



## Least Developed Countries

### Introduction

The concept of least developed countries (sometimes known as LLEDCS – least less economically developed countries) was first identified in 1968 by the United Nations Conference on Trade and Development (UNCTAD). It was subsequently updated by the UN to describe the “poorest and most economically weak of the developing countries, with formidable economic, institutional and human resource problems, which are often compounded by geographical handicaps and natural and man-made disasters.” LDCs are a subset of the LEDCs.

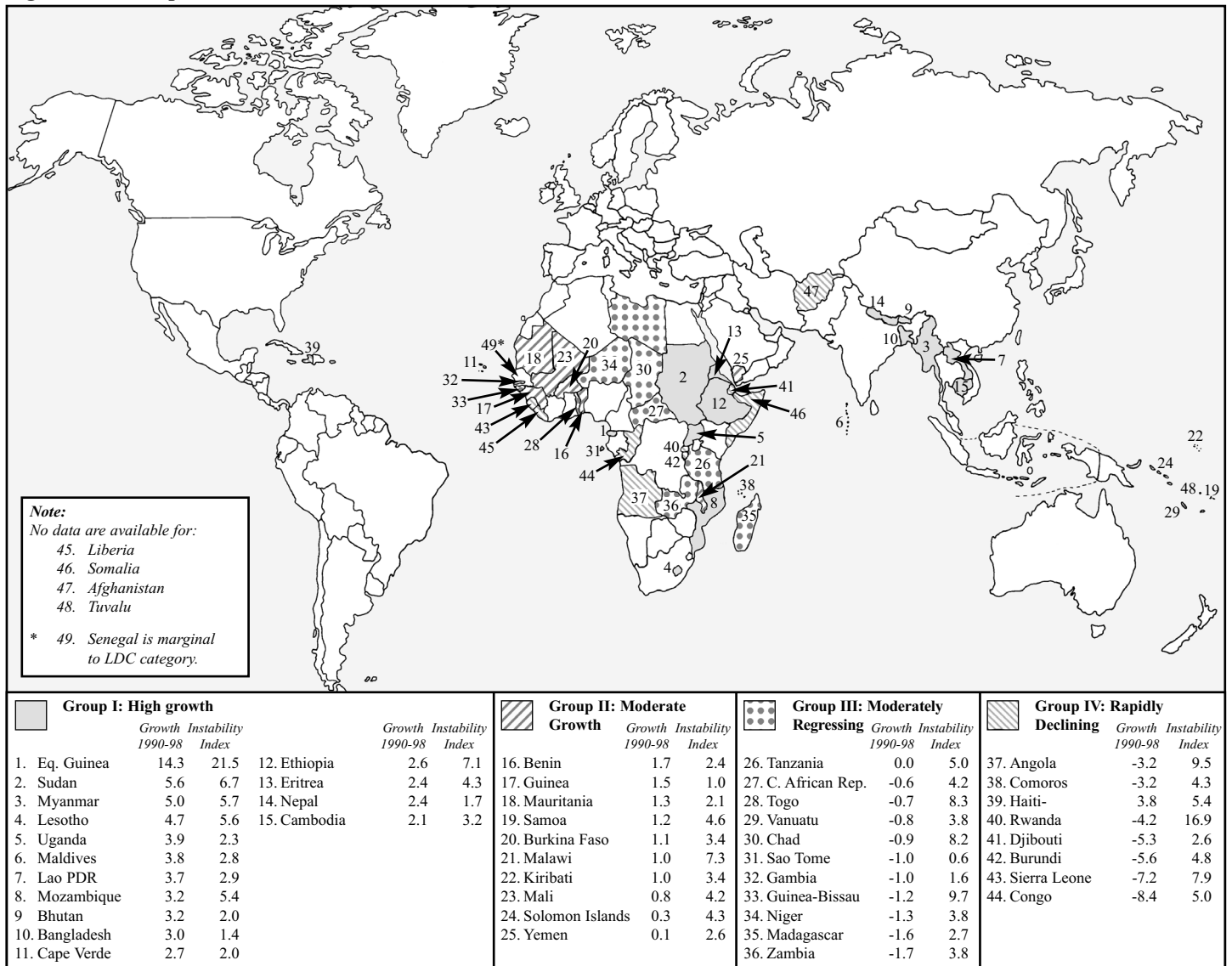
Twenty-four LDCs were identified in 1971 but by 2001 that number had grown to forty nine (Fig. 1). With 10.5% of the world’s population (610.5 million) these countries generate only one tenth of one per cent of its income. The list of LDCs is reviewed every three years by the Economic and Social Council (ECOSOC).

Fig. 1 provides an interesting pattern of distribution - around two thirds of the countries are located in Africa. Many other countries are small islands, with very limited resource bases, e.g. Tuvalu or Kiribati.

The criteria used to identify LDCs have changed over time and become more complex. The current criteria are:

- a low income, as measured by GDP per capita.
- weak human resources, as measured by a composite index (Augmented Physical Quality of Life Index) based on indicators of life expectancy at birth, per capita calorie intake, combined primary and secondary school enrolment, and adult literacy.
- a low level of economic diversification, as measured by a composite index (Economic Diversification Index) based on the share of manufacturing in GDP, the share of the labour force in industry, annual per capita energy consumption, and UNCTAD’s merchandise export concentration index (a measure of the amount of export trade).

Fig. 1 Statistical profiles of LDCs, 2001.



UNCTAD uses different thresholds for inclusion in, and graduation from, the LDC list. A country qualifies for entry to the list if it meets inclusion thresholds on all three criteria. A nation qualifies for graduation from the list if it meets thresholds on two of the three criteria. In terms of low income the current threshold for inclusion on the LDC list is \$800 per capita, while the threshold for movement off the list is \$900 per capita. In its July 2000 review ECOSOC declared that Senegal was eligible for LDC status (subject to the government of Senegal so desiring) and decided to postpone until 2001 its consideration of Maldives' graduation from the LDC list.

The criteria for determining LDC status are currently under review. The Committee for Development Policy has recommended that the Economic Diversification Index be replaced by an Economic Vulnerability Index reflecting the main external shocks to which the economies of many low-income countries are subject.

**Key Terms**

- **Structural adjustment:** a set of policy changes countries have to make in order to receive loans through the International Monetary Fund and the World Bank.
- **OECD:** The Organisation of Economic Co-operation and Development – the developed nations of the world.

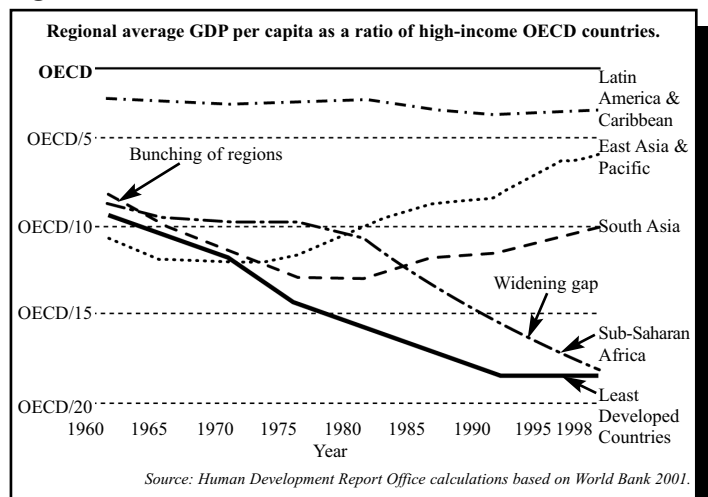
**Three U.N. Conferences**

The first United Nations Conference on the Least Developed Countries was held in Paris in 1981. However, despite major policy reforms initiated by many LDCs and supportive measures taken by a number of donor countries in the areas of aid, debt and trade, the economic situation of these countries as a whole worsened in the 1980s. Thus, a second UN Conference on the Least Developed Countries was held in Paris in 1990. The outcome of the Conference was embodied in the Paris Declaration and the Programme of Action for the Least Developed Countries for the 1990s. The third UN Conference on the Least Developed Countries was held in Brussels in May 2001.

**The Income Gap Widens for LDCs**

Whilst recent United Nations Reports have looked at generally rising incomes for many countries of the World, as can be seen from Fig. 2 these countries in sub-Saharan Africa, who make up the bulk of LDCs, are actually getting relatively poorer and for them the economic development gap is widening.

**Fig. 2 Comparing the incomes of developing regions and high-income OECD.**



The NGO (Non-governmental Organisations) Forum at the Brussels Conference stated that "Globalisation according to the free market model is making the rich richer and the poor poorer". The causal factors identified were:

- The World Trade Organisation has undermined the interests of LDCs
- Global ODA has never reached the level of the UN Commitments of 0.7% of GNP and 0.15% to LDCs.
- Initiatives to cancel debt have advanced too slowly with too little effect. Many LDCs spend 40% of their GDP on debt servicing
- In many countries development has been held back or put into reverse by the impact of HIV/AIDS and recent wars/tribal conflicts.

**Four Categories of LDC (see Fig. 1, page 1)**

The Least Developed Countries 2000 Report identifies four sub-groups within the LDCs according to growth and instability of GDP per capita 1990 to 1998. These are:

- **Group 1 countries** - where the real GDP per capita growth exceeded 2% per annum. This is a rate at which their incomes are converging with average developing country performance.
- **Group 2 countries** - where per capita income is growing but where incomes are regressing relative to average performance in the developing countries.
- **Group 3 countries** - where per capita income is regressing in absolute terms at less than 2% per annum
- **Group 4 countries** - where per capita income is regressing in absolute terms at more than 2% per annum.

Seven of the Group 1 LDCs are in Asia. Of the 22 countries in Groups 3 and 4, 11 have experienced serious armed conflicts and internal instability during the 1990s.

The instability index is measured as the standard deviation of annual growth rates over the 1988-98 period. An important feature of the performance of most LDC economies is the significant degree of income instability. For example, Equatorial Guinea, which experienced by far the highest average growth rate between 1990 and 1998, also had the highest rate of income instability.

**Major problems of LDCs**

As the gap between the richest and poorest countries in the world widens, LDCs are being increasingly marginalised in the world economy. Their share of world trade is declining and in many LDCs national debt now equals or exceeds GDP. Such a situation puts a stranglehold on all attempts to halt socio-economic decline. Table 1 shows how long it will take individual LDCs to reach the threshold of \$900 per capita income (for graduation off the LDC list) if current trends persist.

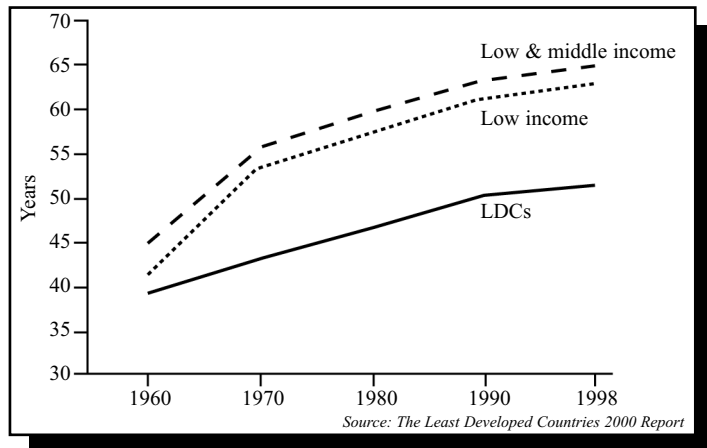
**Table 1 How long will the LDCs take to reach \$900 per capita income levels if current trends persist?**

Already there	18-25 years	25-50 years	50-100 years	>100 years	Negative growth or stagnant
Cape Verde Equatorial Guinea Maldives Samoa Vanuatu	Bhutan Lao PDR Lesotho* Sudan	Bangladesh Guinea Mozambique Uganda	Benin Cambodia Eritrea Ethiopia Mauritania Nepal	Burkina Faso Malawi Mali Yemen	Angola Burundi Chad Comoros Congo Gambia Guinea-Bissau Haiti Madagascar Niger Rwanda Sao Tome Sierra Leone Solomon Is. Togo Tanzania Zambia

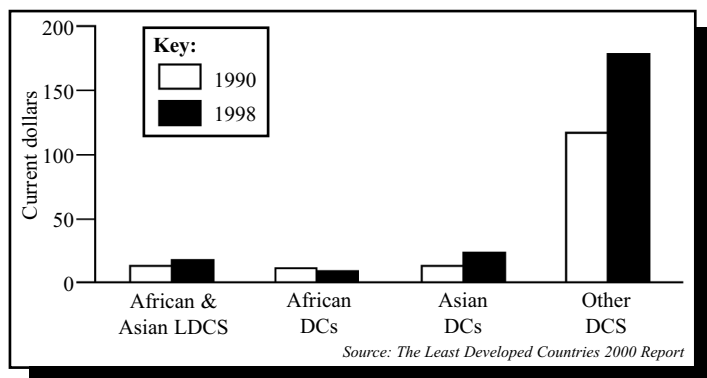
*Notes: The \$900 income target is set at 1997 US \$. The base year for calculations is 1997. Projections are based on the trend growth rates of 1990-98.  
\*Lesotho reaches \$900 threshold in 15 years, all other countries in this group of countries are above 18 years.*

Although life expectancy at birth is rising, the rate of increase slowed in the 1990s with the gap between LDCs and other developing countries remaining stubbornly wide (Fig. 3). This is perhaps not surprising when health expenditure per capita is examined (Fig. 4). Here, as expected, it is in the African LDCs where the health crisis is at its worst, compounded by the enormity of the AIDS crisis.

**Fig. 3 Life expectancy at birth, 1960-98: LDCs, low-income and low- and middle-income countries.**

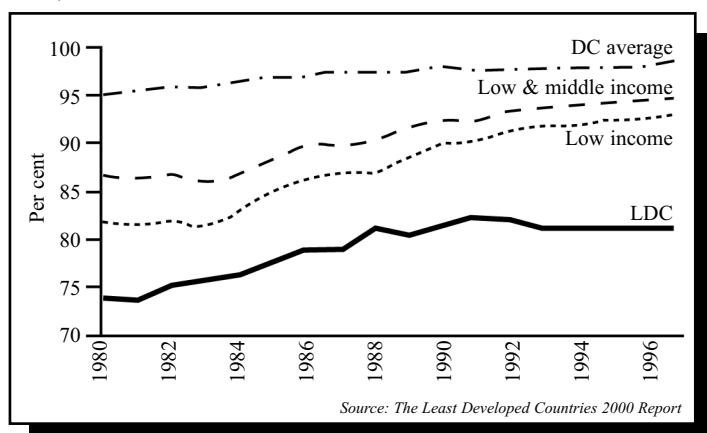


**Fig. 4 Health expenditure per capita, 1990 and 1998: LDCs and other DCs (Current dollars).**



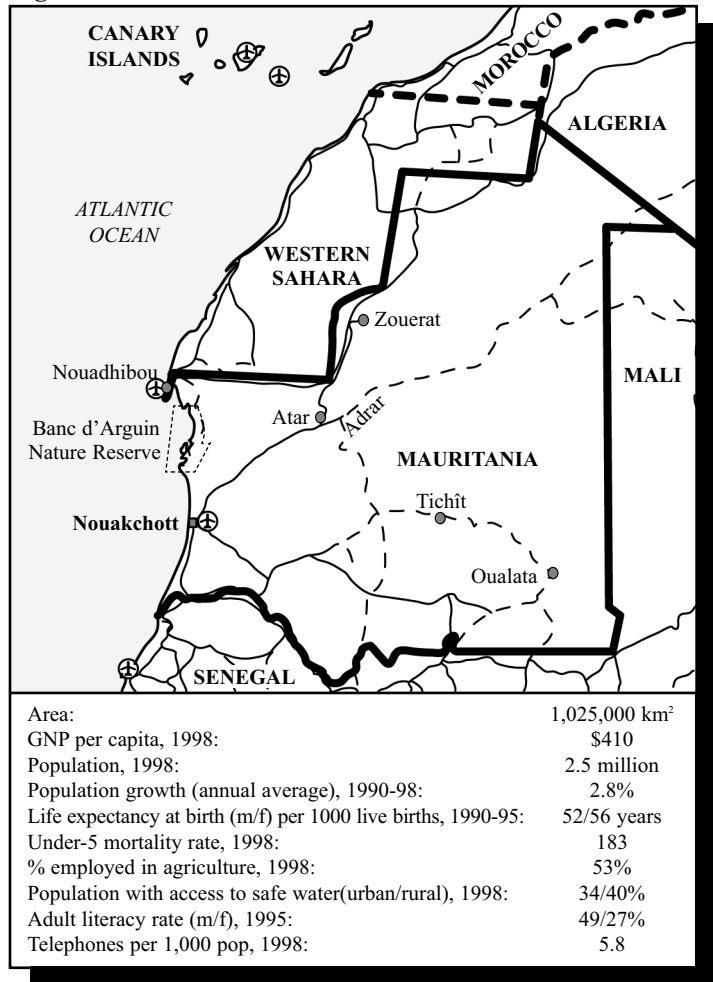
Education is of course a major factor in the development process and in particular female education has been highlighted as a catalyst for growth. Fig. 5 illustrates the gender gap in primary education for the 1980-98 period. The gap for LDCs remains significantly higher than for other developing countries. At just over 80% the gender gap for LDCs remained static in the 1990s.

**Fig. 5 Gender gap in primary education, 1980-98: LDCs, other DCs, low-income and low-middle-income countries.**



**Mauritania: Case Study of an LDC**

**Fig. 6 Factfile**



**Exam Hint:** Look at Fig. 6 and explain how each of the statistics shown is typical of an LDC.

The west African nation of Mauritania, at over four times the size of the UK, covers more than one million km<sup>2</sup>. It borders Western Sahara, Algeria, Mali, Senegal and the Atlantic Ocean. Water is a prime concern, not just in the desert and semi-desert areas, but also in those zones where rain-fed agriculture is possible. Agricultural production varies hugely from year to year because of the unpredictability of the rains.

With a relatively small population of 2.5 million, Mauritania is classed as a Group 2 LDC (Fig. 1). Its annual average growth in GDP of 1.3% between 1990 and 1998 gives some cause for optimism for the future.

When the country gained independence from France in 1960, slavery still formally existed and under 5% of the population lived in urban areas. Today that figure is 60%. In an effort to shed its poverty the country has embraced privatisation and other aspects of structural adjustment favoured by the World Bank and the International Monetary Fund. Mauritania is one of the first countries to benefit from the heavily indebted poor country (HIPC) debt reduction scheme. Although starting from a low base there are significant signs of economic and social progress. For example:

- Between 1990 and 2000, the proportion of Mauritians living below the poverty line fell from 56% to 43%.
- The gross primary enrolment ratio reached almost 90% in 2000-2001. Since 1995 the gap between enrolment ratios of boys and girls has almost closed.

### The Economy and Trade

Exports have depended almost totally on iron ore and fish. In 1998, iron ore accounted for 47.8% of total exports by value. The relatively low price of iron ore on the world market and the depletion of some of the best reserves have made Mauritania's dependency on iron ore very risky. Fortunately the fishing sector has developed strongly in recent decades but the problem of over-fishing by foreign boats is now causing considerable concern. Fishing accounts for about half of export earnings but its contribution to the country's GDP is considerably lower.

#### **Over-fishing by Developed Nations**

*Mauritania and the other poor nations of west Africa are suffering from the activities of high-technology fishing fleets from developed countries, including the EU. Although Mauritania has sold fishing rights to EU, Japanese and Chinese vessels, the over-fishing that has resulted has led to a dramatic fall in catches. Catches of octopus fell by half between 1998 and 2002, and some species, such as sawfish, have completely disappeared. This has had a severe effect on local employment. For example, in 1996 nearly 5,000 people were employed in the traditional octopus fishery, but by 2002 this was down to 1,800.*

*The over-fishing is due to:*

- a failure by some boats to comply with the rules
- lack of enforcement
- a shortage of fishery protection vessels
- inadequate regulations, for example, EU shrimp boats are allowed to use a smaller mesh size than local boats.

*Perhaps the most unacceptable aspect of EU fishing off the coast of Africa is the presence there of the world's biggest fishing boat, the Irish vessel Atlantic Dawn. This £50 million supertrawler is nearly 450ft long and can catch and process 7,000 tons of fish in a single voyage.*

Nouadhibou is the main port of export for the mining and fishing industries. Its turnover makes it one of the most important ports in West Africa. However, it has one great disadvantage – there is no road link with the capital Nouakchott. However, this situation will change when the West Coast pan-African highway is completed. An important development in the south was the construction of a half-a-million tonne capacity deepwater port near Nouakchott with Chinese aid. There has been talk of turning Nouakchott Port into a major gateway for landlocked Mali which would be of considerable benefit to both countries.

Discoveries of other minerals, including gold and diamonds, offer possibilities for the future, but further exploration will be required to ascertain the economics of development. Mauritania, like all oil-poor LEDCs, can do nothing but pay the fluctuating market price for its essential oil imports. However, the discovery of oil off the coast in mid-2001 may solve this problem if the reserves prove economic to exploit.

Import substitution has long been an objective but earlier attempts at establishing an oil refinery and other industrial plants ended in failure. The very small size of the domestic market has proved to be a major limitation in this respect.

The periodic need to import food is a major obstacle to achieving a trade balance. Traditionally, the nomadic desert Moors were largely self-sufficient, while in the south, the predominantly black African farmers grew their own food. However, a high rate of rural-urban migration in recent decades has increased the number of people dependent on others to produce their food. Acute periods of drought, notably in the 1970s and 1980s, have exacerbated the situation.

Production of rice, the staple food of many Mauritians, has been of particular concern. Yields can vary significantly from year to year, depending on rainfall and other factors. Thus, Mauritania is not always self-sufficient in rice. In addition, imported rice is often favoured as it tends to be less expensive.

Livestock rearing accounts for 15% of GDP. There are more goats than people in Mauritania and more than a million camels.

Since Independence, France has remained Mauritania's main trading partner. Migrant workers based in France remit significant sums home. In total the EU accounts for just over 60% of both imports and exports. Mauritania is a signatory to the Cotonou Agreement, which links more than 70 African, Caribbean and Pacific countries to the EU, giving them various trade and aid concessions. China and Japan have also been important trade and aid partners.

### The Way Ahead for Mauritania

#### ● **Sustainable Rural Development**

The promotion of sustainable rural development is vital if the drift to the towns is to slow. Among the government agencies and projects involved in this process is the Programme for Managing Natural Resources in Rain-fed Zones (PGRNP).

The main objective of this programme is to stem the degradation of vegetation cover and to improve the environment by enabling local populations to rationalise the use of natural resources.

- The approach is highly decentralised with over 280 autonomous decision-making centres.
- NGOs, such as the Paris-based SOS Sahel have been working with local communities to try to conserve tree cover and reforest areas.
- There has been a push to replace firewood with butane as the main domestic fuel in order to conserve the forest cover.

#### ● **The Senegal River Valley**

In this region where irrigation enables far more intensive farming than elsewhere a project jointly funded by the World Bank and the government is under way.

The objectives of the Programme for Integrated Development of Irrigated Agriculture in Mauritania (PDIAIM), which has been organised in three phases from 2000 to 2010, are:

- higher agricultural output
- wider crop diversification
- a reduction in rural poverty
- improved food security
- a better ecological balance.

#### ● **The Oasis Development Project**

This project, which was established in the mid-1980s, is assisted by the UN's International Fund for Agricultural Development (IFAD) and the Arab Fund for Economic and Social Development. The objective is to improve the living standards of poor people in the oasis zones.

An important part of this participatory development scheme has been the establishment of micro-credit co-operatives of which there are now about 70. Members can borrow small amounts of money, interest-free, for up to ten years for household and community self-sufficiency projects (e.g. purchasing seed, digging new wells, fencing land). When the project ends in 2002 it is hoped that private investment will come to play a more important role as the tourist value of oasis settlements is developed.

**Mauritania: Case Study continued**● **Nouakchott**

Nouakchott, which means 'the place of the winds', is now the fastest growing city in Africa. Previously a small French military post, Nouakchott was chosen as Mauritania's capital when the country became independent in 1960. The advantage of selecting what was largely a virgin site was that the new city could be planned from scratch. Due to the nomadic nature of much of the nation's population at the time it was assumed that a settlement of around 50,000 people would be adequate. Today, the population is well over ten times the original estimate. As well as the usual rural-urban migration that characterises developing countries, urban growth has been exacerbated by large numbers fleeing drought and the advancing desert, in addition to refugees from regional conflicts. The result is huge informal neighbourhoods of tents, shacks and breeze-block houses (shanty towns).

A ten-year urban development project funded by the World Bank is attempting to alleviate the worst deprivation in the capital. Its objectives are to improve water and electricity supply, upgrade educational facilities, and make micro-credit facilities available for the creation of small and medium-sized businesses, particularly in the construction and service sectors.

● **Tourism**

Until the late 1990s tourism was not a priority in Mauritania because:

- there was concern that an influx of tourists would damage the nation's cultural and religious heritage
- the huge strain on government finances could not justify investing in the infrastructure required for a significant tourist industry.

However, in recent years the government has looked more favourably on tourism in order to (a) generate revenue and (b) as a contributing factor in ecological and cultural preservation. The aim is to avoid mass tourism and its pitfalls and to target special interest groups and adventure tourists. The main attractions on offer are:

- The Adrar region in the interior. Here the four towns of Chinguetti, Oualata, Oualata and Tichitt which date back to the 12<sup>th</sup> and 13<sup>th</sup> centuries have been declared World Heritage sites by Unesco. Exploration of these old Sahara and Sahel trade route cities can be combined with desert travel. Charter flights fly regularly from Marseilles to Atar.
- The countryside along the Senegal river in the south. Here the pioneering Mauritanian tourism company El Mejabat El Koubra Tours (MKT) has set up a permanent camp at Keur Macene, which has its own 120,000-hectare hunting reserve. The camp which began with 30 rooms will expand to 100 in 2003.
- The Atlantic coast near Iwik offers the sight of hundreds of thousands of migrating birds, feeding and resting in the nature reserve of the Banc d'Arguin. In this region the Imraguen people use the traditional method of getting dolphins to chase fish into their nets. This will be the site of ecotourism.
- The train running from Nouadhibou to the mining areas at Zouerat and beyond is becoming a favourite with railway buffs for whom passenger carriages have been added. The train, said to be the world's longest, mainly consists of wagons carrying iron ore gives a fascinating perspective into a unique landscape.

**Exam Practice Question**

- (a) Describe the social and economic conditions in the world's Least Developed Countries.
- (b) With reference to one LDC examine the obstacles to development and the measures undertaken to improve development prospects.

**Guidelines for Answers**

- (a) Begin by defining LDCs and by commenting on their spatial pattern. It would be useful to explain why countries move onto and off the list of LDCs. For example, *Fig. 1* shows the fourfold classification of LDCs according to growth rates in the 1990s. Quote data from *Fig. 2* to show the widening gap between LDCs and the rest of the world. *Table 1* and *Figs 3, 4* and *5* could be used to comment on GDP, life expectancy, health and education. *Fig. 6* could also be used with good effect for this part of the question.
- (b) The obstacles to development include: the harsh environment in much of the country; the legacy of colonisation; unfavourable terms of trade which benefit rich countries at the expense of poor countries; heavy dependence on only two exports; a small domestic market; the high cost of imported oil, and overfishing by developed nations in Mauritanian waters.

The measures introduced to improve development prospects generally come under the structural adjustment 'imposed' by the World Bank and International Monetary Fund. Specific measures include sustainable rural development, port development, other infrastructural improvements, import substitution, PDIAIM, the Oasis Development Project, the urban development project in Nouakchott, and the development of tourism. Try to produce your own annotated sketch map locating all the development projects.

**Further research**

The Least Developed Countries epor 2000. UNDP

**Useful websites**

www.unctad.org  
www.oneworld.org  
www.un.org  
europa.eu.int

**Acknowledgements**

*This Factsheet was researched by Paul Guinness, a well-known author who teaches geography at King's College School, London.*

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