In developing countries, which is actually where I've focused most of my attention, I think there's a general recognition by economists now that the quality of government is really the central issue determining whether you're going to be rich or poor. You compare Nigeria and Norway, both of them are oil producing states, Nigeria has taken in maybe 400 billion dollars in oil revenues over the past generation, it has a 70% poverty rate and per capita income for much of that period was actually declining, despite that oil revenue. And the entire issue is bad government, it's theft, high levels of corruption, rent seeking, you know, all of these kinds of ills. Norway, on the other hand, is a little Nordic country that also sits on a lot of oil. They've invested their money wisely, there's hardly any corruption in the country and once the oil runs out in the North Sea, they're still going to be sitting pretty because they've invested this in productive assets and there's lots of other things that Norwegians do besides producing gas and oil and that's entirely the result of governance, those two different outcomes.

Well, that's the difficult part; political reform is sometimes regarded as a kind of technical problem, which is what I call the Getting to Denmark Problem. So Denmark is just a symbol for a well-run, modern, prosperous, uncorrput country and there's this tendency to say, "Well, Denmark does x, y and z, so therefore you do x, y and z and you'll just be like Denmark." And I think the problem is that governments are really much more complicated than that; they have histories, they've got a certain cultural context, they've got certain societies that they sit on top of that let them do some things and not others. And so you can't simply import a Danish model and expect that things are going to work well. And in particular, political reform is difficult, not because people don't understand what Denmark is like or what a good government looks like, they don't want to do it because it's not in their interest, you know? Corrupt politicians are making lots of money keeping the status quo what it is and unless you can figure out a way to neutralize them, you're not going to succeed as a political reformer. So part of the, I think, the secret to getting to good government is understanding that this is a deeply, deeply political process. It's not a technocratic process. Technocrats have the easy part, telling you what an optimal government looks like. The hard part is actually building the political coalitions, communicating ideals and endpoints to populations to bring them along, you know, it's the basic work of politics and that's, I think, how you make improvements.

I think that in development at this point, we've gotten way past the idea that we, sitting in Washington or New York or London, have the right ideas of how to make your country develop and all we have to do is give you that knowledge. I think that actually the secret to development, you know, lies within those countries themselves and that the most important models are not rich countries but other poor countries. And so I think what we are trying to do is promote a kind of south-south learning, where developing countries can look at the experience of other developing countries, instances where they've been successful in promoting the private sector or improving their health systems or whatnot and showing them -- not as a template necessarily, but as a strategic example of how political leadership has operated -- a possible way forward in their own particular local context.

I have a program called the Leadership Academy for Development, which is aimed at poor countries. I think the cause of poverty in many poor countries is high levels of corruption, very, very dysfunctional governments, governments that cannot provide basic education, healthcare to their populations and so this is a project that is designed to show cases of successful developing countries fixing their governance problems to promote private sector development and then to teach this actually to public officials in developing countries.

I am amazed at the quality of the students that we've gotten for this. Part of, I
think what makes the program successful is it's based on cases rather than just straightforward lecturing and so the presentation style is also extremely important because in case teaching, you don't give them the answer. The student -- the students, themselves, have to come to the answer and that's part of the learning experience and I think in many countries, you have very authoritarian teaching and you have very authoritarian bureaucracies where nobody is allowed to think for themselves and so I think that's one of the great appeals of, you know, this kind of approach.

[ Music ]