

Fialho, Djalita

**Conference Paper**

## Aiming high, falling short: the Least Developed Country (LDC) category at 40

Proceedings of the German Development Economics Conference, Berlin 2011, No. 27

**Provided in Cooperation with:**

Research Committee on Development Economics (AEL), German Economic Association

*Suggested Citation:* Fialho, Djalita (2011) : Aiming high, falling short: the Least Developed Country (LDC) category at 40, Proceedings of the German Development Economics Conference, Berlin 2011, No. 27, ZBW - Deutsche Zentralbibliothek für Wirtschaftswissenschaften, Leibniz-Informationszentrum Wirtschaft, Kiel und Hamburg

This Version is available at:

<https://hdl.handle.net/10419/48354>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*

# **Aiming high, falling short: the Least Developed Country (LDC) category at 40**

Djalita Fialho  
ISS - Institute of Social Studies

## ***Abstract***

*Why have 94% of LDCs not escaped poverty during the last four decades? This paper analyses the motivation behind the UN decision to establish the LDC category in 1971. The reviewed literature highlights the conflicting interests of the actors involved. It provides a historical account of the creation of the category and an international political economy analysis of that process. Based on this literature, I argue that the initial LDC identification process - which set a precedent for future LDC categorizations - was manipulated in order to generate a reduced list of small and economically and politically insignificant countries. Contrary to the LDC official narrative, this list served the interests of both donors (by undermining the UN's implicit effort to normalize international assistance) and other non-LDC developing countries (disturbed by the creation of a positive discrimination within the group, favoring the most disadvantaged among them). As a result of this manipulation, considerably less development-promoting efforts have been demanded from donors, which has, in turn, not significantly distressed the interests of other non-LDC developing countries.*

Keywords: LDCs, aid, trade, preferential treatment, graduation

JEL Classification: N20, O19

## **1. Introduction**

In May 2011 the international community, under the auspices of the UN, gathered for the fourth time in 40 years to assess progresses made by the least developed country (LDC) group. The conference took place in Istanbul, under the grim shadow of a stagnant and non-evolving category, whose membership has not declined for most of its lifespan. The main goal was “(a) to reverse the marginalization of LDCs ... and to help them catch up; (b) to support a pattern of accelerated and sustained economic growth ... and (c) to help LDCs graduate from LDC status” (UNCTAD, 2010: 83). To achieve this, the Istanbul Plan of Action was adopted. Like other main LDC literature (UNCTAD's LDC Reports 1984 - 2010, UN 2001, UNCDP 2008 and Guillaumont 2009), the Plan's focus on goodwill and technicalities impedes it from questioning and problematizing the category's assumptions<sup>1</sup>. The Istanbul outcome document fails to address

---

<sup>1</sup> The belief that it actually groups the most in need and the conviction that donors are exclusively moved by altruism.

political economy issues and, hence, cannot represent a true overhaul effort. It does not consider the distribution of power nor the costs and benefits borne by the actors involved (Cornia, 2011: 15).

The official narrative is that, through the LDC category, donors *should* provide these countries with special benefits, given their disadvantaged position in the world economy (UNCDP, 2008: v). This to ensure catching up and, as a result, a more leveled playing field in the arena where countries engage one another. Thus, a declining number of LDCs is the ultimate aim of the category. This has not been achieved. Today, 40 years after the establishment of the category, only three countries have graduated out of it<sup>2</sup>; representing a disappointing 6% success rate.

This paper provides a mainly historical account of the creation of the LDC category, investigating what drove its creation in 1971. The analysis addresses other interrelated subquestions, namely: Why were the thresholds set up at those levels? Were the criteria purposely chosen so as to exclude certain countries?<sup>3</sup> What informed these decisions? Which countries were (intentionally or not) left out or included because of these criteria? Which groups of countries (LDCs, other non-LDC developing countries and donors) benefitted the most from the establishment of the category?

The group is still composed of 48 countries, spanning three regions (see Table 1), with Africa assuming the lead: 33 out of 48 LDCs are African countries; representing 68.7%. From the initial 25 LDCs identified in 1971, the category grew to a total of 51 countries<sup>4</sup> and membership fell to 48, following the three graduation cases to date.

<b>Africa</b>	<b>1971</b>	<b>2009</b>	<b>Asia and the Pacific</b>	<b>1971</b>	<b>2009</b>	<b>Latin America and the Caribbean</b>	<b>1971</b>	<b>2009</b>
Angola	485	1,892	Afghanistan	151	457	Haiti	76	626
Benin	112	739	Bangladesh	79	550			
Burkina Faso	80	517	Bhutan	219	1,783			
Burundi	96	151	Cambodia	89	729			
Central African Republic	151	448	Kiribati	493	1,335			
Chad	120	610	Lao People's Democratic Republic	46	884			
Comoros	89	785	Myanmar	100	380			
Democratic Republic of the	172	170	Nepal	87	436			

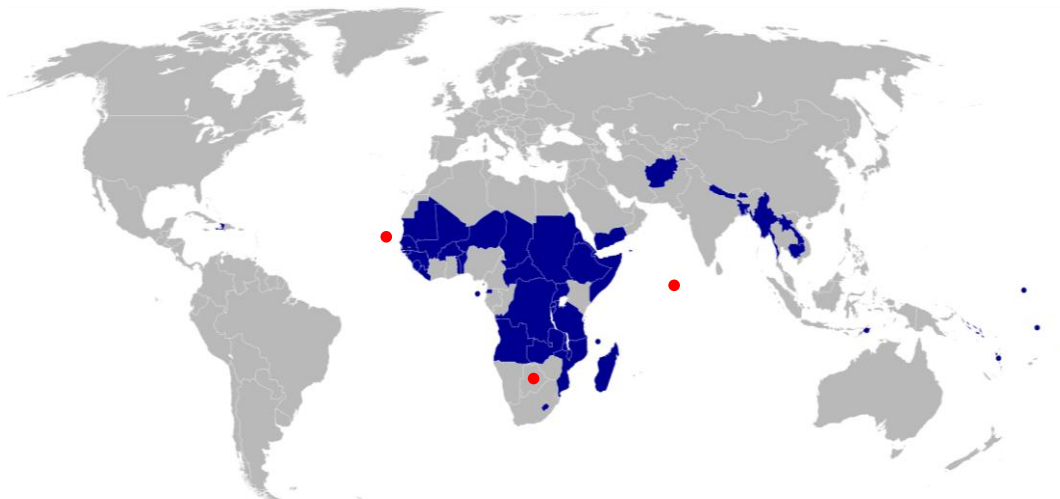
<sup>2</sup> Botswana (1994), Cape Verde (2007) and Maldives (2011).

<sup>3</sup> For example, the share of manufacturing can be said to bias towards smaller countries, as the vulnerability criterion introduced later on.

<sup>4</sup> This happened as more countries became independent in the 70s and the poor performance of other developing countries made them join the group in the 80s and 90s.

Congo								
Djibouti	435	1,076	Samoa	330	2,926			
Equatorial Guinea	74	17,544	Solomon Islands	208	1,366			
Eritrea	N/A	369	Timor-Leste	N/A	593			
Ethiopia	N/A	345	Tuvalu	372	2,749			
Gambia	227	543	Vanuatu	483	2,687			
Guinea	161	470	Yemen	N/A	1,141			
Guinea-Bissau	490	517						
Lesotho	68	780						
Liberia	186	216						
Madagascar	144	448						
Malawi	119	318						
Mali	54	679						
Mauritania	185	866						
Mozambique	351	418						
Niger	101	343						
Rwanda	74	527						
São Tomé and Príncipe	498	1,302						
Senegal	228	1,018						
Sierra Leone	192	393						
Somalia	95	220						
Sudan	148	1,305						
Togo	135	480						
Uganda	157	523						
United Republic of Tanzania	145	526						
Zambia	386	985						

Source: United Nations Statistics Division,  
<http://data.un.org/Data.aspx?d=SNAAMA&f=grID%3A101%3BcurrID%3AUSD%3BpcFlag%3A1>



Map of the current 48 LDCs. Red dots indicate the countries that have graduated from LDC status (source: www.wikipedia.org)

The remainder of this paper is structured as follows: section 2.1 frames the inquiry by briefly reviewing world economic and political context, as well as main theoretical approaches and analytical models informing the mainstream development paradigm at the time, ultimately influencing scholars and policy-makers alike; section 2.2 presents the facts and protagonists of the process that culminated with the creation of the LDC category in 1971; section 2.3 investigates the responses to the establishment of this new category and section 3 concludes and presents possible avenues for further research.

## **2. The establishment of the LDC category: historical perspective**

### **2.1. World context, theoretical approaches and analytical models (1960s and 1970s)**

Within academia, particularly in the development literature, the perspective of the *modernization theory* was one of the first and most influential theories employed in Third World studies, analyzing progress mainly in terms of economic transition from tradition to modernity (Berger 1994, Brohman 1995, Kamrava 1995, Ma 1998). According to this theory, the concept of development (in a world composed of two categories of countries: ‘developed’ and ‘developing’) is very much associated with “the construction of a single model of modernity based on the experience of a few (industrialized) countries” (Brohman, 1995: 122). This approach (which during the postwar period was hegemonic at the popular and academic levels and, most importantly, greatly influenced policy ideas) imposed an idealized version of North America and Western Europe on Latin America, the Middle East, Africa, Asia and Oceania (Berger, 1994: 260); regions generally referred to as the ‘Third World’. In other words, “the entire edifice of postwar modernisation theory rested on a homogeneous image of the ‘Third World’ destined to follow the North American and Western European path” (Berger, 1994: 260).

With the criticism of Eurocentrism and the claim of it serving the interests of capitalism hovering over it, modernization theory “gradually gave way to development studies, which ... dropped the assumption of single destiny” (Ma, 1998: 339). By late 1960s, other alternative approaches came forward, challenging dominant academic and policy ideas. From the *dependency theory* perspective, “although the theorization as a whole was sharply divergent, the difference in categorization was only slight - it was ‘underdeveloped’ countries that were the antithesis of ‘developed countries’” (Payne, 2001: 7). Initially associated with Raúl Prebisch and the UN Economic Commission for Latin America (ECLA) (Berger, 1994: 260), this theory also tended to lump and homogenize the so-called ‘Third World’, even though it focused on external factors to explain the lack of growth in poor countries. Unlike modernization theory, it placed the onus of underdevelopment on the international sphere, blaming external pressures for the deficient economic growth of poor countries.

Another alternative development framework of the 1960s and 1970s - *world-system theory* - made use of a different dichotomist pair; that of core and periphery, intermediated by the notion of semi-periphery, stimulated by the same fundamental thinking influencing the dependency debate (Payne, 2001: 7). However, this approach postulates that “a particular country’s internal development [can] only be ‘understood’ with reference to the position it occupies, or the role it plays, in the modern world-system as a whole” (Berger, 1994: 263). Hence, inequality in terms of power and availability of resources is a central feature here. In essence, this approach considers that economic and political relations are the main determinants of countries’ position in the world order.

Despite the surfacing and diffusion of alternative approaches to development, modernization theory maintained its vitality, greatly influencing academics and policymakers. The UN, on its part was to a great extent financially and ideologically supported by the United States in an era when this great power’s concern was to avoid the advance of communist ideas (Schlesinger 1997).

During the 1960s and 1970s - period of initial debate on creating the LDC category -, an important change was taking place within UN membership: increase in number and voice of Third World countries and, consequently, call for a New International Economic Order<sup>5</sup>. Before this, developing countries were powerless colonies. During this period they gained independence and were more in control of their development. They gained majority of votes in the UN, making it less important as hegemonic powers could no longer deal with an organization in which they did not control the majority. It was a period of optimism, where newly independent countries successfully strived for development (e.g., economic growth was quite positive, even in most of sub-Saharan Africa), oftentimes supported by the conviction that rich countries owed them for the long period of colonial repression.

It was also during this period that (i) the UN proclaimed the First and Second Development Decades (1961 and 1971, respectively), convened the first UN Conference on Trade and Development (UNCTAD) (1964), created UNDP (1965) and the UN Industrial Development Organization (UNIDO) (1967) and adopted the Declaration on the Establishment of a New International Economic Order (1974); and (ii) the World Bank created the International Development Association (1960), the IMF established its compensatory financing facility (1963), Part IV of the GATT was integrated into this General Agreement (1965) (paving the way for the generalized system of preferences) and the joint IMF-World Bank Development Committee was

---

<sup>5</sup> NIEO was a set of demands presented by Third World countries in 1974. It envisaged restructuring the international economic system to improve the position of developing countries with respect to developed countries. The demands included increased control by developing countries over their own resources, promotion of industrialization, increase of development assistance and debt relief (<http://www.encyclopedia.com/doc/1O48-NewInternationalEconmcdr.html>).

established (1974) (Thérien, 2002: 239). These initiatives were framed according to the understanding that economic growth and development obeyed a rather mechanical and straightforward process, anchored in the conviction that foreign aid to poorer countries was sure to bear fruit.

Connected to this is the fact that dominant postwar development theories were “ideologically linked to generalised capitalist interests ... as well as to more particular US interests in maintaining its hegemonic global position in economic, political and military terms” (Brohman, 1995: 133). Therefore, the link between modernization theory and US national interests, particularly towards the global expansion of capitalism and the promotion of a self-serving worldview, did not go unnoticed (Brohman, 1995: 133) and should also be recognized in the LDC context.

What is clear is that central to all the aforementioned theories and conceptual approaches was the notion of the Third World, “as a set of national economies or as a subject in economics” (Wolf-Phillips, 1987: 1318). This term gained increasing recognition in the early 1970s and “gradually passed from academic circles into popular daily use” (Ma, 1998: 340). The concept of the Third World has, therefore, been very popular, cross-cutting through academic, diplomatic and daily life spheres of activity. As exhaustively explained by many (Wolf-Phillips 1987, Kamrava 1995, Ma 1998, Thérien 1999, Payne 2001), the notion of the Third World was initially used in 1952, by French demographer, Alfred Sauvy, to refer to the ‘third estate’, meaning the common people, before the French Revolution<sup>6</sup>. In its original sense, ‘third estate’ “implied poverty, powerlessness and marginalization” (Payne, 2001: 6). Hence, it included three dimensions: economic, political and social. Because of this, “it was picked up by a number of scholars in the 1960s to refer to that whole category of emerging ex-colonial countries whose economic, social and political conditions ... replicated those of the French ‘third estate’ in prerevolutionary time” (Payne, 2001: 6).

Given the geopolitical context within which the Third World concept flourished - that of the Cold War -, it quickly stimulated the idea of a First (or capitalist West) and Second (or communist/socialist East) Worlds. Hence, all of these were concepts deeply infused in political connotations, even though they were inspired by a point of departure that also implied economic and social challenges. As a result, those in the Third World were (in addition to their higher level of poverty) considered to assume a middle-of-the-road political position between the two major contending ideologies of that period: capitalism/NATO and communism/Soviet Union. They became, in effect, the non-aligned countries - which placed politics in the forefront of that particular way of categorizing countries.

---

<sup>6</sup> However, since Sauvy never used the term *tiers monde*, it is clearly a construct.

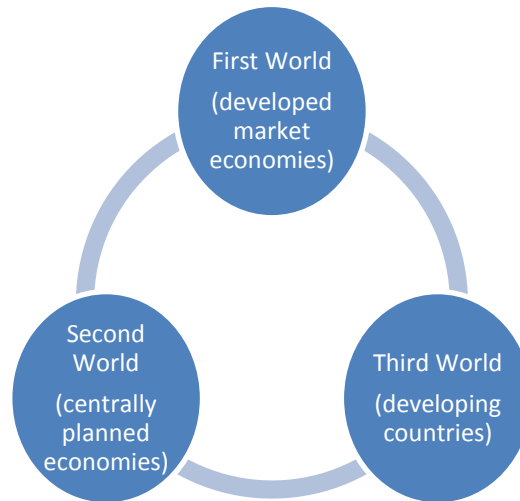
According to Wolf-Phillips (1987), the term Fourth World - or the 'Third World of the Third World', as some have referred to it (UNCTAD, 1985) - was only introduced at a later stage (during the 1980s) "to denote the *least developed* and chronically poor countries" (Wolf-Phillips, 1987: 1313, emphasis added by author). It seems that the reference to chronic poverty, to differentiate these countries from other poor countries in the Third World, is a clear indication that - when defining this particular subset of poor countries, i.e., the least developed - little upward development movement was, in fact, expected of them. In fact, with the benefit of hindsight we can see that this perspective is mirrored in the considerations of the UN Committee for Development Policy (UNCDP), which did not until 1991 (i.e., 20 years after the creation of the LDC category) consider the possibility of countries graduating from 'least developed' status. Hence, the least developed could, in essence, be 'trapped' in underdevelopment, "hopelessly reflecting the notion of an underdevelopment 'trap'" (Guillaumont, 2009: 30). In addition, conceding that these were "poor countries more likely to remain so" (Guillaumont, 2009: 9), also denotes an idea of hopeless poverty.

Figure 1, below, is a depiction of how economic and political world order was analytically structured and understood during the Cold War period and before the fall of communism in 1989. I argue that, generally speaking, this was the analytical understanding of the world that informed, or at least greatly contributed to, the UN decision to officially establish the LDC category, in 1971. In fact, at the time, UNCDP (the body that recommended the establishment of the LDC category and proposed the initial list of such countries) explicitly distinguished in its reports between 'developed market economies', 'centrally planned economies' and 'developing countries', with the understanding that the latter was indeed its only realm of intervention within the three worlds framework in which it operated. For example, the 1970 UNDCP report stated that

the ability to expand exports depends on the measures to be taken by developing countries themselves ... However, a heavy responsibility rests on the developed market economies ... [and] centrally planned economies should create conditions for an increase in imports from developing countries ... (UNCDP, 1970: 20-21)

Despite a supposedly new understanding of Africa's problems (due to the considerable number of newly independent African countries joining the UN in the 60s and 70s), "much of the professional work in the UN continued to revolve around the threefold classification of developed market, socialist centrally planned, and developing countries" (Jolly *et. al* 2004: 160).





**Figure 1.** Analytical understanding of world order during Cold War period

Jolly *et. al* (2004) consider that the tendency to make policies based on this threefold, homogenized classification was actually reinforced in 1964 with the establishment of the Group of 77 (G77) during the first United Nations Conference on Trade and Development (UNCTAD), adding that even though the G77 “attempted to incorporate the concerns and priorities of all ... its proposals on trade, foreign investment, transnational corporations, and transfer of technology ... were inevitably of greater interest to the more advanced among the developing countries” (Jolly *et. al*, 2004: 160). Hence, even within the G77 framework, the least advanced were still being marginalized.

Hence, it seems fair to assume that, while the *three worlds classification served as the analytical model on which the idea to compartmentalize the Third World group rested* (specifically highlighting the least developed subset within it), the *premises defended by the modernization theory seem to have influenced the type of benefits attached to the LDC category*, namely the emphasis on trade and the idea that aid should fuel industrialization. This is reflected, for example, in the initial LDC identification criteria, which gave more weight to economic factors, particularly share of manufacturing in total GDP. Accepting this analytical and conceptual model also meant accepting the logic of Third World homogeneity. This was, in fact, an often-voiced criticism of this specific way of country categorization and worldview. For example, in his critical article ‘The myth of the Third World; a thousand million invisible men’, published in May 1985 (*The Spectator*, London), Shiva Naipaul asserts:

The Third World is a form of bloodless universality that robs individuals and societies of their particularity ... Blandly, to subsume, say, Ethiopia, India and Brazil under the one banner of Third World is absurd and denigrating as the old assertion that all Chinese look alike. People only look alike when you can't be bothered to look at them closely ... It is a flabby Western concept lacking the flesh and blood of the actual ... a Third World does not exist as such ... it has no collective and consistent identity except in the newspapers and amid the pomp and splendor of international conferences ... The idea of a Third World, despite its congenial simplicity, is too shadowy to be of any use ... (quoted in Wolf-Phillips, 1987: 1314-1315)

In the years that preceded the decision to create the LDC category, the idea of a homogeneous Third World - understood as the failed version of the ideal industrialized First World - was very much present. All-in-all, this was the image that provided the most powerful set of assumptions about the poorest part of the world, believed to be in need of (industrialization-focused) development intervention. Third World economic problems were “understood primarily as technical problems that [could] be overcome by the right mix of advice, investment, aid and liberal reform” (Berger, 1994: 270 - see also Ferguson 1990, 1994, Escobar 1998, Payne 2001, 2005); which was related to the homogeneity assumption and the straightforward/mechanical vision on economics and development.

The underlying principle of the LDC category seems to fit into this line of reasoning, with the safeguard that it represented somewhat of a step beyond the simplistic First/Third World dichotomy since, to some extent, it did de-homogenize the Third World by creating a subgroup within it. In addition, it also recognized (mostly in its narrative) some of the salient processes that perpetuate uneven development. Yet, other ‘worlds’ were left ‘untouched’; indicating that the prevailing international order remained essentially intact. Basically, this meant that the *status quo* was undisturbed, as was the global balance of power. I argue that establishing the LDC category did not significantly upset the interests of neither the developed world nor more advanced developing countries. In particular donors, by endorsing a narrative showcasing the altruistic prioritization of assistance to LDCs (without a legally-binding obligation to implement it; as reflected by the low number of graduations to date), simply appeased voices against the *status quo* (without having to meaningfully change it and relinquish power).

## **2.2. ‘Constructing’ a new category of (poor) countries: facts and protagonists (1964 - 1971)**

Interestingly enough, the international debate around trade preferences<sup>7</sup> served as the springboard to the idea to clarify the list of developing countries and, within this general list, identify a new sub-category, grouping ‘least developed’ countries (see Table 2, further below). The issue was first brought up in **1964**, during the first UNCTAD, where

*la nécessité de mettre sur pied, ..., le nouveau système des préférences généralisées pour les exportations de produits manufactures et semi-factures des pays pauvres sur le marché des pays développés ...exigeait une décision précise quant aux bénéficiaires* (de Lacharrière, 1971 : 464).

This is actually quite telling as it indicates an important point: the initiative was not taken merely in recognition of poorest countries’ disadvantages towards development and, hence, the need to

---

<sup>7</sup> The so-called Generalized System of Preferences (GSP) is a formal system of exemption from the more general rules of the WTO which obligates WTO members to treat the imports of all other WTO members no worse than they treat the imports of their “most favored” trading partner; that is, to treat imports from all other WTO members equally by imposing equal tariffs on them ([http://en.wikipedia.org/wiki/Generalized\\_System\\_of\\_Preferences](http://en.wikipedia.org/wiki/Generalized_System_of_Preferences)).

provide them with additional assistance but, *primarily*, to facilitate trade with developed countries. From this, one can assume that, to an important extent, development was equated to the promotion of international trade (through industrialization), given that the LDC debate emerged from within a trade-related body within the UN.

Against this ideological backdrop, the 1960s had been proclaimed the First UN Development Decade and, unsurprisingly, international dialogue on development gained particular impetus within UNCTAD (Guillaumont, 2009: 19). In **June 1964**, during the first session of UNCTAD, countries were organized into three negotiating groups, respecting, as would be expected, the Third World taxonomy prevalent in that period: (i) industrialized countries with a market economy (i.e., First World), (ii) countries with planned economies (i.e., Second World), and (iii) developing countries (i.e., Third World). Developing countries constituted the G77, which included newly independent countries and others non-aligned with either of the two Cold War contending powers.

To clearly determine the group of countries that could benefit from trade preferences, UNCTAD (supported by G77 and OECD countries) opted for the principle of self-election (de Lacharrière, 1971: 464); meaning, basically, that countries would be categorized as ‘developing’ (and hence benefit from the Generalized System of Preferences - GSP) if they classified themselves as such. At the time, the G77 “refused any discrimination among themselves. Nevertheless ... a general principle was adopted recognizing the need to consider a country’s stage of development ‘by according special attention to the least developed’” (Guillaumont, 2009: 20) among the G77.

In this context, it is interesting to note the underlying political interests of rich countries in seeing this reform through. For example, according to de Lacharrière (1971), France perceived very clearly that if the reform only resulted in the creation of a single undifferentiated category of developing countries, African countries with which she had the closest ties were likely to be harmed by a reform that would only benefit the most powerful within the Third World (de Lacharrière, 1971: 468). In fact, France was more aggressive than developing countries themselves in exposing these risks (de Lacharrière, 1971: 468). However, at the end of UNCTAD’s first session there was no agreement in terms of creating a sub-category of least developed countries within the larger developing countries group.

It was not until **1965** that the issue gained added impetus, when Argentinean economist and dependency theory advocate Raúl Prebisch - who had headed the UN Economic Commission for Latin America and the Caribbean (ECLAC) - took office as UNCTAD’s first Executive Secretary. Prebisch was well aware of the Latin American reality; particularly that of the Latin American Free Trade Association - all of whose members were, by definition, developing countries - where two sub-categories of countries had been created: (i) countries with relatively lower economic development and (ii) countries with particularly small domestic market (de Lacharrière, 1971: 469). Hence, this perspective was brought into a wider, global context.

By **1967**, preparatory work aiming at establishing guidelines and proposals for the Second UN Development Decade (1970s) served as the background for the decision to operationalize the idea of establishing the LDC category. Building on UNCTAD's first session and following general recognition that economic progress during the First Development Decade had been "disappointingly slow" (UN, 1967: 42), UNCTAD was mandated, by the UN Economic and Social Council and the General Assembly, to work on the aforementioned guidelines and proposals. Among its tasks, the Committee was expected to propose a new international development strategy for the 1970s. Accordingly, in its 2<sup>nd</sup> session, in **April 1967**, UNCTAD (presided by Dutch economist and Nobel Prize winner Jan Tinbergen<sup>8</sup>), considered "imperative for all the organizations of the United Nations family to redouble their efforts and to work out a series of new measures" (UNCTAD, 1967: 27) to be included in the international development strategy for the 1970s.

In **October 1967**, least developed countries earned a special (but quite general) mention in the final declaration of the First Ministerial Conference of the G77 (the Charter of Algiers), addressing possible international measures that could be implemented in their favor, including (rather vague) provisions on trade preferences and development finance. The G77 discomfort regarding this issue, is reflected in the Charter of Algiers when it states that it was not

desirable or convenient to attempt an abstract general definition of such countries nor, at this stage, an *a priori* strict listing of such countries applicable to specific measures considered. Hence, this could be better undertaken, in due course, in a form agreed upon by the developing countries (Group of 77, 1967).

During its second session, in **May 1968**, UNCTAD approved the principle of self-election for determining the larger developing countries' group and unanimously adopted the first resolution<sup>9</sup> calling attention to the problems of the least developed among them; which was, nonetheless, still drafted in rather general and noncommittal terms. Yet, even though its general terms signaled a not very determined political will, this resolution had the effect of starting a bureaucratic process that, in parallel with the diplomatic debate, allowed further analysis of both the LDC concept and the special measures envisaged for these countries (Smouts, 1981: 51).

As a result of the approval of the self-election principle, all G77 countries declared themselves 'developing' countries and consequently entitled, in principle<sup>10</sup>, to the GSP. What is interesting is that others not pertaining to the Third World also declared themselves 'developing countries'; among them socialist and poorer European countries - Romania, Bulgaria, Greece, Spain, Portugal, Turkey, Israel and Taiwan (de Lacharrière, 1971: 465). Hence, at least in this specific context, the dividing lines between the three worlds were starting to lose definition, primarily due

---

<sup>8</sup> Tinbergen presided over the work of the UN Committee for Development Planning from 1966 until 1971, and subsequently continued working with the Committee as one its consultants.

<sup>9</sup> Resolution 24 (II), 26 March 1968

<sup>10</sup> But not necessarily in practice.

to commercial interests; leading us to conclude that, as evidenced here, countries will self-declare to a not so positive label if they find it beneficial<sup>11</sup>.

Finally, the role of UNCTAD's Executive Secretary, Raúl Prebisch, is also worth highlighting considering that, thanks to his personal authority, the experience of ECLAC (which at the time granted special treatment to poorer countries in its regional integration programs) was brought to the forefront of the debate. This ultimately convinced Latin-American countries - who had raised objections regarding the possibility of creating a sub-division within the larger developing countries groups - to at least accept the idea of a category grouping least developed countries (Smouts, 1981: 51). With this, in **December 1968**, the General Assembly adopted another resolution<sup>12</sup>, urging UNCTAD to pay special attention to the problems of least developed countries.

### 2.2.1. A change in perspective ... and a new category is born

During its 5<sup>th</sup> session, in **May 1969**, UNCTAD explicitly recognized that in the context of international trade and financial policies, there needed to be a refinement of the “twofold classification of countries as developed and developing” (UNCTAD, 1969: 13). In its report to the UN Economic and Social Council, it stated that:

In such measures as granting of preferences by developed countries to developing economies and providing them with financial resources, *it seems inappropriate to have a sharp demarcation line between the two country groups*. For ... it would mean that at a point of time in the future a country would be considered to have shifted suddenly from the developing to the developed country group, and as such would experience a set-back by virtue of the new obligations it was suddenly asked to assume in place of the assistance previously received. *It seems more natural to introduce an intermediate group ... which would not have to undertake obligations towards developing countries but at the same time would no longer, as a rule, receive assistance or preference* (UNCTAD, 1969: 13, emphasis added by author).

Prefacing this, UNCTAD - probably sensing the boldness or the newness of its proposal - was careful enough to recognize that some of its suggestions “may appear somewhat abrupt” (UNCTAD, 1969: 3). However, it explained that it had chosen “to present certain provocative formulations” (UNCTAD, 1969: 3) because the data on which it had based its recommendations

---

<sup>11</sup> There is, therefore, a clear difference between the process to identify developing countries (through self-election) and the process to identify LDCs (through clearly defined criteria managed by a gatekeeper). At the time, also in the context of the GATT, “[d]eveloping country status was (and remains) determined by self-declaration - the only formal group of developing countries defined in Part IV and the Enabling Clause are the LDCs” (Hoekman and Özden, 2005: 6). This is basically the difference between choosing a label and earning/meriting a label. Apparently, the LDC category is more exclusive and, as a result, entry into it is more selective. This indicates that, from the donors' perspective, there are interests at stake when categorizing countries, which cannot be overlooked in the name of altruism. This demands cost management considerations in so far as pertaining to these groups entails granting them access, at least in principle, to a set of differentiated benefits. Thus, in principle, LDCs are entitled to more advantageous benefits than other developing countries. However, these are not automatic processes and whether or not these benefits are actually provided depends on donors' goodwill, which makes this type of preferential treatment non-legally binding.

<sup>12</sup> Resolution 2402 (XXIII)

had “convinced it of the necessity and the urgency of certain radical changes in the prevailing policies” (UNCDP, 1969: 3). Although at the time, it had not been explicitly spelled out, the soon to be named ‘LDC category’ seemed to fit quite nicely within that context, even though the argumentation initially presented led to believe that redefining the twofold classification of countries was needed in order to, primarily, avoid an unfair situation where (having achieved developed status) the ‘intermediate group’ (and not the *least developed*) would be expected to assume obligations after having lost itself the right to further assistance or preference. Therefore, the initial argument, at least within UNCDP, did not seem to point to the creation of a ‘bottom group’ (i.e., the least developed) but, instead, to an ‘intermediate group’ (i.e., the more well-off among developing countries).

However, in **December 1969**, a General Assembly resolution<sup>13</sup> on “*Special measures to be taken in favour of the least developed among the developing countries*” was adopted and, for the first time in the UN, the need to “alleviate the problems of the least developed among the developing countries with a view to enabling them to draw full benefits from the Second United Nations Development Decade” (UN, 1969: 37) was formally recognized. Accordingly, the General Assembly requested

to carry out a comprehensive examination of the special problems of the least developed among the developing countries and to recommend special measures, within the framework of the Second United Nations Development Decade, for dealing with those problems (UN, 1969: 37).

Thus, between May and December 1969 there was somewhat of a change of hearts or, at least, a change of perspective on the part of UNCDP. While in May the focus was on introducing an ‘intermediate group’ (going against UNCTAD’s and G77’s ongoing debate on the LDC concept), by December of that same year the General Assembly (whose decisions were based on UNCDP’s recommendations) had changed its focus to a ‘bottom group’. One cannot help but wonder about the reasons behind this change. Considering the context, it looks as if this was so as not to lose the momentum of the soon-to-start Second Development Decade. Thus, alignment with UNCTAD and the G77 seems to have been a way to reach swift consensus; at least in general and abstract terms.

The following year, during its 6<sup>th</sup> session in **January 1970**, while assessing economic growth prospects for different country groups, UNCDP used for the first time the term ‘least developed’ in its report to the Economic and Social Council:

For certain countries, *especially the least developed among developing countries*, there will no doubt be great difficulties, since major structural changes will be required, in accelerating the rate of growth to desirable levels; and in such cases special attention should be given by the world community so as to provide help in order to facilitate those changes (UNCDP, 1970: 7, emphasis added by author).

---

<sup>13</sup> Resolution 2564 (XXIV) of 13 December 1969

The new terminology seemed, therefore, to be entering UN jargon and what is so keenly referred to as ‘agreed language’ in diplomatic circles.

In that same session, UNCDP reaffirmed its conviction regarding the need to “refine the two-fold classification of countries as developed and developing” (UNCDP, 1970: 19), adding that a study needed to be conducted to determine appropriate variables or characteristics for this purpose. More importantly, the Committee acknowledged, for the first time, that it had also given “some preliminary thought to questions relating to the least developed among the developing countries” (UNCDP, 1970: 19), signaling that it now recognized the need to prioritize the progress of these countries. With this in mind, it constituted a working group (presided by French economist and diplomat, Jean Ripert) that met in March of that same year to address issues related to the identification of LDCs.

In **October 1970**, the General Assembly finally proclaimed the Second UN Development Decade, starting from 1 January 1971, and adopted the International Development Strategy for the Decade<sup>14</sup> - a document that included a section on least developed countries. Subsequently, in **December 1970**, it approved yet another resolution<sup>15</sup> where it stated the “urgency of identifying the least developed among developing countries and invited the international organs concerned to give a high priority to the question of such identification” (UN, 1970, 64).

During the 7<sup>th</sup> session of UNCDP, in **March/April 1971**, the idea of an ‘intermediate group’ had apparently dwindled, giving way to the ‘bottom group’ - the least developed. UNCDP was now very much focused on dealing with questions relating to the ‘least developed among developing countries’ (UNCDP, 1971: 2). In fact, prior to its 7<sup>th</sup> session, a working group on the least developed countries (that met in March 1970) presented its deliberations and, for the first time, UNCDP examined their special problems “with a view to recommending criteria for identifying those countries as well as special measures for dealing with their problems” (UNCDP, 1971: 12). In this context, UNCDP recognized that

[w]hile developing countries as a group face more or less the same general problems of underdevelopment, the difference between the poorest and the relatively more advanced among them is quite substantial. ... the capacity of these to benefit from general development measures varies widely. The least developed among them cannot always be expected to benefit fully or automatically from such general measures adopted in favour of all developing countries. *Some special supplementary measures are therefore called for* to remove the handicaps which limit the ability of the least developed countries to derive significant advantages from the Second United Nations Development Decade (UNCDP, 1971: 12, emphasis added by author).

With this in mind, the Committee suggested the following three criteria to identify LDCs: (i) per capita GDP of US\$100 or less, (ii) a share of manufacturing in total GDP of 10% or less, and (iii) adult literacy rate of 20% or less (UNCDP, 1971: 16). The focus was on

---

<sup>14</sup> <http://www.un-documents.net/a25r2626.htm>

<sup>15</sup> Resolution 2724 (XXV) of 15 December 1970

investment/infrastructure/trade (instead of nowadays' almost exclusive concern for social factors) and the idea was that governments needed to steer this.

To be considered 'least developed', countries should meet all three of the aforementioned criteria. Simplicity in methodology was privileged, also in acknowledgment of problems related to availability of adequate and reliable statistical data in poorer countries (UNCDP, 1971: 15). However, exceptions were permitted:

Countries with per capita gross product of \$100 or less but with a manufacturing ration or literacy rate somewhat exceeding the limits ... suggested should be included, especially if their average real rate of growth during recent years has been *exceptionally low*. Similarly, countries where per capita gross product is over \$100 but is not more than around \$120 and which satisfy the other criteria should also be included. In considering the border-line cases, however, *judgment* would have to be exercised to take account of special circumstances which may have distorted the recent picture (UNCDP, 1971: 16, emphasis added by author).

Essentially, what this reveals is that there was considerable room for discretion when considering outlier cases. Taking all this into consideration, the following 25 countries were classified as 'least developed' in 1971, comprising the original LDC list:

- (i) in Africa: Botswana, Burundi, Chad, Benin (formerly, Dahomey), Ethiopia, Guinea, Lesotho, Mali, Malawi, Niger, Rwanda, Somalia, Sudan, Uganda, Tanzania, Upper Volta (now Burkina Faso)
- (ii) in Asia and Oceania: Afghanistan, Bhutan, Laos, Maldives, Nepal, Sikkim (now integrated into India), Western Samoa, Yemen
- (iii) in Latin America: Haiti

Data for some of these countries (Maldives, Bhutan, Sikkim and Western Samoa) were not available at the time. However, they were still included in the original LDC group since the unavailability of statistical data was considered proof of their low level of development. Yet, the Committee did recognize, the complexity of attempting to create a sub-division within the developing countries group, stating that

a two-fold classification of developing countries into "least developed" and "other" is *somewhat arbitrary*, given the multi-dimensional complexity of economic and social development. Admittedly, also, there may be different concepts of least development, each of which may be especially relevant to a different field of action or in the context of a particular region (UNCDP, 1971: 15, emphasis added by author).

The fact is that special privileges were proposed in favor of these countries, namely technical cooperation, financial assistance, and international trade and regional cooperation (UNCDP 1971: 21-2). However, and unlike the LDC identification criteria, there was very little definition with regard to *which* special privileges would be devised and *how* they would be provided to those countries. Thus, paradoxically, the impression with which we are left is that these important details - which were, in fact, the core purpose for creating the group in the first place - were left vague. This might be explained by the unwillingness of donors to agree to anything too concrete and/or by the reluctance of more powerful developing countries to truly accept the LDC concept,



considering that they themselves would be discriminated against. So, this vagueness was indeed in both of their interests given that, because of it, benefits associated with the LDC category could more easily become *lettre morte*.

It is also interesting to note that the Committee found it necessary to include in its report to the Economic and Social Council the following disclaimer, which, to a certain extent, could be seen as indicating the uneasiness with which this exercise - i.e., the creation of a division within (the by then well-established group of) developing countries - was undertaken:

Although the list must ... be regarded as tentative, the Committee nevertheless wishes to stress its belief that the list is valid. The Committee believes that by any classification criteria the countries included in this list would surely be considered as least developed. ... the Committee recommends that whatever list of least developed countries is adopted for the Second United Nations Development Decade, it should be reviewed and, if necessary, revised on the occasion of the mid-Decade review. Moreover, the question of identification should be given further study within the United Nations system with a view to refining the scheme of classifications and the related criteria (UNCDP, 1971: 20)

This might also reflect disagreements that probably had to be overcome during the May-December 1969 period in order to reach a general consensus. In fact, the Committee felt it necessary to recognize that

the granting of special privileges to the least developed countries may appear to discriminate against other developing countries. But, given the peculiar conditions of the least developed countries and their consequently limited capacity to benefit fully from the general measures for all developing countries, failure to accord them these temporary but essential advantages would be tantamount to discriminating against them (UNCDP, 1971: 21)

The proposed LDC identification criteria, as well as the initial list of such countries, were recommended to the Economic and Social Council that, after endorsing those recommendations in July 1971<sup>16</sup>, submitted them to the UN General Assembly for final approval. Accordingly, the General Assembly formally approved the list of what it considered “hard core least developed countries” (UN, 1971: 52) in November 1971, institutionalizing the category.

<b>Table 2.</b> The birth of the LDC category: a chronological tale	
1964	1 <sup>st</sup> session of UNCTAD (June, Geneva) - in the context of trade preferences, possibility of favoring the least developed among developing countries is discussed.
1965	UNCTAD - Raúl Prebisch takes office as Executive Secretary and the LDC issue gains added impetus.
1967	2 <sup>nd</sup> session of UNCDP (April, Santiago de Chile) - in the framework of preparatory work for the Second UN Decade, the issue of special measures to promote greater economic growth among developing countries is considered.  G77 First Ministerial Conference (October, Algiers) - final declaration includes section on least developed countries but refuses to clearly define them.

<sup>16</sup> ECOSOC resolution 1628 (LI) of 30 July 1971

1968	<p>2<sup>nd</sup> session of UNCTAD (May, New Delhi) - adopts resolution on the least developed among developing countries.</p> <p>UN General Assembly (December, New York) - adopts resolution urging UNCTAD to pay special attention to least developed countries.</p>
1969	<p>5<sup>th</sup> session of UNCTAD (May, Bangkok) - recognizes need to refine twofold classification of countries in the context of international trade and financial policies.</p> <p>UN General Assembly (December, New York) - adopts resolution on “<i>Special measures to be taken in favour of the least developed among the developing countries</i>”</p>
1970	<p>UNCTAD (March, Geneva) - meeting of working group on least developed countries</p> <p>6<sup>th</sup> session of UNCTAD (January, New York) - term ‘least developed’ used for the first time in its report to the Economic and Social Council.</p> <p>UN General Assembly (October, New York) - proclaims Second UN Development Decade and adopts International Development Strategy for the Decade, including section on least developed countries.</p> <p>UN General Assembly (December, New York) - adopts resolution urging identification of least developed countries.</p>
1971	<p>7<sup>th</sup> session of UNCTAD (March/April, Geneva) - recommends criteria for identifying least developed countries, special measures in their favor and suggests an initial group of 25 LDCs.</p> <p>ECOSOC (July, New York) - recommends to the General Assembly the list of 25 LDCs proposed by UNCTAD.</p> <p>UN General Assembly (November, New York) - adopts resolution on “<i>Identification of the least developed among the developing countries</i>”, where it approves a list of “hard core” LDCs, as proposed by UNCTAD.</p>

Source: Author’s compilation based on UNCTAD reports and General Assembly and Economic and Social Council resolutions

With the value of hindsight, Jack Stone - director of UNCTAD Research Division when the category was created, subsequently director of UNCTAD Special Program for LDCs and known to be “the father of the least developed concept” (Weiss, 2005: 237) - summed up the process that gave ‘birth’ to the category, which is worth quoting at length:

There had apparently been resistance from the beginning to efforts to specifically identify these countries ... It was said that every agency in the UN system and every division in UNCTAD should emphasize work on the least developed countries ... yet without specifically or officially labeling a group of countries as ‘least developed’. Presumably, countries could put forward on their own their claims to have special measures apply to themselves. ... Since such a system could only lead to merely paying lip service to the category without any meaningful action, the UN Secretariat tried a few initiatives to identify a list, but without immediate success. Any specific proposals put forward were at best taken note of and sent back for further study. In the early days, the opposition to formal identification was mainly from India and some of the large Latin American countries, who were afraid specific identification would leave them out and divide the Group of 77. ... But eventually, later as the LDC group grew and got more political strength, the LDCs and the other 77 preached accommodations ... Somehow or other, in 1971, the mandate was given to the Committee for Development Planning (CDP), still under Tinbergen at that time, I believe, to attempt to

identify a list of the least developed countries, or the least among the least developed countries. Omprakash Talwar ... was seized with the problem of making a recommendation to the committee. He came up with a list of twenty-five least developed countries based on three criteria: a very low GNP per head ...; a low percentage of manufacturing in GNP ...; and a third criteria was a literacy rate below 20 percent. That was the starting list. ... UNCTAD had an expert group on the least developed countries at the time which looked over these proposals and strongly endorsed the list and its identification criteria, which then went on to Santiago in time for the third UNCTAD conference in April-May, 1972, where the list was again endorsed and then forwarded to and endorsed by ECOSOC ... and finally adopted by the General Assembly in the fall of 1972. At last you had an official list of twenty-five countries of what we now abbreviate as LDCs (Weiss, 2002: 52-53).

### 2.3. Responses to the LDC category

An obvious question at this juncture is: how did other developing countries, specifically the more advanced among them, take this 'split' within the larger developing countries group? Evidence suggests that the decision to approve the list of 25 'hard core' LDCs was indeed met with considerable opposition during the G77 Ministerial Meeting, held in **November 1971**, in Lima, Peru. Opposition came notably from Latin America, a region with only one country included in the initial group of LDCs: Haiti. Accordingly, there were (unsuccessful) attempts to push for the idea that 'least development' should be regarded as a relative concept and, hence, considered on a regional, rather than global, basis (de Lacharrière, 1971: 471). Countries in the region alleged that, in order to determine a list of LDCs, UN Regional Commissions should have been consulted, so that regional and sub-regional agreements already in place could be duly taken into account (de Lacharrière, 1971:471). When this failed, there were attempts, still without success, to have the UN General Assembly declare the list and the identification criteria provisional (de Lacharrière, 1971: 472).

Additionally, Jack Stone recalls that:

In the early days, the opposition to formal identification was mainly from India and some of the large Latin American countries, who were afraid specific identification would leave them out and divide the Group of 77 or provide a way for the Group B<sup>17</sup> countries to shift development support from the other 77 to the LDCs. (Weiss, 2005: 52)

In the same vein, and according to Guillaumont:

The climate at the time – marked by decolonization and cold war alliances – was inimical to formal distinctions among developing countries. The developing country leaders among the Group of 77 feared that the position of the group would be weakened in relation to Group B. And the leaders of Group B had differing opinions about which developing countries most needed support from the international community (Guillaumont, 2009: 19).

The poorest developing countries were known to have less experienced delegations and, as a result, resigned themselves to the eloquence of delegates from more advanced developing countries; who, as would be expected, pushed harder for their own interests. So, to avoid dividing

---

<sup>17</sup> i.e., the First World.

the Third World even more, the poorest are said to have postponed their full satisfaction and still collaborated so as to, by not greatly upsetting group unity, pull the envisaged reform through (de Lacharrière, 1971: 468-469).

According to Smouts (1981), opting for a limited choice of criteria did satisfy developed countries, even though, for example, France was pushing for a solution a bit more flexible; one that could allow the inclusion on the LDC list of other countries from Francophone Africa and the Indian Ocean. Like all developed countries, however, France did not want an unreasonable extension of the list (Smouts, 1981: 52). Developing countries, however - having reluctantly accepted the concept - were more enthusiastic about other studies undertaken by the Secretariat of UNCTAD, which considered multiple criteria and proposed a broader definition of the concept of LDC (Smouts, 1981: 52), and would have allowed the inclusion of more developing countries in the category.

Thus, having seen its proposals rejected, understandably, UNCTAD, who had been instrumental in initiating the issue of 'least development' and had participated in parallel with UNCTAD in the process, initially showed lack of enthusiasm towards the proposed list of 'hard core' LDCs, as approved by the General Assembly in 1971<sup>18</sup>. The fact is that

resolutions at two sittings of the UN Conference on Trade and Development (UNCTAD), in 1972 and 1976, under pressure from the Group of 77, systematically referred simultaneously to the LDCs category and the categories of land-locked developing countries and small island developing states. Not until the fifth UNCTAD, convened in 1979 ... was the particularity of the LDCs clearly recognized (in resolution 122) (Guillaumont, 2009: 23).

What is clear is that while donors were striving for a set of criteria that would not extend the LDC list too much, developing countries hoped for criteria that allowed the creation of a more substantial list of LDCs, guaranteeing that more of them would be granted access to additional special measures. When this is analyzed in conjunction with the UNCTAD/UNCTAD difference of opinion, we see that, apparently, while UNCTAD's proposal protected the position of developing countries (by allowing the inclusion of more countries), UNCTAD's proposal was more favorable to donors' interests (by restricting the list).

Once the concept was generally accepted by all (with different levels of enthusiasm), disagreements regarding LDC implementation criteria did not only oppose donors and developing countries. It also divided donors, including two former colonial powers; France and Great Britain. Insofar as the selection of LDCs involved a reorientation and prioritization of aid

---

<sup>18</sup> While the reasons behind this lack of enthusiasm still need a more careful investigation, these might rest on the fact that, as the LDC concept progressed from a mere idea to the official creation of the category, the process was migrated from UNCTAD to UNCTAD. While UNCTAD initiated the process in 1964, by 1971 UNCTAD was the one taking all major decisions. As expected, this might have put institutional interests at stake, among them bureaucratic ones.

flows and trade preferences to those countries, the former colonial powers sought to ensure that these flows could continue to be directed to groups with which they were traditionally linked to: the Commonwealth for the English and French-speaking Africa for the French (Smouts, 1981: 53). Hence, serving their own national interests - by manipulating the list of LDCs - seemed more important than striving for a bias-free agreement on LDC identification criteria. Self-interest superimposed altruism and the spirit of solidarity and cooperation, undermining the attainment of a truly genuine and unadulterated list of LDCs.

For example, evidence shows that former colonial powers did seek to (by ‘booby-trapping’ the initial categorization process) ensure that the category included countries with which they were already traditionally (and commercially) linked to. In fact:

*De toutes les classifications proposées: « pays les plus gravement touchés » par la crise économique ..., « pays au revenu le plus faible » (utilisée par la Banque mondiale), « pays les plus pauvres », etc., la classification des PMA selon les critères du Comité de la planification du développement est la plus restrictive et la plus favorable aux Etats Africains (Smouts, 1981: 53, emphasis added by author).*

This realization lends more evidence to the fact that, from donors’ perspective, politics and strategic interests were the main (undeclared) drivers of the LDC implementation exercise from its inception; notwithstanding its narrative based on good intentions and grand development goals, framed around the introduction of measures (i.e., normalization) to balance out an unequal economic world structure, asymmetrically biased against poor countries in general, and the poorest ones in particular. The same argument applies for non-LDC developing countries. In fact, Jack Stone recalls that, for example, “the Indians ... were watching very carefully as to who were included in the group. They were happy to keep it small” (Weiss, 2005: 57).

Some argue that the category is indeed “a political definition to some extent, in order to include certain countries and exclude others” (Vienna Institute for Development and Cooperation, 1989: 3), corroborating the ‘manipulation theory’ referred to earlier. The fact that LDC criteria have become more and more sophisticated over the years can also be seen as an effort to make the provision of international benefits more rules-based as opposed to arbitrary, power-dependent and moved exclusively by donors’ commercial and political interests. Whether or not this has been achieved within the LDC framework is an issue for further research.

UNCDP did recognize that, since the initial list excluded large countries, it accounted for only “a modest proportion of the population of developing countries” (UNCDP 1971: 19), including, as a result, only a minority of the poorest people of the developing world. The fact is that countries included on the initial list of ‘hard core’ LDCs were, generally speaking, small countries (in terms of population and influence) with very little bargaining power at the international level. Even today, reinforced by the introduction of a population upper-limit of 75 million people or less in 1991, the LDC category only includes small countries, which, in general, tend to assume “the default position of living below the threshold of global attention” (Payne, 2004: 623). This

means one of three things: (i) international recognition that small countries face special problems and, hence, need special help; (ii) rich countries' unwillingness to give preferences to countries that really matter; (iii) other non-LDC developing countries' interference so that special measures would only be provided to countries that could not make significant use of them anyway.

### **3. Conclusions and avenues for further research**

Evidence suggests that the inclusion of more (and larger) countries could have impeded the agreement necessary to create the LDC category, given donors' reluctance to extend the group, primarily due to added costs. For example, providing aid and trade preferences to India is quite different from providing those same benefits to Cape Verde or, for that matter, to any other small country. This also means that limiting the number and type of countries on the list also meant limiting the responsibility of those expected to provide them with special benefits (i.e., the donor community). Yet, Guillaumont (2009) considers that the official recognition of a special category of developing countries represented, in and of itself, an exception in the history of the UN system; a system that had, since its inception, treated developing countries as a homogeneously defined group, sharing common interests and problems (Guillaumont, 2009: 19).

Nonetheless, the creation of the LDC category - as significant as it might have been in demonstrating UN's readiness to approach the larger developing countries group as a more heterogeneous group, breaking with past policy and *modus operandi* - did not upset the general structure of the world order, nor did it go against mainstream development thinking. It was, however, a relevant step away from "old ways of framing the international politics of development ... grounded on a very basic, really rather crude categorization of states" (Payne, 2001: 6). In particular, it addressed the oversimplification and unrealistic homogeneity so intrinsically present in previous analytical models.

The creation of the category was indeed a success from the perspective of both donors and more powerful developing countries, considering that it was built off the three worlds' model - which, more than developmental (or even economic), was a political approach to world structure. Thereby, it protected the position of major world powers (concerned with maintaining as much as possible the *status quo* and protecting their economic, political and strategic interests), to whom the creation of the LDC category could indeed be supported, but never unconditionally nor in detriment of their own interests. Likewise, more powerful developing countries could not agree to a category that excluded them and included some of their direct competitors and, hence, settled for an all-in-all harmless deal, which would not significantly jeopardize their interests. Therefore, having the category set up on those specific terms (i.e., agreement on non-legally binding benefits to be delivered to small and economically and politically insignificant countries) seems to have been the best of all evils. Apparently, it was either that way or no way at all.

Thus, to a certain extent, the creation of the LDC category as proposed by UNCDP did move conventional wisdom further, since, in a way, it successfully addressed, even if unintentionally, the criticism regarding the unrealistic Third World homogeneity, according to which countries were lumped together and treated indiscriminately. Furthermore, it might have been a move to (try to) do away with the political connotation in which the concept of the Third World was so tightly wrapped around. By making inclusion into the LDC category dependent on a set of technically-constructed indicators that only addressed quantifiable factors, the process of gaining LDC status became - at least apparently and, most certainly, in its narrative - essentially mechanical, as opposed to political and, therefore, less open to discussion than otherwise.

Considering the period when the decision was taken (initial deliberation in the 1960s and institutionalization in 1971), we see that many African countries were gaining independence. In this regard, Wolf-Phillips (1987), when analyzing the general acceptance of the term 'Third World' in development literature, speaks of the initial reluctance to use it (Wolf-Phillips, 1987: 1315). As a result, 'underdeveloped' (a term used since the 1940s) assumed the second-best position. However, within the UN, as "membership expanded with the addition of 'underdeveloped' countries, the term began to be regarded as derogatory and was gradually dropped in favour of 'less-developed' or 'developing'" (Wolf-Phillips, 1987: 1315). Therefore, we see a gradual shift towards the notion of 'least developed', of which, I argue, the UN process that instituted the LDC category was an integral part of.

*So, what was the motivation behind the UN decision to establish the LDC category?* Implicitly, LDC discourse points to normalization of international assistance (i.e., provision of a norm for the allocation of this assistance - being it in the area of trade or aid; both extremely permissible to donors' national motivations and, hence, susceptible to function mainly as foreign policy instruments). This means that by building an understanding (through the establishment of the LDC category) around the idea that international assistance should be primarily directed to those classified as LDCs, the UN expected to reduce the political nature (or the unpredictability) of donors' development policy decisions and, with this, guarantee a successful Second Development Decade. However, the implementation of this understanding was compromised by both donors' and other non-LDC developing countries' lack of altruism. This generated a category of small and economically and politically insignificant countries. Hence, in terms of analytical approaches, while the LDC project as envisaged by the UN fits into a global society/interdependence/cooperation narrative and discourse, its implementation happened in the real world of international political economy where (the quest for) power dictates behaviors.

The establishment of the LDC category represented an important step towards greater recognition of the plight of the most disadvantaged countries and the need to treat them differently and more favorably. Indeed the idea behind the category did represent a significant advance in that direction. However, its operationalization has not allowed the category to live up to its main philosophy as indicated by the extremely low number of graduation cases. Clearly, without the

fulfillment of its political foundation, the LDC category is a senseless exercise; rooted, essentially, in efforts to keep alive the considerable bureaucracy associated to it.

## References

Baber, Z. (2001), "Modernization theory and the Cold War", *Journal of Contemporary Asia*, 31: 1, pp. 71-85, <http://dx.doi.org/10.1080/00472330180000051>, 10/09/2010

Berger, M. T. (1994), "The end of the 'Third World'?", *Third World Quarterly*, Vol. 15, No. 2, pp. 257-275, <http://web.ebscohost.com/ehost/pdfviewer/pdfviewer?vid=2&hid=110&sid=c742c9df-fd7a-4d7b-92c8-987e09734164%40sessionmgr111>, 01/09/2010

Brohman, J. (1995), "Universalism, Eurocentrism, and Ideological Bias in Development Studies: From Modernisation to Neoliberalism", *Third World Quarterly*, Vol. 16, No. 1, pp. 121-140, <http://www.jstor.org/stable/3992977>, 02/09/2010

Cornia, G. A. (2011), "Developing the Poorest Countries: New Ideas from the 2010 UNCTAD LDC Report", *European Journal of Development Research*, Vol. 23, No. 1, pp. 12-16

Council for the Development of Economic and Social Research in Africa (CODESRIA) (1977), *Proceedings of the Seminar on: Special Problems of Landlocked and Least Developed Countries in Africa*, CODESRIA/UNZA, Luzaka

Cox, R. W. (1989), "Production, the State, and Change in World Order", in *Global Changes and Theoretical Challenges. Approaches to World Politics for the 1990s*, edited by Ernst-Otto Czempiel and James N. Rosenau, Lexington Books, Toronto

de Lacharrière, G. (1971), "Identification et statut des pays 'moins développés'", in *Annuaire français de droit international*, Vol. 17, pp. 461-482, [http://www.persee.fr/web/revues/home/prescript/article/afdi\\_0066-3085\\_1971\\_num\\_17\\_1\\_1657](http://www.persee.fr/web/revues/home/prescript/article/afdi_0066-3085_1971_num_17_1_1657), 31/08/2010

Encontre, P. (2004), "Economic Vulnerability of Small Island Developing States: The United Nations Approach", in *Economic Vulnerability and Resilience of Small States*, Islands and Small States Institute of the University of Malta and the Commonwealth Secretariat

Escobar, A. (1988), "Power and Visibility: Development and the Invention and Management of the Third World", *Cultural Anthropology*, Vol. 3, No. 4, pp. 428-443, <http://www.jstor.org/stable/656487>, 06/09/2010

Ferguson, J. (1990), *The Anti-Politics Machine - "Development", Depoliticization, and Bureaucratic Power in Lesotho*, Cambridge University Press

Ferguson, J. (1994), "The Anti-Politics Machine", in *The Anthropology of the State: A Reader*, Edited by Aradhana Sharma and Akhil Gupta, Blackwell Publishing



Group of 77 (1967), *Charter of Algiers*, First Ministerial Meeting of the Group of 77, Algiers, 10-25 October 1967, <http://www.g77.org/doc/algier~1.htm>, 15/09/2010

Guillaumont, P. (2009), *Caught in a Trap: Identifying the Least Developed Countries*, Economica, Paris

Hawthorne, H. (2009), "Acceding to the Norm: The Accession of LDCs to the WTO", *The Hague Journal of Diplomacy*, 4 (2009), pp. 7-35, <http://www.ingentaconnect.com/content/mnp/hjd/2009/00000004/00000001/art00002?token=004911a4c573d257025707b233e467b3163425b74357c4e7547543c7e386f642f466fe6be>, 09/08/2010

Hettne, B. (1995), *Development Theory and the Three Worlds: Towards an International Political Economy of Development*, Harlow: Longman

Hoekman, B. and Çağlar Özden (2005), "Trade Preferences and Differential Treatment of Developing Countries: A Selective Survey", World Bank Policy Research Working Paper 3566, Washington, D.C., World Bank

Jolly, R., et. al (2004), "The 1980s: Losing Control and Marginalizing the Poorest", in *UN Contributions to Development Thinking and Practice*, United Nations Intellectual History Project Series, Indiana University Press, Bloomington and Indianapolis

Jolly, R., et. al (2004), "The 1990s: Rediscovering a Human Vision", in *UN Contributions to Development Thinking and Practice*, United Nations Intellectual History Project Series, Indiana University Press, Bloomington and Indianapolis

Jolly, R. (2005), "The UN and Development Thinking and Practice", *Forum for Development Studies*, No. 1-2005, [http://www.unhistory.org/reviews/FDS\\_Jolly.pdf](http://www.unhistory.org/reviews/FDS_Jolly.pdf), 06/09/2010

Jolly, R. (2011), "The 2010 UNCTAD LDC Report: A Call for Action", *European Journal of Development Research*, Vol. 23, No. 1, pp. 17-19

Kamrava, M. (1995), "Political culture and a new definition of the Third World", *Third World Quarterly*, Vol. 16, No. 4, pp. 691-701

Ma, S.-Y. (1998), "Third World Studies, Development Studies and Post-Communist Studies; Definitions, Distance and Dynamism", *Third World Quarterly*, Vol. 19, No. 3, pp. 339-356

Magyar, K. P. (1995), "Classifying the international political economy: A Third World proto-theory", *Third World Quarterly*, Vol. 16, No. 4, pp. 703-716, <http://dx.doi.org/10.1080/01436599550035915>, 02/09/2010

Murthy, C. S. R. (2003), "US and the Third World at the UN: An Ambivalent Relationship", *International Studies*, 40: 1, pp. 1-21, <http://isq.sagepub.com/content/40/1/1.citation>, 10/09/2010

Payne, A. (2001), "The global politics of development: towards a new research agenda", *Progress in Development Studies* 1, 1, pp. 5 -19

Payne, A. (2004), "Small states in the global politics of development", *The Round Table*, 93: 376, pp. 623-635

Payne, A. (2005), *The Global Politics of Unequal Development*, Palgrave MacMillan, New York

Schlesinger, S. (1997), "Can the United Nations Reform?", *World Policy Journal*, Fall 1997, pp. 47-52

Smouts, M.-C. (1981), "La notion de PMA: une genèse difficile", in *Les pays les plus pauvres: quelle coopération pour quel développement?*, Institut Français des Relations Internationales (IFRI), Paris, pp. 49-58

Thérien, J.-P. (1999), "Beyond the North-South divide: the two tales of world poverty". *Third World Quarterly*, Vol. 20, No. 4, pp. 723-742

Thérien, J.-P. (2000), "Development assistance on the brink", *Third World Quarterly*, 21: 1, pp. 21-38, <http://dx.doi.org/10.1080/01436590013206>, 10/09/2010

Thérien, J.-P. (2002), "Multilateral institutions and the poverty debate: Towards a global third way?". *International Journal*, Vol. 57, No. 2 (Spring, 2002), pp. 233-252, <http://www.jstor.org/stable/pdfplus/40203660.pdf?acceptTC=true>, 31/08/2010

Truman, H. (1949), *Inaugural Address* (January 20, 1949), <http://www.trumanlibrary.org/calendar/viewpapers.php?pid=1030>, 30/08/2010

ul Haq, M. (2003), "The Birth of the Human Development Index", pp. 127-137 in *Readings in Human Development*, edited by Sakiko Fukuda-Parr and A. K. Shiva Kuma, University Press, Oxford

UN (1969), *Resolution on special measures to be taken in favour of the least developed among the developing countries*, <http://daccess-dds-ny.un.org/doc/RESOLUTION/GEN/NR0/256/98/IMG/NR025698.pdf?OpenElement>, 01/09/2010

UN (1970), *Resolution on Identification of the least developed among the developing countries*, <http://daccess-dds-ny.un.org/doc/RESOLUTION/GEN/NR0/349/89/IMG/NR034989.pdf?OpenElement>, 01/09/2010

UN (1971), *Resolution on Identification of the least developed among the developing countries*, <http://www.unitar.org/resource/sites/unitar.org.resource/files/document-pdf/GA-2767-XXVI.pdf>, 01/09/2010

UN (2000), *Resolution adopted by the General Assembly (A/55/L.2) 55/2. United Nations Millennium Declaration*, New York, <http://www.un.org/millennium/declaration/ares552e.htm>, 01/09/2010

UN (2001), *Report of the Third United Nations Conference on the Least Developed Countries*, Brussels, Belgium, 14 - 20 May 2001, [http://www.un.org/special-rep/ohrls/ldc/Contributions/Report%20of%20the%20LDC%20III\\_E.pdf](http://www.un.org/special-rep/ohrls/ldc/Contributions/Report%20of%20the%20LDC%20III_E.pdf)

UN (2010), *The Millennium Development Goals Report*, New York, <http://www.un.org/millenniumgoals/pdf/MDG%20Report%202010%20En%20r15%20-low%20res%2020100615%20-.pdf#page=69>, 20/09/2010

UNCDP (1967), *Report on the Second Session (10-20 April 1967)*, Economic and Social Council, Official Records: Forty-Third Session, Supplement No. 7, United Nations, <http://www.un.org/esa/policy/devplan/reportstoecosoc.htm>, 30/08/2010

UNCDP (1968), *Report on the Third Session (29 April-10 May 1968)*, Economic and Social Council, Official Records: Forty-Fifth Session, Supplement No. 7, United Nations, New York, <http://www.un.org/esa/policy/devplan/reportstoecosoc.htm>, 30/08/2010

UNCDP (1969), *Report on the Fourth and Fifth Session (17-21 March 1969 and 7-16 May 1969)*, Economic and Social Council, Official Records: Forty-Seventh Session, United Nations, New York, <http://www.un.org/esa/policy/devplan/reportstoecosoc.htm>, 30/08/2010

UNCDP (1970), *Report on the Sixth Session (5-15 January 1970)*, Economic and Social Council, Official Records: Forty-Ninth Session, Supplement No. 7, United Nations, New York, <http://www.un.org/esa/policy/devplan/reportstoecosoc.htm>, 30/08/2010

UNCDP (1971), *Report on the Seventh Session (22 March-1 April 1971)*, Economic and Social Council, Official Records: Fifty-First Session, Supplement No. 7, United Nations, New York, <http://www.un.org/esa/policy/devplan/reportstoecosoc.htm>, 30/08/2010

UNCDP (1972), *Report on the Eight Session (10-20 April 1972)*, Economic and Social Council, Official Records: Fifty-Third Session, Supplement No. 7, United Nations, New York, <http://www.un.org/esa/policy/devplan/reportstoecosoc.htm>, 30/08/2010

UNCDP (1975), *Report on the Eleventh Session (7 - 16 April 1975)*, Economic and Social Council, Official Records: Fifty-Ninth Session, Supplement No. 4, United Nations, New York, <http://www.un.org/esa/policy/devplan/reportstoecosoc.htm>, 25/09/2010

UNCDP (2003), *Local Development and Global Issues: Report of the Committee for Development Policy on its fifth session (7 – 11 April 2003)*, Department of Economic and Social Affairs, United Nations, New York, <http://www.un.org/esa/policy/devplan/cdppublications/2003cdpreport.pdf>, 05/08/2010

UNCDP (2005), *Poverty Reduction and Good Governance: Report of the Committee for Development Policy on its sixth session (29 March – 2 April 2004)*, Department of Economic and Social Affairs, United Nations, New York, <http://www.un.org/esa/policy/devplan/cdppublications/cdpreport2004web.pdf>, 05/08/2010

UNCDP (2008), *Handbook on the Least Developed Country Category: Inclusion, Graduation and Special Support Measures*, Department of Economic and Social Affairs, United Nations, New York, <http://www.un.org/esa/policy/devplan/cdppublications/2008cdphandbook.pdf>, 10/08/2010

UNCDP (2009), *Report on the Eleventh Session (9-13 March 2009)*, Economic and Social Council, Official Records, Supplement No. 13, United Nations, New York  
<http://www.un.org/esa/policy/devplan/e200933.pdf>, 10/10/2010

UNCTAD (1983), *The Least Developed Countries and action in their favour by the international community*, United Nations, New York

UNCTAD (1985), *The Least Developed Countries: Introduction to the LDCs and to the Substantial New Programme of Action for them*, Author: Eric Sottas, United Nations, New York

UNCTAD (1992), *Paris Declaration and Programme of Action for the Least Developed Countries for the 1990s*, United Nations, New York

UNCTAD (2002), *Graduation from the Least Developed Country Status: Where do LDCs Stand?* UNCTAD/LDC/Misc.83, Geneva.

UNCTAD (2004), *Beyond Conventional Wisdom in Development Policy: An Intellectual History of UNCTAD 1964–2004*, New York and Geneva,  
[http://www.unctad.org/en/docs/edm20044\\_en.pdf](http://www.unctad.org/en/docs/edm20044_en.pdf), 20/09/2010

UNCTAD (2009), *The Least Developed Countries Report 2009: The State and Development Governance*, United Nations, New York and Geneva, [http://unctad.org/en/docs/ldc2009\\_en.pdf](http://unctad.org/en/docs/ldc2009_en.pdf), 10/09/2010

UNCTAD (2010), *The Least Developed Countries Report 2010: Towards a New International Development Architecture for LDCs*, United Nations, New York and Geneva,  
[http://www.unctad.org/en/docs/ldc2010\\_en.pdf](http://www.unctad.org/en/docs/ldc2010_en.pdf), 03/04/2011

Vienna Institute for Development and Cooperation (1990), *International Workshop on the Least Developed Countries (LDCs) – Report*, Report Series 2/89, Vienna, Austria

Weiss, T. G. (2002), “Transcript of interview of Jack I. Stone” (New York, 12 February 2002), in *The Complete Oral History Transcripts from UN Voices* CD-ROM, United Nations Intellectual History Project

Weiss, T. G. *et. al* (2005), “The 1970s: Creativity Confronts Geopolitics”, in *UN Voices: the struggle for development and social justice*, United Nations Intellectual History Project, Indiana University Press, Bloomington and Indianapolis

Wolf-Phillips, L. (1987), “Why ‘Third World’?: origin, definition and usage”, *Third World Quarterly*, Vol. 9, No. 4, pp. 1311-1327

Wolfgang, H. (2002), “The Wealth of Nations at the Turn of the Millennium: A Classification System Based on the International Division of Labor”, *Economic Geography*, Vol. 78, No. 2, pp. 221-244, <http://www.jstor.org/stable/4140788>, 08/09/2010