

Introduction

Economic growth is critical to reducing poverty in developing countries; however, it is difficult to define as the drivers and outcomes of growth vary across countries and time. While development practitioners monitor many indicators of progress in various sectors, there is consensus that change in gross domestic product (GDP) over an extended period of time is a reliable indicator of economic growth and rising standards of living. This snapshot identifies countries that have grown five percent or more annually during separate 5-year periods from 1983 to 2008. It takes particular note of countries that have achieved consecutive 5-year periods of rapid growth.

A GDP growth rate of five percent is a benchmark for progress. It is more than enough to meet the rate of population growth, leaving additional output to improve living standards. If the corresponding population growth rate is between 2 and 3 percent, the country's per capita income can double in 24 to 36 years. China is a clear example of a country's ability to raise millions of people above the poverty line. Its annual GDP growth rate has exceeded 5 percent by a wide margin for over two decades.

In the short run, dozens of factors influence the growth rate, including public policies, the resource base, external trade shocks, the weather, and political and economic developments in neighboring countries. So many factors are at play that a random confluence of them can produce a five percent growth rate. This randomness vitiates the utility of year-to-year GDP growth as a measure of the quality and appropriateness of a country's economic policy framework. Even poorly-run countries can grow at five percent for a year or two. However, it is unlikely a country can achieve a five percent growth rate over a long period of time by good luck alone in the absence of a sound economic policy framework.

Global Overview

The seven countries that achieved at least 4 consecutive 5-year periods of sustained 5% or greater annual growth are in Asia and Sub-Saharan Africa. Overall, many countries have been able to sustain 5% or greater annual growth for five years; however, few have been able to maintain this rate of growth for more than two consecutive 5-year periods.

Region (total # countries in region)	Number of countries with:									
	Growth rates of at least 5% for one 5-year period (1983-2008)					Sustained economic growth over consecutive 5-year periods (max. number of periods)				
	83-88	88-93	93-98	98-03	03-08	1	2	3	4	5
Asia (22)	11	9	9	10	16	6	5	3	3	2
LAC (31)	8	6	4	2	14	18	3	1	0	0
MNA (19)	2	6	5	2	5	9	4	0	0	0
SSA (46)	8	7	15	13	21	19	5	7	2	0
Total	21	21	18	14	35	33	12	4	3	2



Asia

Bhutan and China were the only countries in the four global regions analyzed that achieved five consecutive 5-year periods of annual GDP growth over 5% from 1983 to 2008. While China attained consistent average annual GDP growth rates of over 8% over the past 25 years, growth rates in Bhutan were more moderate, just reaching the 5% annual growth benchmark from 1988 to 1998.

Laos, Malaysia and Vietnam were the only Asian countries other than Bhutan and China to attain 4 consecutive 5-year periods of rapid growth. Of these three countries, Malaysia achieved the fastest average annual growth rate in one 5-year period, growing by about 9.3% annually from 1988-1993. In the most recent time period, 2003-2008, Vietnam achieved the fastest growth of the three with an average annual growth of 7.8%.

Singapore and India also grew rapidly for four 5-year time periods from 1983 to 2008, but only three were consecutive. Singapore's fastest average annual growth over a five year period was 8.7% from 1988-1993. Likewise, India reached the same rapid average annual growth of 8.7% from 2003-2008. Cambodia achieved 3 consecutive 5-year periods of over 5% annual growth, attaining nearly 10% growth annually from 2003 to 2008.

Latin America and the Caribbean (LAC)

No countries in LAC achieved four or more consecutive 5-year periods of annual growth of 5%. Chile had the most consistent rapid growth with three consecutive 5-year time periods of rapid growth from 1983-1998. Belize also achieved three 5-year time periods of rapid growth; however, only two occurred consecutively.

Only six countries in LAC achieved two non-consecutive 5-year periods of annual growth over 5%. Venezuela is an example of the volatile and inconsistent growth typical in many LAC countries over the time period of 1983-2008. Venezuela's compound average annual growth surged from an annual decline of 3% from 1998 to 2003 to a speedy 10% annual increase from 2003 to 2008.

Middle East and North Africa (MENA)

No countries in MENA achieved three or more consecutive 5-year periods of rapid growth. Iran, Israel, Oman, and the United Arab Emirates were the only countries to achieve 2 consecutive periods of average annual growth over 5%.

Bahrain also attained two 5-year periods of annual growth over 5%, although not consecutively. Jordan achieved the most rapid average annual growth in one 5-year period, growing about 7.4% annually from 2003 to 2008.

Sub-Saharan Africa (SSA)

The two stand-out economies in SSA are Botswana and Uganda. By 2008 Botswana recorded a GDP over five times the size of its 1983 level. However, Botswana's growth slowed from 2003 to 2008, dropping below the 5% annual growth rate target for this time period. Uganda, on the other hand, sustained rapid growth since 1988, including during the most recent 5-year time period, increasing its GDP by 50% from 2003 to 2008. GDP growth in Uganda continued at a remarkable pace in 2008 despite the global economic recession, while Botswana's economy contracted.

Seven countries in SSA achieved 3 consecutive 5-year periods of rapid growth. Of these, Equatorial Guinea, Angola, and Mozambique had the highest average rates of annual growth over the fifteen year period.

Region Tables Highlighting Countries with Sustained Economic Growth

Maximum number of consecutive 5-year periods with at least 5% annual growth				
1	2	3	4	5
*	No data available for given time period			

Note: Averages in this snapshot are the compound average annual growth rate calculated over 5-year periods using the data from the first and fifth year only. Only countries with at least one 5-year period of 5% annual growth are included in the regional tables below. The top row of the table on the bottom counts the number of countries achieving at least 5% average annual growth for one 5-year period. The following rows count forward the number of countries that continue to achieve the 5% benchmark for consecutive 5-year periods. For example, in Asia 16 countries achieved the benchmark 5% average annual growth from 2003-2008, 9 countries for 2 consecutive 5-year periods from 1998-2008, 7 countries from 1993-2008, 5 countries from 1988-2008, and only 2 countries achieved the benchmark for 5 consecutive 5-year periods, 1983-2008.

ASIA

Countries with 5% annual growth over 5 year intervals (1983-2008)					
	1983-88	1988-93	1993-98	1998-03	2003-08
				Bangladesh	Bangladesh
	Bhutan	Bhutan	Bhutan	Bhutan	Bhutan
	*	*	Cambodia	Cambodia	Cambodia
	China	China	China	China	China
	China (Hong Kong)				China (Hong Kong)
	India		India	India	India
	Indonesia	Indonesia			Indonesia
	Korea Republic	Korea Republic		Korea Republic	
	*	Laos	Laos	Laos	Laos
		Malaysia	Malaysia	Malaysia	Malaysia
	*	*	*	Maldives	Maldives
	Mongolia				Mongolia
	Nepal				
	Pakistan				Pakistan
					Philippines
	Singapore	Singapore	Singapore		Singapore
			Sri Lanka		Sri Lanka
	Thailand	Thailand			
	*	Vietnam	Vietnam	Vietnam	Vietnam
1	11	9	9	10	16
2		6	6	7	9
3			3	5	7
4				2	5
5					2

Latin America and the Caribbean (LAC)

Countries with 5% annual growth over 5 year intervals (1983-2008)					
	1983-88	1988-93	1993-98	1998-03	2003-08
					Argentina
	Bahamas				
	Belize	Belize		Belize	
					Colombia
	Chile	Chile	Chile		
		Costa Rica			Costa Rica
			Dominican Republic		Dominican Republic
					Ecuador
	Grenada				
			Guyana		
					Honduras
		Jamaica			
		Panama			Panama
			Peru		Peru
	St. Kitts and Nevis				St. Kitts and Nevis
	St. Lucia	St. Lucia			
					Suriname
				Trinidad & Tobago	Trinidad & Tobago
					Uruguay
					Venezuela
1	8	6	4	2	14
2		3	1	0	1
3			1	0	0
4				0	0
5					0

Middle East and North Africa (MENA)

Countries with 5% annual growth over 5 year intervals (1983-2008)					
	1983-88	1988-93	1993-98	1998-03	2003-08
		Bahrain		Bahrain	*
					Egypt
					Jordan
		Iran		Iran	Iran
		Israel	Israel		
		Kuwait			*
	*		Lebanon		
	Morocco				
	Oman	Oman			*
			Syria		
					Tunisia
		U.A.E.	U.A.E.		*
	*	*	Yemen		
1	2	6	5	2	5
2		1	2	0	1
3			0	0	0
4				0	0
5					0

Sub-Saharan Africa (SSA)

Countries with 5% annual growth over 5 year intervals (1983-2008)					
1983-88	1988-93	1993-98	1998-03	2003-08	
*		Angola	Angola	Angola	
		Benin			
Botswana	Botswana	Botswana	Botswana		
		Burkina Faso	Burkina Faso		
Burundi					
Cape Verde		Cape Verde	Cape Verde	Cape Verde	
Chad		Chad	Chad	Chad	
				Congo (Kinshasa)	
		Cote d'Ivoire			
*		Equatorial Guinea	Equatorial Guinea	Equatorial Guinea	
*	*	Eritrea			
				Ethiopia	
				Gambia	
Ghana				Ghana	
Kenya				Kenya	
		Liberia		Liberia	
	Lesotho				
				Madagascar	
				Malawi	
			Mali		
Mauritius	Mauritius	Mauritius			
		Mozambique	Mozambique	Mozambique	
				Namibia	
	Nigeria			Nigeria	
			Rwanda	Rwanda	
	Seychelles				
			Sierra Leone	Sierra Leone	
		Sudan	Sudan	Sudan	
Swaziland	Swaziland				
*			Tanzania	Tanzania	
		Togo			
	Uganda	Uganda	Uganda	Uganda	
				Zambia	
1	8	7	15	13	21
2		3	3	9	10
3			2	2	7
4				1	1
5					0

Where can I get more data on long-term economic growth?

The Economic and Social Database (ESDB) provides profiles of the Long-term Development Trends in Economics for countries, including charts and tables comparing a country's progress in six indicators against benchmarks and user-selected comparators. For more information go to <http://esdb.eads.usaidallnet.gov/>. The ESDB also offers related datasets from the World Bank, IMF and other sources.