

Preface

The global financial crisis of 2008–09 changed not only the global economic order, but also the way we think about that order. Principles and practices that were once accepted wisdom are now in doubt or discredited. New and fundamental questions have opened. And the search for answers has barely begun.

For the countries of the developing world, this conceptual uncertainty is particularly uncomfortable—through a combination of good policies and good luck, they had begun to achieve real progress. Will all that now be derailed? What does the new horizon hold for them? Can they find new policy ideas that will turn the shock of the crisis into a final run toward “developed” status? How does the future look when seen from various geographic regions?

These are the kind of questions that we asked a group of our colleagues at the World Bank during the summer of 2010. This book is an unfiltered collection of their views. As seasoned practitioners in the leading development institution, they have a unique perspective from which to visualize—we would dare say “to sense”—what may be coming. Some of them look at the big picture of the role that the developing world is about to play and the way it will play that role. Others walk us through the conceptual links around specific issues that will affect that world—say, the likely evolution of macrofinancial regulation. And others take us to continents and countries, teach us about their realities, and tell us how life will differ in the coming years. Put together, they paint a picture of reasoned optimism.

Why?

Because developing countries as a whole face an unprecedented opportunity. Most have shown to themselves that, with good management, prosperity

is possible and need not be the privilege of their elites. These countries are integrating with each other and catching up technologically with advanced economies. Many have natural resources that will remain in high demand. And all are now heard more loudly, their relevance embedded in the fabric of the G-20 and in the improved governance of multilaterals.

Does this situation mean the endgame for the fight against poverty? Will we soon erase the word “developing” from our technical lingo? Probably not—at least not for a while. But it is a time to step up the pace of development. To go for that endgame. To see nations in East and South Asia and Latin America become global icons. To fulfill the long-delayed promise of the Middle East. To help reform where reform is needed—as in Eastern Europe. And, yes, to see Africa finally take off.

In brief, it is a time to debate, decide, do, and deliver. This book is a contribution to that process. It does not seek agreements, propose universal recipes, or invent new paradigms. It just looks forward and describes for us what it sees.

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