvements in the lives and well-being of poor people. In developing countries over the past 35 years, infant mortality has fallen from 162 to 69 per thousand births, life expectancy has risen from 50 to 65 years, and literacy has climbed from 35 to 67 percent. Data for individual countries confirm that poor countries have shared in this progress. Fertility has declined sharply, particularly in Asia and Latin America, and also in some African countries.‡

* Economic growth reduced poverty in Bangladesh, Bolivia, Brazil (during 1960–80), Chile, Colombia, Costa Rica, Ghana, Guatemala, India, Indonesia, Jamaica, Kenya, Korea, Malaysia, Morocco, Nigeria, Pakistan, Paraguay, the Philippines, Singapore, Sri Lanka, Taiwan, Thailand, Tunisia, and Uganda. For some of these countries, there are data for more than one period. Economic decline increased poverty in Argentina, Colombia (1978–88), Costa Rica (1977–83), Côte d'Ivoire, Panama, Peru, Uruguay, and Venezuela. These results are based on data contained in the *World Development Report 1990* and subsequent World Bank reports. The results are compiled and analyzed in "Growth, Poverty, and Income Distribution," by Michael Crosswell, USAID.

† For instance, the proportion of the population in poverty fell from 36 to 24 percent in Costa Rica during 1983–86; from 50 to 43 percent in India during 1977–83; and from 28 to 17 percent in Indonesia during 1984–87. See *World Development Report 1990*.

‡ See table 2 and "What Do We Know About World Poverty," by James Fox, USAID.

5. *Have women and girls fully participated in development progress?* Various indicators suggest that development progress has benefited girls and women at least as much as boys and men. A recent study of trends in primary and secondary enrollment ratios by region (six regions, with Asia divided into three regions) during 1970–92 found that “in every region, girls’ enrollment has increased at least as fast as boys’ over the period, narrowing or almost closing the gap between their enrollment ratios.” Internal USAID analysis carried out independently arrived at the same conclusion.

Similar analysis of trends in life expectancy between 1950 and 1990, disaggregated by region, found a positive and widening gap favoring women. Life expectancy for women was higher than for men in all major regions in 1950; and the subsequent gains were greater for women than for men in all regions and subregions. The large declines in fertility in most countries making development progress also suggest major improvements in the well-being of women.*

6. *Has economic freedom increased?* Estimates covering 67 of the countries reviewed here indicate that economic freedom increased in 50 countries, declined in 10, and remained essentially unchanged in 7. The Fraser Institute estimated levels of economic freedom for 1975 and 1995, on a scale from 1 (worst) to 10 (best). The average change was an improvement of nearly a point, from 3.9 to 4.8. Of the 26 countries with *relatively large* improvements in economic freedom (1.5 points or better), 18 have been significant recipients of U.S. aid over the past 20 years and six others were significant USAID recipients in an earlier era.† Of the six countries where economic freedom *declined* by more than one point, USAID is substantially or completely out

of three (Algeria, Congo, and Venezuela). In the others (Haiti, Honduras, Nicaragua) there have been improvements since the Fraser study was completed (see table 4).

7. *Has political freedom increased?* During 1975–96 political freedom improved in 52 countries and worsened in 24. Freedom House conducts annual surveys of political freedom, based on scores for civil liberties and political rights, each gauged on a scale from 1 (best) to 7 (worst). The average change for the entire sample was an improvement of 1.7 points (on a scale from 2 to 14, reflecting the sum of the two scores), from 9.5 to 7.8. Thirty-one countries achieved major improvements (three points or more) over the period. Most were significant USAID recipients over the past two decades, or earlier.‡ Only eight countries showed large declines in political freedom (three points or greater): Colombia, Gambia, Kenya, Liberia, Malaysia, Nigeria, Sri Lanka, and Turkey. USAID no longer maintains full programs in any of those countries (see table 5).

8. *What about graduation?* At least 25 countries, inhabited by more than 675 million people, can be considered advanced (using economic and social indicators) and graduates with respect to dependence on foreign aid for development purposes.§ All were labeled developing countries in the 1960s, and as recently as the late 1970s; most received substantial amounts of foreign aid; and all are substantially independent of *developmental* foreign aid now. Some still receive aid, but for specific foreign policy purposes other than development—such as peace, narcotics, and global issues. Indeed, some have joined the ranks of donor countries, including Greece, Israel, Korea, Portugal, Singapore, Spain, Taiwan, Thailand, and Turkey.

* See “Does Promoting Girls Schooling Miss the Mark?” by John Knodel and Gavin W. Jones, *Population and Development Review*, Volume 22, Number 4, December 1996; and “Strategies for Increasing Girls’ Primary Enrollment Rates: Should We Attack Gender Gaps or Expand Educational Access for All,” by Donald Sillers, USAID. Analysis of changes in life expectancy by gender is from James Fox, USAID.

† Listed in order of the size of the improvement: Jamaica, Mauritius, Peru, Thailand, Ghana, Pakistan, Israel, Uganda, Turkey, Colombia, the Dominican Republic, Botswana, the Philippines, El Salvador, Tunisia, Egypt, India, and Sri Lanka have been significant USAID recipients over the past two decades. Portugal, Chile, Argentina, Spain, Korea, and Taiwan were significant recipients in earlier years. The others are Singapore and Malaysia.

‡ Among major improvers, Benin, Bolivia, Ecuador, Ghana, Guinea-Bissau, Guyana, Haiti, Honduras, Jordan, Madagascar, Mali, Mozambique, Nepal, Nicaragua, Panama, Peru, Philippines, Senegal, South Africa, and Uganda have been significant USAID recipients over the past two decades. Chile, Cyprus, Korea, Paraguay, Portugal, Spain, Taiwan, and Uruguay have also been USAID recipients.

§ These countries include Algeria, Argentina, Belize, Brazil, Chile, Colombia, Costa Rica, Cyprus, Greece, Hong Kong, Israel, Korea, Malaysia, Mauritius, Mexico, Panama, Portugal, Singapore, Spain, Taiwan, Thailand, Tunisia, Turkey, Uruguay, and Venezuela.

Where Do We Stand Now? What Are the Prospects for Continued Progress?

The developing world is increasingly heterogeneous, with countries arrayed across a wide spectrum from relief to development to advanced status. From the standpoint of performance and progress over the past decade, the world can be divided into five large groups (see tables 1–3):

- *Advanced developing countries*; about 25 countries (mentioned above) inhabited by 675 million people, which are (practically speaking) aid graduates, and in some cases have become donors.
- *Countries that are middle income, and where advanced status and graduation are not far off*, such as Botswana, the Dominican Republic, Ecuador, Egypt, El Salvador, Guatemala, Jamaica, Jordan, Morocco, Paraguay, Peru, the Philippines, South Africa, and Swaziland. This group includes about 260 million people and some major aid recipients. Most should be expected to achieve advanced status and graduate over the next decade or so.
- *Countries that are by and large still poor but have made significant economic progress over the past decade or longer*, with average annual growth rates in per capita income ranging from 1.3 to 6.0 percent. These include Bangladesh, Bolivia, Ghana, India, Indonesia, Mozambique, Nepal, Pakistan, Sri Lanka, Uganda, and Vietnam. Together they account for about 1.5 billion people and two thirds of global poverty (not counting China). Their prospects for continued growth are good, but in many instances fragile, as evidenced most vividly by Pakistan. Continued progress in this group would mean major reductions in global poverty.
- *Poor countries making at best intermittent progress*. These include most of sub-Saharan Africa, plus a small number of countries such as Cambodia, Haiti, Honduras, Nicaragua, and Yemen. This group of 40 countries accounts

for 570 million people, less than one fifth of the total population of the 90 countries under review here, and less than the population of the group of advanced countries.

A subset would be countries in crisis or stalemate—including Afghanistan, Burma, Congo, Liberia, Rwanda, Somalia, Sudan—about 160 million people. These are the countries most commonly cited in critiques of foreign aid. However, they are only a small part of the bigger picture. Overall, this group can be seen as the last frontier for development progress. Social indicators have improved in most cases, but institutional capabilities are still weak, and economic progress has been limited and sporadic. Most of these countries started the development race from a position of relative and absolute backwardness, particularly in terms of institutional capabilities and human resources. The challenge here is to move from “at best intermittent” to “steady” progress, including the move from relief to development for countries in crisis.

- *The transitional postcommunist countries* (not discussed elsewhere in this paper). These 25 or so countries, home to about 400 million people, are arguably off the “third world” continuum described above. Indeed, they embody their own continuum, covering a wide spectrum of economic performance and prospects; income, poverty, and human resource development; and proximity to graduation. The predominant challenge in these transitional countries is one of discarding and replacing “maldeveloped” (rather than underdeveloped) institutions, both economic and political. The foreign aid track record in these countries is considerably shorter, but there has already been some success, including recent and prospective graduation.

If we look at these groups over time, we see that most of the countries that are “ahead” in 1997 were ahead in 1965. Those that have made the least progress are by and large those that were

the least developed in 1965 (see table 3). For instance, the top 26 countries in terms of 1965 per capita income include 22 of the countries considered graduates in the tally above. (Only Colombia, Thailand, and Tunisia moved up into the top group.) Remaining countries in the middle-income group that are poised for graduation over the next decade or so were mostly in the middle of the pack in 1965. Finally, of the 51 countries that are considered “poor” today (the third and fourth groups), all but 7 were in the bottom 50 in 1965.

These considerations help debunk some of the less informed characterizations of foreign aid that have emanated from conservative think tanks. These critics often compare advanced countries receiving little aid with poor countries receiving

larger amounts of aid, and conclude that aid retards development. Similarly, they portray development progress as *purely* a function of political will, ignoring the wide disparities in initial conditions, including human resources and institutional capabilities, that are critical to development progress. For example, the Heritage Foundation has compared Hong Kong with Tanzania, arguing that Hong Kong received relatively little aid and has made great progress, while Tanzania has received a great deal of aid and is still poor. This ignores the huge initial differences between Hong Kong and Tanzania in the early 1960s in terms of human resource development and institutional capabilities, as represented by per capita income 22 times higher in Hong Kong than in Tanzania in 1965, and similarly large gaps in social indicators.

Has U.S. Foreign Aid ‘Gone Down Ratholes’?

While there has been a great deal of success in the developing world, one could still make the argument that U.S. foreign aid has been largely allocated to countries that have manifestly failed in developmental terms. The set of 90 countries examined here accounts for the major portion of U.S. foreign economic aid allocated to countries during 1962–90. To what extent was this aid “poured down ratholes”?

One approach is to start by ranking the 90 countries examined above by how much U.S. economic aid they received over the period 1962–90 (see table 6). It turns out that the top 13 recipients account for two thirds of the aid; the top 20 received three quarters; and the top 31 recipients absorbed 85 percent of U.S. foreign aid. The countries are (in order) Egypt, Israel, India, Pakistan, Vietnam, Bangladesh, Indonesia, the Philippines, Turkey, El Salvador, Korea, Brazil, Honduras, Jordan, Costa Rica, Sudan, Morocco, Colombia, the Dominican Republic, Peru, Bolivia, Jamaica, Portugal, Guatemala, Sri Lanka, Chile, Zaire, Tunisia, Panama, Kenya, and Thailand. The range is from almost \$17 billion for Egypt and Israel (each) to about \$900 million for Kenya and Thailand (each). In the latter cases, that amounts to around \$30 million

a year on average. To what extent are these “major recipients” of U.S. aid to be considered successes or failures?

Only two of these countries—Zaire and Sudan—have made little if any progress despite 30 years of aid. With the end of the Cold War we are no longer compelled to provide development aid to such countries. It is aid driven by political and Cold War considerations that is now “anti-quated.” But these two countries are the exception rather than the rule, accounting for only 2.5 percent of the aid to the 31 top recipients discussed here, and barely 2.0 percent overall.

Egypt and Israel are unique cases. Each has made a significant amount of development progress. But the effectiveness and productivity of aid has to be judged in light of its contribution to peace in the Middle East and the value we place on that. Political support for such aid remains exceptionally strong.

Vietnam is also unique. U.S. foreign aid was obviously unsuccessful in developmental and political terms during the 1960s and 1970s. The conditions under which the aid was provided were particularly difficult, with only limited im-

plications for the general issue of aid effectiveness. Vietnam has made striking progress since the mid-1980s.

Looking at the remaining 26 countries and the four groups identified previously:

- Ten belong in the group of advanced countries that are virtual graduates: Brazil, Chile, Colombia, Costa Rica, Korea, Panama, Portugal, Thailand, Tunisia, and Turkey. Overall, the group of advanced countries received 30 percent of total aid accounted for in this review, with Israel receiving 14 percent.
- Eight (the Dominican Republic, El Salvador, Guatemala, Jamaica, Jordan, Morocco, Peru, and the Philippines) belong in the group of 14 middle-income countries for which advanced status and graduation are reasonable expectations over the next decade or so. (The others are Botswana, Ecuador, Egypt, Paraguay, South Africa, and Swaziland.) Overall, this group received 28 percent of the total aid accounted for in this review, with Egypt receiving 14 percent.
- Six belong in the group of 11 poor countries that have made clear progress, with major positive implications for global poverty: Bangladesh, Bolivia, India, Indonesia, Pakistan, and Sri Lanka. As noted, performance in Pakistan (which is no longer a U.S. aid recipient) has faltered in recent years. (The other countries in the group are Ghana, Mozambique, Nepal, Uganda, and Vietnam). Overall, this group also received 28 percent of the aid accounted for in this review.
- Only two of the major recipients, Kenya and Honduras, belong to the group of poor countries making limited progress. And they are among the more successful countries of this group. Overall, this group received 14 percent of the aid accounted for in this review.

To summarize, looking at the 31 countries that received at least \$30 million a year on average, and that account for the bulk (85 percent) of total aid during 1962–90, the overall performance of this group provides no basis for arguing that foreign aid systematically has been wasted. The successful record of most of these countries suggests that U.S. foreign aid has been well allocated across countries. Except for allocations to Sudan, Vietnam, and Zaire—all heavily influenced by Cold War politics and hence “antiquated” and irrelevant to the future—there is little to suggest that U.S. foreign aid has been ineffective.

Looking at the complete sample, 86 percent of \$120 billion in aid went to countries that we have characterized as advanced/graduates, middle-income countries not far from graduation, and poor countries making clear progress. Only 14 percent went to poor countries making at best intermittent progress.

Finally, we can look at the countries among the 90 that might be considered clear development failures from the perspective of the first half of the 1990s and ask what share of the \$120 billion in U.S. foreign aid for 1962–90 went to such countries. One plausible list might include Afghanistan, Burma, the Central African Republic, Chad, Zaire, Haiti, Liberia, Nigeria, Rwanda, Sierra Leone, Somalia, Sudan, Yemen, and Zambia. These countries account for only 6 percent of the total. Given legitimate room for uncertainty about the scope for development progress—at various times prospects looked utterly dismal in Bangladesh, Ethiopia, Indonesia, Korea, and Uganda, to name just a few—this is not an unreasonable share. It certainly contradicts the claim that the bulk of U.S. foreign aid has been poured down ratholes.

Concluding Notes

The development challenge as viewed in the 1960s had mainly to do with about 90 countries today embracing about 3 billion people. Of this group, about 25 countries (675 million people) have reached advanced status and—for practical development purposes—graduated. Another 14 or so middle-income countries (260 million people) are not far from advanced status and graduation. An additional 11 poor countries (accounting for 1.5 billion people and two thirds of global poverty) have been making steady progress in both economic and social terms. This leaves 40 poor developing countries (570 million people, less than 20 percent of 3 billion) where results have been mixed, both over time and across economic, social, and political “sectors.” Only a minority of this latter group could be characterized as development failures, from the perspective of the mid-1990s.

There are also some 25 countries (400 million people) engaged in the transition from communism, where the challenges are somewhat different, the track record of foreign aid is much shorter, and the range of variation (e.g., from graduates to failed states) is large. Many of these countries, particularly in Eastern Europe, will have little or no claim on foreign aid 10 years from now.

This arguably constitutes a positive record, especially considering the vast majority of people whose lives have clearly improved as a result of development progress. The countries and people experiencing the most difficulties and least progress constitute a distinct minority. Further, most of these countries started (in 1960) from positions of extreme backwardness, particularly in terms of human resources and institutional

capabilities. It is not surprising they would be last to “take off.”

Looking ahead, there is plenty of room to build on this record, including substantial progress in reducing global poverty and in graduation, *simply by maintaining recent trends*. In particular, achieving advanced status and graduation in the middle-income group, and maintaining momentum in the very populous group of poor countries that have made clear, steady progress would constitute major success. The goal, of course, is not simply to maintain trends but to improve them, particularly in the group of poor countries that have made only intermittent progress. In support of this goal, there is a good and increasing knowledge base about the requisites for development progress—especially human resource development, sound policies, and improved institutions—based on successful experience. There is increasing consensus on what constitutes good policies and institutions, and mounting awareness of which countries are making adequate self-help efforts. With globalization, the rewards for good policies and strengthened institutions and the costs of poor policies and weak institutions are increasingly large and visible.

The predominantly successful development record does not prove the effectiveness of foreign aid. But it provides powerful, positive circumstantial evidence. And it refutes the sorts of claims cited in the introduction. Critics who want to continue to make the case that foreign aid has been ineffective need to consider more carefully the evidence on development performance, and create arguments that do not rest on gross mischaracterizations of the development record.

Table 1. Economic Progress

Country	Population (millions) mid-1995	GNP Per Capita			Average Annual Growth in GNP Per Capita		Purchasing Power Parity Estimate of GNP Per Capita			Group
		1995, in current dollars	1990, in current dollars	1965, in 1990 dollars	(%) 1985-95	(%) 1965-90	1995, in current dollars	1990, in current dollars	1965, in 1990 dollars	
		Singapore	3.0	26,730	11,160	2,312	6.2	6.5	22,770	
Hong Kong	6.2	22,990	11,490	2,554	4.8	6.2	22,950	16,230	3,607	1
Israel	5.5	15,920	10,920	5,748	2.5	2.6	16,490	11,940	6,285	1
Spain	39.2	13,580	11,020	6,091	2.6	2.4	14,520	10,840	5,991	1
Taiwan	21.1	11,300	7,310	1,316	6.9	7.1	n/a	n/a	n/a	1
Cyprus	0.7	10,260	8,020	2,103	4.6	5.5	14,800	9,950	2,609	1
Portugal	9.9	9,740	4,900	2,340	3.7	3.0	12,670	7,950	3,797	1
Korea	44.9	9,700	5,400	972	7.6	7.1	11,450	7,190	1,294	1
Greece	10.5	8,210	5,990	3,003	1.2	2.8	11,710	7,340	3,680	1
Argentina	34.7	8,030	2,370	2,555	1.9	-0.3	8,310	4,680	5,045	1
Uruguay	3.2	5,170	2,560	2,098	3.3	0.8	6,630	6,000	4,916	1
Chile	14.2	4,160	1,940	1,756	6.1	0.4	9,520	6,190	5,602	1
Malaysia	20.1	3,890	2,320	870	5.7	4.0	9,020	5,900	2,213	1
Brazil	159.2	3,640	2,680	1,190	-0.7	3.3	5,400	4,780	2,123	1
Mauritius	1.1	3,380	2,250	1,024	5.7	3.2	13,210	6,500	2,957	1
Mexico	91.8	3,320	2,490	1,248	0.1	2.8	6,400	5,980	2,998	1
Venezuela	21.7	3,020	2,560	3,291	0.5	-1.0	7,900	6,740	8,665	1
Turkey	61.1	2,780	1,630	858	2.2	2.6	5,580	5,020	2,643	1
Panama	2.6	2,750	1,830	1,293	-0.4	1.4	5,980	4,120	2,910	1
Thailand	58.2	2,740	1,420	484	8.4	4.4	7,540	4,610	1,571	1
Belize	0.2	2,630	1,990	1,048	4.4	2.6	5,400	4,000	2,106	1
Costa Rica	3.4	2,610	1,900	1,342	2.9	1.4	5,850	4,870	3,440	1
Colombia	36.8	1,910	1,260	714	2.8	2.3	6,130	4,950	2,804	1
Tunisia	9.0	1,820	1,440	655	1.8	3.2	5,000	3,979	1,810	1
Algeria	28.0	1,600	2,060	1,225	-2.6	2.1	5,300	4,680	2,784	1
Total/average	686.3	7,275	4,356	1,924	3.3	3.1	10,022	7,057	3,539	
South Africa	41.5	3,160	2,530	1,832	-1.0	1.3	5,030	5,500	3,982	2
Botswana	1.5	3,020	2,040	272	6.0	8.4	5,580	4,300	572	2
Peru	23.8	2,310	1,160	1,220	-1.6	-0.2	3,770	2,720	2,860	2
Paraguay	4.8	1,690	1,110	361	1.1	4.6	3,650	3,120	1,014	2
El Salvador	5.6	1,610	1,110	1,227	2.9	-0.4	2,610	1,890	2,089	2
Jordan	4.2	1,510	1,240	n/a	-2.8	n/a	4,060	4,530	n/a	2
Jamaica	2.5	1,510	1,500	2,080	3.7	-1.3	3,540	3,030	4,203	2
Dominican Republic	7.8	1,460	830	470	2.1	2.3	3,870	2,860	1,620	2
Ecuador	11.5	1,390	980	491	0.8	2.8	4,220	3,720	1,865	2
Guatemala	10.6	1,340	900	756	0.3	0.7	3,340	2,920	2,453	2
Swaziland	0.9	1,170	810	470	0.6	2.2	2,880	2,385	1,384	2
Morocco	26.6	1,110	950	538	0.8	2.3	3,340	2,670	1,512	2
Philippines	68.6	1,050	730	529	1.5	1.3	2,850	2,320	1,680	2
Egypt	57.8	790	600	220	1.1	4.1	3,820	3,100	1,135	2
Total/average	267.7	1,651	1,178	805	1.1	2.2	3,754	3,219	2,028	
Indonesia	193.2	980	570	190	6.0	4.5	3,800	2,350	782	3
Bolivia	7.4	800	630	751	1.7	-0.7	2,540	1,910	2,277	3
Sri Lanka	18.1	700	470	230	2.7	2.9	3,250	2,370	1,160	3
Pakistan	129.9	460	380	205	1.2	2.5	2,230	1,770	955	3
Ghana	17.1	390	390	555	1.5	-1.4	1,990	1,720	2,447	3
India	929.4	340	350	219	3.1	1.9	1,400	1,150	718	3
Vietnam	73.5	240	n/a	n/a	4.2	n/a	n/a	n/a	n/a	3

(continued)

Table 1. Economic Progress (Continued)

Country	Population (millions) mid-1995	GNP Per Capita			Average Annual Growth in GNP Per Capita		Purchasing Power Parity Estimate of GNP Per Capita			Group
		1995, in current dollars	1990, in current dollars	1965, in 1990 dollars	(%) 1985-95	(%) 1965-90	1995, in current dollars	1990, in current dollars	1965, in 1990 dollars	

Uganda	19.2	240	220	404	2.8	-2.4	1,470	800	1,468	3
Bangladesh	119.8	240	210	176	2.1	0.7	1,380	1,050	882	3
Nepal	21.5	200	170	150	2.4	0.5	1,170	950	839	3
Mozambique	16.2	80	80	84	3.6	-0.2	810	620	652	3
Total/average	1,545.3	425	347	296	2.8	0.8	2,004	1,469	1,218	
Papua New Guinea	4.3	1,160	860	839	2.1	0.1	2,420	1,500	1,463	4
Lesotho	2.0	770	530	160	1.5	4.9	1,780	1,700	514	4
Congo	2.6	680	1,010	471	-3.2	3.1	2,050	2,690	1,254	4
Cote d'Ivoire	14.0	660	750	662	-4.3	0.5	1,580	1,540	1,359	4
Cameroon	13.3	650	960	459	-7.0	3.0	2,110	2,020	965	4
Honduras	5.9	600	590	521	0.2	0.5	1,900	1,610	1,421	4
Senegal	8.5	600	710	825	-1.2	-0.6	1,780	1,360	1,581	4
Guyana	0.8	590	330	458	0.8	-1.3	2,420	1,465	2,032	4
Guinea	6.6	550	440	n/a	1.4	n/a	1,800	500	n/a	4
Zimbabwe	11.0	540	640	538	-0.6	0.7	2,030	1,970	1,655	4
Mauritania	2.3	460	500	581	0.5	-0.6	1,540	1,240	1,441	4
Zambia	9.0	400	420	678	-1.0	-1.9	930	810	1,308	4
Nicaragua	4.4	380	n/a	n/a	-5.8	-5.3	2,000	1,495	5,833	4
Benin	5.5	370	360	369	-0.4	-0.1	1,760	1,130	1,159	4
Central African Rep.	3.3	340	390	442	-2.0	-0.5	1,070	900	1,020	4
Gambia	1.1	320	260	218	0.3	0.7	930	915	769	4
Togo	4.1	310	410	420	-2.8	-0.1	1,130	990	1,015	4
Kenya	26.7	280	370	231	0.1	1.9	1,380	1,120	700	4
Cambodia	10.0	270	n/a	n/a	2.0	n/a	n/a	n/a	n/a	4
Yemen	15.3	260	n/a	n/a	n/a	n/a	n/a	1,560	n/a	4
Nigeria	111.3	260	290	283	1.2	0.1	1,220	1,420	1,385	4
Haiti	7.2	250	370	352	-5.2	0.2	910	960	913	4
Guinea-Bissau	1.1	250	180	n/a	1.8	0.1	790	840	819	4
Mali	9.8	250	270	177	0.6	1.7	550	560	367	4
Burkina Faso	10.4	230	330	239	-0.1	1.3	780	560	405	4
Madagascar	13.7	230	230	372	-2.0	-1.9	640	740	1,195	4
Niger	9.0	220	310	569	-2.1	-2.4	750	590	1,083	4
Chad	6.4	180	190	251	0.5	-1.1	700	440	580	4
Sierra Leone	4.2	180	240	240	-3.4	0.0	580	580	580	4
Rwanda	6.4	180	310	242	-5.0	1.0	540	610	476	4
Malawi	9.6	170	200	160	-0.7	0.9	750	670	536	4
Burundi	6.3	160	210	91	-1.3	3.4	630	600	260	4
Tanzania	29.6	120	110	116	0.9	-0.2	640	540	568	4
Zaire	43.8	120	220	384	-8.5	-2.2	490	950	1,657	4
Ethiopia	56.4	100	120	126	-0.5	-0.2	450	310	326	4
Sudan	26.7	n/a	400	477	0.6	-0.7	n/a	1,180	1,407	4
Somalia	9.5	n/a	120	123	-2.3	-0.1	n/a	540	554	4
Myanmar	45.1	n/a	n/a	n/a	0.4	1.2	n/a	n/a	n/a	4
Liberia	2.7	n/a	n/a	n/a	n/a	-3.0	n/a	n/a	n/a	4
Afghanistan	23.5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4
Total/average	583.4	374	401	377	-1.2	0.1	1,243	1,072	1,135	

Notes: Most data are from the World Bank's *World Development Report 1992* and *World Development Indicators 1997*.

Data for Taiwan are from sources published by the Taiwan authorities. Per capita incomes for 1965 are based on 1990 per capita incomes deflated by 1965–90 growth rates. Growth rates in italics are for 1970–95.

Table 2. Social Progress

Country	Life Expectancy		Infant Mortality Rate		Total Fertility Rate		Index		Change in Index
	1965	1995	1965	1995	1965	1995	1965	1995	1965-95
Singapore	66	76	27	4	4.7	1.7	7.8	11.0	3.2
Hong Kong	67	79	26	5	4.5	1.2	8.0	11.6	3.6
Israel	73	77	27	8	3.8	2.4	8.9	10.5	1.6
Spain	72	77	38	7	2.9	1.2	9.3	11.4	2.1
Taiwan	66	76	26	7	4.8	1.8	7.7	10.9	2.8
Cyprus	70	78	27	8	3.1	2.2	9.2	10.7	1.5
Portugal	65	75	65	7	3.1	1.4	8.2	11.1	2.9
Korea	57	72	62	10	4.9	1.8	6.4	10.5	4.2
Greece	71	78	34	8	2.3	1.4	9.7	11.3	1.6
Argentina	66	73	58	22	3.1	2.7	8.4	9.8	1.4
Uruguay	69	73	47	18	2.8	2.2	9.0	10.2	1.2
Chile	60	72	98	12	4.8	2.3	6.1	10.2	4.1
Malaysia	58	71	55	12	6.3	3.4	5.6	9.3	3.7
Brazil	57	67	104	44	5.6	2.8	5.2	8.9	3.7
Mauritius	61	71	65	16	4.8	2.2	6.7	10.1	3.4
Mexico	60	72	82	33	6.7	3.0	5.0	9.3	4.3
Venezuela	63	71	65	23	6.1	3.1	5.9	9.3	3.4
Turkey	54	67	169	48	5.7	2.7	3.8	8.9	5.1
Panama	64	73	56	23	5.7	2.7	6.4	9.8	3.3
Thailand	56	69	88	35	6.3	1.8	4.9	9.9	5.0
Belize	66	70	51	36	6.3	3.9	6.3	8.5	2.2
Costa Rica	65	77	72	13	6.3	2.8	5.8	10.2	4.3
Colombia	59	69	86	34	6.5	2.8	5.0	9.2	4.2
Tunisia	52	69	145	39	7.0	2.9	3.2	9.1	5.9
Algeria	50	70	154	34	7.4	3.5	2.6	8.8	6.2
Average	63	73	69	20	5.0	2.4	6.6	10.0	3.4
South Africa	52	64	124	50	6.1	3.9	4.1	7.8	3.7
Botswana	48	68	112	56	6.9	4.4	3.5	7.7	4.2
Peru	51	66	130	47	6.7	3.1	3.5	8.6	5.0
Paraguay	65	68	73	41	6.6	4.0	5.6	8.2	2.6
El Salvador	55	67	120	36	6.7	3.7	4.0	8.4	4.4
Jordan	51	70	120	31	8.0	4.8	2.8	7.9	5.1
Jamaica	66	74	49	13	5.7	2.4	6.7	10.2	3.5
Dominican Republic	56	71	110	37	7.2	2.9	3.9	9.2	5.3
Ecuador	56	69	112	36	6.8	3.2	4.1	8.9	4.8
Guatemala	49	66	112	44	6.7	4.7	3.7	7.5	3.8
Swaziland	58	58	144	69	6.5	4.6	4.0	6.6	2.6
Morocco	50	65	145	55	7.1	3.4	2.9	8.2	5.2
Philippines	56	66	72	39	6.8	3.7	4.8	8.3	3.5
Egypt	49	63	145	56	6.8	3.4	3.1	8.0	4.9
Average	54	67	112	44	6.8	3.7	4.1	8.2	4.2
Indonesia	44	64	128	51	5.5	2.7	3.9	8.6	4.7
Bolivia	45	60	160	69	6.6	4.5	2.7	6.8	4.1
Sri Lanka	64	72	63	16	4.9	2.3	6.9	10.1	3.2
Pakistan	46	60	149	90	7.0	5.2	2.6	5.9	3.3
Ghana	48	58	120	73	6.8	5.1	3.4	6.1	2.7
India	45	62	150	68	6.2	3.2	3.1	7.9	4.7
Vietnam	50	68	134	41	6.0	3.1	3.9	8.8	4.9
Uganda	47	42	119	98	7.0	6.7	3.2	3.4	0.2
Bangladesh	45	58	144	79	6.8	3.5	2.8	7.2	4.4

(continued)

Table 2. Social Progress (Continued)

Country	Life Expectancy		Infant Mortality Rate		Total Fertility Rate		Index		Change in Index
	1965	1995	1965	1995	1965	1995	1965	1995	1965-95
Nepal	41	55	171	91	6.0	5.3	2.6	5.5	2.9
Mozambique	38	47	179	113	6.8	6.2	1.7	3.9	2.2
Average	47	59	138	72	6.3	4.3	3.4	6.7	3.4
Papua New Guinea	44	57	140	64	6.2	4.8	3.2	6.4	3.2
Lesotho	49	61	142	76	5.8	4.6	3.8	6.7	2.8
Congo	44	51	129	90	5.7	6.0	3.7	4.7	1.0
Cote d'Ivoire	42	55	149	86	7.4	5.3	2.1	5.6	3.5
Cameroon	46	57	143	56	5.2	5.7	4.0	5.9	1.9
Honduras	50	67	128	45	7.4	4.6	3.0	7.6	4.6
Senegal	41	50	160	62	6.4	5.7	2.5	5.3	2.8
Guyana	58	66	94	60	6.0	2.4	5.2	8.8	3.7
Guinea	35	44	191	128	5.9	6.5	1.9	3.2	1.3
Zimbabwe	48	57	103	55	8.0	3.8	2.9	7.3	4.4
Mauritania	38	51	178	96	6.5	5.2	1.9	5.2	3.2
Zambia	45	46	121	109	6.6	5.7	3.3	4.2	0.9
Nicaragua	51	68	121	46	7.2	4.1	3.3	8.0	4.7
Benin	42	50	166	95	6.8	6.0	2.2	4.5	2.3
Central African Republic	41	48	157	98	5.7	5.1	3.1	5.0	1.9
Gambia	34	46	201	126	6.5	5.3	1.2	4.2	3.0
Togo	42	56	153	88	6.5	6.4	2.6	4.8	2.2
Kenya	48	58	112	58	8.0	4.7	2.7	6.7	4.0
Cambodia	45	53	134	108	6.2	4.7	3.4	5.5	1.3
Yemen	40	53	194	100	7.0	7.4	1.5	3.7	2.2
Nigeria	42	47	162	119	6.9	5.5	2.2	4.3	2.1
Haiti	46	57	158	72	6.1	4.4	3.1	6.6	3.4
Guinea-Bissau	35	38	192	136	5.2	6.0	2.4	3.0	0.6
Mali	38	50	207	123	6.5	6.8	1.4	3.5	2.1
Burkina Faso	39	49	190	99	6.4	6.7	1.9	3.9	2.0
Madagascar	44	52	201	89	6.6	5.8	1.9	4.9	3.0
Niger	37	47	180	119	7.1	7.4	1.4	2.9	1.5
Chad	37	48	183	117	6.0	5.9	2.1	4.1	2.0
Sierra Leone	33	40	208	179	6.4	6.5	1.1	2.1	0.9
Rwanda	44	39	141	133	7.5	6.2	2.3	2.9	0.7
Malawi	39	43	200	133	7.8	6.6	0.7	3.0	2.2
Burundi	43	49	142	98	6.4	6.5	3.0	4.1	1.1
Tanzania	43	51	138	82	6.6	5.8	2.9	5.0	2.1
Zaire	52	52	141	92	6.0	6.7	3.9	4.2	0.3
Ethiopia	43	49	165	112	6.7	7.0	2.4	3.5	1.1
Sudan	40	54	160	77	6.7	4.8	2.2	6.0	3.8
Somalia	39	49	165	128	6.7	7.0	2.1	3.2	1.1
Myanmar	48	59	122	83	5.8	3.4	4.1	7.2	3.2
Liberia	45	54	176	172	6.4	6.5	2.6	3.2	0.7
Afghanistan	38	44	206	158	7.0	6.9	1.1	2.4	1.3
Average	43	52	159	99	6.5	5.7	2.6	4.8	2.8

Notes: Data are from the World Bank's *World Development Report*, 1992 and 1996, supplemented by data from the UN Development Program's *Human Development Report* for various years. Data for Belize and Taiwan are from national and other sources. The "index" gauges social development according to ranges of 2.3 to 8.0 births per woman for fertility; 208 to 260 deaths per 1,000 births for infant mortality; and 33 to 73 years for life expectancy. A minimal value earns a score of 0, and a maximum value a score of 10. The weights are 40 percent for fertility, 30 percent for life expectancy, and 30 percent for infant mortality.

Table 3. Selected Indicators for Developing Countries, Circa 1965

	Infant Mortality Rate 1965	Total Fertility Rate 1965	Life Expec- tancy 1965	GNP Per Capita			Net ODA Per Capita, Annual average 1965-68		Group
				1990, in current dollars	1965, in 1990 dollars	Average Growth 1965-90	in current dollars	in 1990 dollars	
Spain	38	2.9	72	11,020	6,091	2.4	2.87	12.05	1
Israel	27	3.8	73	10,920	5,748	2.6	37.33	156.79	1
Venezuela	65	6.1	63	2,560	3,291	-1.0	7.08	29.74	1
Greece	34	2.3	71	5,990	3,003	2.8	4.00	16.80	1
Argentina	58	3.1	66	2,370	2,555	-0.3	-1.99	-8.36	1
Hong Kong	26	4.5	67	11,490	2,554	6.2	0.63	2.65	1
Portugal	65	3.1	65	4,900	2,340	3.0	n/a	n/a	1
Singapore	27	4.7	66	11,160	2,312	6.5	3.96	16.63	1
Cyprus	27	3.1	70	8,020	2,103	5.5	7.93	33.31	1
Uruguay	47	2.8	69	2,560	2,098	0.8	3.50	14.70	1
Mexico	82	6.7	60	2,490	1,803	1.3	2.28	9.58	1
Chile	98	4.8	60	1,940	1,756	0.4	15.56	65.35	1
Costa Rica	72	6.3	65	1,900	1,342	1.4	11.37	47.75	1
Taiwan	26	4.8	66	7,310	1,316	7.1	5.32	22.34	1
Panama	56	5.7	64	1,830	1,293	1.4	16.85	70.77	1
Algeria	154	7.4	50	2,060	1,225	2.1	9.09	38.18	1
Brazil	104	5.6	57	2,680	1,190	3.3	2.44	10.25	1
Belize	51	6.3	66	1,990	1,048	2.6	34.07	143.09	1
Mauritius	65	4.8	61	2,250	1,024	3.2	7.01	29.44	1
Korea	62	4.9	57	5,400	972	7.1	8.21	34.48	1
Malaysia	55	6.3	58	2,320	870	4.0	4.52	18.98	1
Turkey	169	5.7	54	1,630	858	2.6	6.10	25.62	1
Colombia	86	6.5	59	1,260	714	2.3	5.74	24.11	1
Tunisia	145	7.0	52	1,440	655	3.2	18.79	78.92	1
Thailand	88	6.3	56	1,420	484	4.4	1.77	7.43	1
Jamaica	49	5.7	66	1,500	2,080	-1.3	9.45	39.69	2
South Africa	124	6.1	52	2,530	1,832	1.3	n/a	n/a	2
El Salvador	120	6.7	55	1,110	1,227	-0.4	4.94	20.75	2
Peru	130	6.7	51	1,160	1,220	-0.2	4.79	20.12	2
Guatemala	112	6.7	49	900	756	0.7	3.38	14.20	2
Morocco	145	7.1	50	950	538	2.3	6.81	28.60	2
Philippines	72	6.8	56	730	529	1.3	2.85	11.97	2
Ecuador	112	6.8	56	980	491	2.8	4.64	19.49	2
Dominican Republic	110	7.2	56	830	470	2.3	15.77	66.23	2
Swaziland	145	6.5	58	810	470	2.2	28.65	120.33	2
Paraguay	73	6.6	65	1,110	361	4.6	6.56	27.55	2
Botswana	112	6.9	48	2,040	272	8.4	26.91	113.02	2
Egypt	145	6.8	49	600	220	4.1	2.04	8.57	2
Jordan	120	8.0	51	1,240	n/a	n/a	27.41	115.12	2
Bolivia	160	6.6	45	630	751	-0.7	8.87	37.25	3
Ghana	120	6.8	48	390	555	-1.4	8.44	35.45	3
Uganda	119	7.0	47	220	404	-2.4	2.77	11.63	3
Sri Lanka	63	4.9	64	470	230	2.9	2.94	12.35	3
India	150	6.2	45	350	219	1.9	2.36	9.91	3
Pakistan	149	7.0	46	380	205	2.5	4.05	17.01	3
Indonesia	128	5.5	44	570	190	4.5	1.50	6.30	3
Bangladesh	144	6.8	45	210	176	0.7	n/a	n/a	3
Nepal	171	6.0	41	170	150	0.5	1.08	4.54	3
Mozambique	179	6.8	38	80	84	-0.2	n/a	n/a	3
Vietnam	134	6.0	50	n/a	n/a	n/a	25.30	106.26	3
Papua New Guinea	140	6.2	44	860	839	0.1	42.33	177.79	4
Senegal	160	6.4	41	710	825	-0.6	12.68	53.26	4
Zambia	121	6.6	45	420	678	-1.9	9.13	38.35	4
Cote d'Ivoire	149	7.4	42	750	662	0.5	9.74	40.91	4
Mauritania	178	6.5	38	500	581	-0.6	7.46	31.33	4
Niger	180	7.1	37	310	569	-2.4	6.18	25.96	4
Zimbabwe	103	8.0	48	640	538	0.7	-0.35	-1.47	4
Honduras	128	7.4	50	590	521	0.5	5.22	21.92	4
Congo	129	5.7	44	1,010	471	3.1	25.34	106.43	4
Cameroon	143	5.2	46	960	459	3.0	6.85	28.77	4
Guyana	92	5.5	58	330	458	-1.3	17.07	71.69	4
Central African Republic	157	5.7	41	390	442	-0.5	12.35	51.87	4
Togo	153	6.5	42	410	420	-0.1	7.16	30.07	4

(continued)

Table 3. Selected Indicators for Developing Countries, Circa 1965 (Continued)

	Infant Mortality Rate 1965	Total Fertility Rate 1965	Life Expec- tancy 1965	GNP Per Capita			Net ODA Per Capita, Annual average 1965-68		Group
				1990, in current dollars	1965, in 1990 dollars	Average Growth 1965-90	in current dollars	in 1990 dollars	
Zaire	141	6.0	52	220	384	-2.2	6.24	26.21	4
Madagascar	201	6.6	44	230	372	-1.9	7.07	29.69	4
Benin	166	6.8	42	360	369	-0.1	7.14	29.99	4
Haiti	158	6.1	46	370	352	0.2	1.06	4.45	4
Nigeria	162	6.9	42	290	283	0.1	2.25	9.45	4
Chad	183	5.9	37	190	251	-1.1	5.74	24.11	4
Rwanda	141	7.5	44	310	242	1.0	3.62	15.20	4
Sierra Leone	208	6.4	33	240	240	0.0	5.01	21.04	4
Burkina Faso	190	6.4	39	330	239	1.3	3.83	16.09	4
Kenya	112	8.0	48	370	231	1.9	6.15	25.83	4
Gambia	201	6.5	34	260	218	0.7	9.18	38.56	4
Mali	207	6.5	38	270	177	1.7	4.16	17.47	4
Lesotho	142	5.8	49	530	160	4.9	14.16	59.47	4
Malawi	200	7.8	39	200	160	0.9	7.26	30.49	4
Ethiopia	165	5.8	43	120	126	-0.2	1.52	6.38	4
Somalia	165	6.7	39	120	123	-0.1	0.50	2.10	4
Tanzania	138	6.6	43	110	116	-0.2	2.98	12.52	4
Burundi	142	6.4	43	210	91	3.4	2.77	11.63	4
Afghanistan	206	7.0	38	n/a	n/a	n/a	2.74	11.51	4
Cambodia	134	6.2	45	n/a	n/a	n/a	1.90	7.98	4
Guinea	191	5.9	35	440	n/a	n/a	3.73	15.67	4
Guinea-Bissau	192	5.3	35	180	n/a	0.1	n/a	n/a	4
Liberia	176	6.4	45	n/a	n/a	-3.0	31.89	133.94	4
Myanmar	122	5.8	48	n/a	n/a	1.2	0.56	2.35	4
Nicaragua	121	7.2	51	n/a	n/a	-5.3	8.79	36.92	4
Sudan	160	6.7	40	n/a	n/a	-0.7	1.64	6.89	4
Yemen	194	7.0	40	n/a	n/a	n/a	0.76	3.19	4

Notes: Data for economic and social indicators are from previous tables. Data for 1965-68 aid per capita are from the Organization for Economic Cooperation and Development, *Resources for the Developing World, 1962-68, 1970*.

Table 4. Trends in Economic Freedom, 1975–95

<u>Country^a</u>	<u>Index of Economic Freedom Score</u>			<u>Country</u>	<u>Index of Economic Freedom Score</u>		
	1975	1995	Change 1975–95		1975	1995	Change 1975–95
1 Singapore	3.8	8.2	4.4	34 Indonesia	4.9	5.8	0.8
2 Portugal	2.1	5.8	3.7	35 Chad	3.8	4.5	0.7
3 Chile	2.7	6.2	3.5	36 Paraguay	5.3	5.9	0.6
4 Argentina	3.1	6.2	3.1	37 Jordan	4.3	4.8	0.5
5 Jamaica	3.0	6.1	3.1	38 Togo	3.0	3.5	0.5
6 Spain	3.5	6.3	2.8	39 Morocco	3.4	3.9	0.5
7 South Korea	3.8	6.7	2.8	40 Rwanda	3.1	3.5	0.4
8 Mauritius	3.6	6.1	2.5	41 Kenya	3.7	4.0	0.3
9 Peru	3.0	5.5	2.5	42 Nepal	3.1	3.4	0.3
10 Thailand	4.4	6.9	2.5	43 Nigeria	3.0	3.3	0.3
11 Ghana	2.0	4.4	2.4	44 Tanzania	2.9	3.2	0.3
12 Pakistan	2.8	5.2	2.4	45 Mali	3.9	4.1	0.3
13 Israel	2.2	4.2	2.0	46 Benin	3.4	3.7	0.3
14 Taiwan	4.9	6.8	1.9	47 Guatemala	5.9	6.2	0.3
15 Uganda	1.2	3.1	1.8	48 Senegal	3.7	4.0	0.3
16 Turkey	2.4	4.2	1.8	49 Uruguay	5.9	6.2	0.3
17 Colombia	3.5	5.3	1.8	50 Brazil	2.7	2.8	0.2
18 Dominican Republic	3.2	5.0	1.8	51 Sierra Leone	3.6	3.8	0.1
19 Botswana	3.8	5.6	1.8	52 Zambia	3.0	3.1	0.1
20 Philippines	4.2	6.0	1.8	53 Malawi	3.9	4.0	0.1
21 El Salvador	4.2	6.0	1.8	54 Hong Kong	9.1	9.0	0.0
22 Tunisia	2.7	4.3	1.6	55 Cameroon	4.1	4.0	-0.1
23 Malaysia	5.5	7.1	1.6	56 Niger	3.7	3.6	-0.1
24 Egypt	2.7	4.2	1.5	57 Madagascar	3.9	3.3	-0.6
25 India	2.9	4.4	1.5	58 Ivory Coast	3.9	3.2	-0.6
26 Sri Lanka	3.3	4.8	1.5	59 Panama	7.5	6.8	-0.7
27 Costa Rica	5.4	6.8	1.4	60 Congo	4.4	3.5	-0.9
28 Greece	3.6	4.9	1.3	61 Zaire	3.0	1.9	-1.1
29 Cyprus	3.8	4.9	1.2	62 Algeria	3.4	2.1	-1.2
30 Bangladesh	3.1	4.2	1.1	63 Haiti	4.5	3.2	-1.3
31 Ecuador	4.4	5.4	1.0	64 Honduras	7.1	5.5	-1.6
32 Mexico	4.8	5.7	1.0	65 Venezuela	6.5	3.9	-2.6
33 Bolivia	5.2	6.1	0.9	66 Nicaragua	6.0	2.7	-3.2
----- continued at right -----				Average	3.9	4.8	0.9

^aRank ordered by change in economic freedom score.

Source: *Economic Freedom of the World 1975–95*, by James Gwartney, Robert Lawson, and Walter Block.

Table 5. Trends in Political Freedom, 1975–96

Country ^a	Political Rights		Civil Liberties		Combined Rating		Improvement 1975–96
	1975	1996	1975	1996	1975	1996	
1 Benin	7	2	6	2	13	4	9
2 Mali	7	2	6	2	13	4	9
3 Panama	7	2	6	3	13	5	8
4 Malawi	7	2	6	3	13	5	8
5 Chile	7	2	5	2	12	4	8
6 Uruguay	5	1	5	2	10	3	7
7 Spain	5	1	5	2	10	3	7
8 Taiwan	6	2	5	2	11	4	7
9 Korea	5	2	6	2	11	4	7
10 Ecuador	7	2	5	4	12	6	6
11 Bolivia	6	2	5	3	11	5	6
12 Portugal	5	1	3	1	8	2	6
13 South Africa	4	1	5	2	9	3	6
14 Uganda	7	4	7	4	14	8	6
15 Cyprus	4	1	4	1	8	2	6
16 Peru	6	4	6	3	12	7	5
17 Mozambique	6	3	6	4	12	7	5
18 Guinea–Bissau	6	3	6	4	12	7	5
19 Philippines	5	2	5	3	10	5	5
20 Ghana	7	3	5	4	12	7	5
21 Jordan	6	4	6	4	12	8	4
22 Nepal	6	3	5	4	11	7	4
23 Senegal	6	4	5	4	11	8	3
24 Nicaragua	5	3	4	3	9	6	3
25 Haiti	6	4	6	5	12	9	3
26 Congo	5	4	6	4	11	8	3
27 Guinea	7	6	7	5	14	11	3
28 Paraguay	5	4	5	3	10	7	3
29 Madagascar	5	2	4	4	9	6	3
30 Guyana	4	2	3	2	7	4	3
31 Honduras	6	3	3	3	9	6	3
32 Ethiopia	6	4	5	5	11	9	2
33 Togo	7	6	6	5	13	11	2
34 Tanzania	6	5	6	5	12	10	2
35 Mauritius	3	1	2	2	5	3	2
36 Bangladesh	4	2	4	4	8	6	2
37 Sierra Leone	6	4	5	5	11	9	2
38 Brazil	4	2	4	4	8	6	2
39 Chad	6	6	7	5	13	11	2
40 Thailand	5	3	3	3	8	6	2
41 Israel	2	1	3	3	5	4	1
42 Niger	7	7	6	5	13	12	1
43 Zimbabwe	6	5	5	5	11	10	1
44 Cote d'Ivoire	6	6	6	5	12	11	1
45 Lesotho	5	4	4	4	9	8	1
46 Singapore	5	4	5	5	10	9	1
47 Belize	1	1	2	1	3	2	1

^aIn rank order of improvement in combined rating 1975–96. A lower rating indicates improvement.

(continued)

Table 5. Trends in Political Freedom, 1975–96 (Continued)

Country	Political Rights		Civil Liberties		Combined Rating		Improvement 1975–96
	1975	1996	1975	1996	1975	1996	
48 Oman	7	6	6	6	13	12	1
49 Trinidad	2	1	2	2	4	3	1
50 Argentina	2	2	4	3	6	5	1
51 Botswana	2	2	3	2	5	4	1
52 Burkina Faso	6	5	4	4	10	9	1
53 Greece	2	1	2	3	4	4	0
54 Algeria	6	6	6	6	12	12	0
55 Mexico	4	4	3	3	7	7	0
56 Guatemala	4	3	3	4	7	7	0
57 Morocco	5	5	5	5	10	10	0
58 Zambia	5	5	4	4	9	9	0
59 Dominican Republic	4	3	2	3	6	6	0
60 Zaire	7	7	6	6	13	13	0
61 Burundi	7	7	7	7	14	14	0
62 Tunisia	6	6	5	5	11	11	0
63 India	2	2	3	4	5	6	-1
64 Pakistan	3	4	5	5	8	9	-1
65 Rwanda	7	7	5	6	12	13	-1
66 Costa Rica	1	1	1	2	2	3	-1
67 Swaziland	6	6	4	5	10	11	-1
68 El Salvador	2	3	3	3	5	6	-1
69 Papua New Guinea	3	2	2	4	5	6	-1
70 Mauritania	5	6	6	6	11	12	-1
71 Somalia	7	7	6	7	13	14	-1
72 Venezuela	2	2	2	3	4	5	-1
73 Afghanistan	7	7	6	7	13	14	-1
74 Egypt	6	6	4	6	10	12	-2
75 Jamaica	1	2	2	3	3	5	-2
76 Sudan	6	7	6	7	12	14	-2
77 Indonesia	5	7	5	5	10	12	-2
78 Myanmar	7	7	5	7	12	14	-2
79 Sri Lanka	2	3	3	5	5	8	-3
80 Nigeria	6	7	4	6	10	13	-3
81 Malaysia	3	4	3	5	6	9	-3
82 Kenya	5	7	4	6	9	13	-4
83 Colombia	2	4	2	4	4	8	-4
84 Liberia	6	7	3	6	9	13	-4
85 Turkey	2	4	3	5	5	9	-4
86 Gambia	2	7	2	6	4	13	-9
Average	5.0	3.8	4.5	4.0	9.4	7.8	1.6

Source: Freedom House.

Table 6. Allocation of U.S. Economic Assistance, Rank Ordered

<u>Rank</u>	<u>Country</u>	<u>U.S. Economic Assistance 1962-90</u> Million US\$	<u>Country Share of Total</u> Percent	<u>Cumulative Share of Total</u> Percent
1	Egypt	16,936	14.16	14.16
2	Israel	16,878	14.11	28.27
3	India	9,600	8.03	36.30
4	Pakistan	6,885	5.76	42.05
5	Vietnam	6,013	5.03	47.08
6	Bangladesh	3,439	2.88	49.95
7	Indonesia	3,396	2.84	52.79
8	Philippines	3,289	2.75	55.54
9	Turkey	3,202	2.68	58.22
10	El Salvador	3,089	2.58	60.80
11	Korea	2,857	2.39	63.19
12	Brazil	2,246	1.88	65.07
13	Honduras	1,621	1.36	66.42
14	Jordan	1,597	1.34	67.76
15	Costa Rica	1,567	1.31	69.07
16	Sudan	1,552	1.30	70.37
17	Morocco	1,544	1.29	71.66
18	Colombia	1,473	1.23	72.89
19	Dom Rep	1,432	1.20	74.09
20	Peru	1,410	1.18	75.27
21	Bolivia	1,342	1.12	76.39
22	Jamaica	1,262	1.06	77.44
23	Portugal	1,208	1.01	78.45
24	Guatemala	1,197	1.00	79.45
25	Sri Lanka	1,134	0.95	80.40
26	Chile	1,077	0.90	81.30
27	Zaire	1,061	0.89	82.19
28	Tunisia	1,018	0.85	83.04
29	Panama	946	0.79	83.83
30	Kenya	897	0.75	84.58
31	Thailand	891	0.74	85.33
32	Haiti	787	0.66	85.98
33	Cambodia	776	0.65	86.63
34	Liberia	772	0.65	87.28
35	Somalia	712	0.60	87.87
36	Ethiopia	699	0.58	88.46
37	Ecuador	632	0.53	88.99
38	Senegal	616	0.51	89.50
39	Ghana	615	0.51	90.01
40	Nicaragua	602	0.50	90.52
41	Afghanistan	536	0.45	90.97
42	Nigeria	528	0.44	91.41
43	Tanzania	460	0.38	91.79
44	Yemen	450	0.38	92.17
45	Zambia	449	0.38	92.54
46	Nepal	424	0.35	92.90
47	Niger	418	0.35	93.25

(continued)

Table 6. Allocation of U.S. Economic Assistance, Rank Ordered (*Continued*)

<u>Rank</u>	<u>Country</u>	<u>U.S. Economic Assistance 1962-90</u> Million US\$	<u>Country Share of Total</u> Percent	<u>Cumulative Share of Total</u> Percent
48	Mexico	415	0.35	93.59
49	Mali	406	0.34	93.93
50	Mozambique	394	0.33	94.26
51	Zimbabwe	380	0.32	94.58
52	Cameroon	340	0.28	94.87
53	Taiwan	311	0.26	95.13
54	Guinea	308	0.26	95.38
55	Burkina Faso	306	0.26	95.64
56	Botswana	302	0.25	95.89
57	Malawi	295	0.25	96.14
58	Lesotho	282	0.24	96.37
59	Cyprus	282	0.24	96.61
60	Uganda	235	0.20	96.81
61	Chad	221	0.18	96.99
62	Greece	220	0.18	97.17
63	Algeria	200	0.17	97.34
64	Sierra Leone	192	0.16	97.50
65	Spain	191	0.16	97.66
66	Argentina	191	0.16	97.82
67	Venezuela	188	0.16	97.98
68	Paraguay	185	0.15	98.13
69	Myanmar	174	0.15	98.28
70	Mauritania	172	0.14	98.42
71	Uruguay	170	0.14	98.56
72	Madagascar	168	0.14	98.70
73	Guyana	167	0.14	98.84
74	Swaziland	152	0.13	98.97
75	Togo	149	0.12	99.10
76	Rwanda	146	0.12	99.22
77	South Africa	123	0.10	99.32
78	Belize	117	0.10	99.42
79	Gambia	106	0.09	99.51
80	Burundi	99	0.08	99.59
81	Cote d'Ivoire	88	0.07	99.66
82	Benin	85	0.07	99.73
83	Mauritius	77	0.06	99.80
84	Malaysia	70	0.06	99.86
85	Central African Republic	55	0.05	99.90
86	Guinea-Bissau	55	0.05	99.95
87	Congo	31	0.03	99.98
88	Hong Kong	17	0.01	99.99
89	Papua New Guinea	10	0.01	100.00
90	Singapore	2	0.00	100.00
TOTAL		119,612		

Source: USAID, U.S. Overseas Loans and Grants, 1995.