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SOCHUM (Social, Cultural and Humanitarian Committee)

Topic: Tackling the question of improving living standards in LECD

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I. INTRODUCTION

Least Economic Developed Countries (LEDCs) are countries that have a low living standard; these countries usually have a low gross national income per capita even though they are in an economical development. They also have a high gross domestic product per capita. Another economic measure is also industrialization. A number of international organizations like the World Bank have researched many developing countries. They also researched developed countries which are countries with a higher GNI per capita such as the USA and United Kingdom. LEDCs are the countries which produce many of the worlds raw materials. They then sell these raw materials to MEDCs for relatively low prices. The MEDCs then use the products to manufacture high value goods which they can sell for a great profit. Many LEDCs cannot afford the modern technology which would help to ensure better medical care and improve levels of employment. In LEDCs much of the food is produced on small, inefficient

subsistence farms and together with problems caused by extreme weather, means that food production on a national scale may be inadequate to feed all the people.

A developing country, is a nation or a sovereign state with a less developed industrial base and a low Human Development Index(HDI) relative to other countries. The term "developing" describes a currently observed situation and not a dynamic or expected direction of progress. Since the late 1990s developing countries tended to demonstrate higher growth rates than the developed ones. An alternative measurement that has been suggested is that of gross national happiness.

II. DEFINITION OF KEY TERMS

LEDCs: Less Economically Developed Countries.

GNI: Gross National Income, the total value of products by residents in a country, with additional values such as property income and overseas employee compensation

HDI: Human Development Index, A composite index that statistically identifies key areas of life in rankings and numerical values, aiding in assessing a country's social and economic development when inequality is accounted for.

PPP: A method used to determine a country's GDP (total income of a country), a metric determined by the value (in US dollars) of a specified "basket of goods" of total goods, eliminating differences in price levels.

OECD:The Organisation for Economic Co-operation and Development, a group of 34 member countries that discuss and develop economic and social policy. The members have set 11 topics considered essential in assessing material living conditions and quality of life

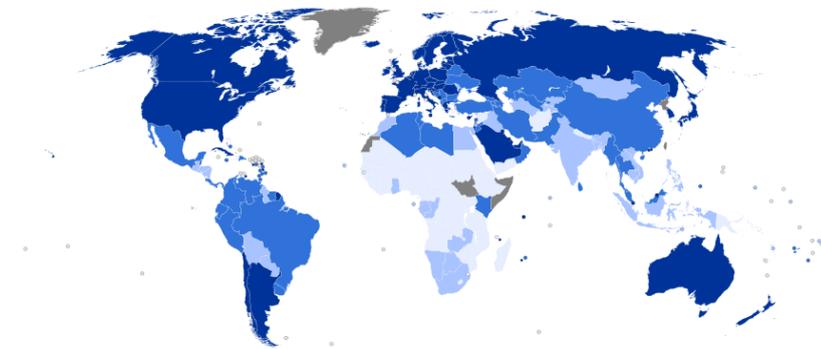
DAC: The developmental assistance committee, aids the OECD sets international principles and standards for development co-operation, and monitors how donors deliver on their commitments.

III. BACKGROUND INFORMATIONS:

Technical cooperation is an area of WTO work that is devoted almost entirely to helping developing countries (and countries in transition from centrally-planned economies) operate successfully in the multilateral trading system. The objective is to help build the necessary institutions and to train officials. The subjects covered deal both with trade policies and with effective negotiation.

Official development assistance (ODA)
UN Capital Development Fund (UNCDF)

In 1971, the General Assembly introduced the concept of Least Developed Countries (LDCs) as a group of countries whose development challenges were particularly acute and needed special support from the international community to confront them (United Nations, 2007). Over the years the global community has adopted a number of 'international special measures (ISMs) to assist these countries in addressing structural handicaps.



https://en.wikipedia.org/wiki/Developing_country

The IMF uses a flexible classification system that considers "(1) per capita income level, (2) export diversification—so oil exporters that have high per capita GDP would not make the advanced classification because around 70% of its exports are oil, and (3) degree of integration into the global financial system."

The World Bank classifies countries into four income groups. These are set each year on July 1. Economies were divided according to 2016 GNI per capita using the following ranges of income:

- Low income countries had GNI per capita of US\$1,025 or less.

- Lower middle income countries had GNI per capita between US\$1,026 and US\$4,035.
- Upper middle income countries had GNI per capita between US\$4,036 and US\$12,236.
- High income countries had GNI per capita above US\$12,237.

Since 2016 the World Bank no longer divide countries into two groups according to the outdated concept of developed and developing

The development of a country is measured with statistical indexes such as income per capita (per person), (gross domestic product) per capita, life expectancy, the rate of literacy, freedom index and others. The UN has developed the Human Development Index (HDI), a compound indicator of some above statistics, to gauge the level of human development for countries where data is available. The UN sets Millennium Development Goals (MDGs) from a blueprint developed by all of the world's countries and leading development institutions, in order to evaluate growth.

Developing countries are, in general, countries that have not achieved a significant degree of industrialization relative to their populations, and have, in most cases, a medium to low standard of living. There is a strong association between low income and high population growth.

The terms utilized when discussing developing countries refer to the intent and to the constructs of those who utilize these terms. Other terms sometimes used are less developed countries (LDCs), least economically developed countries (LEDCs), "underdeveloped nations" or Third World nations, and "non-industrialized nations". Conversely, developed countries, most economically developed countries (MEDCs), First World nations and "industrialized nations" are the opposite end of the spectrum.

To moderate the euphemistic aspect of the word *developing*, international organizations have started to use the term less economically developed country (LEDCs) for the poorest nations—which can, in no sense, be regarded as developing. That is, LEDCs are the poorest subset of LDCs. This may moderate against a belief that the standard of living across the entire developing world is the same.

The concept of the developing nation is found, under one term or another, in numerous theoretical systems having diverse orientations — for example, theories of decolonization, liberation theology, Marxism, anti-imperialism, and political economy.

Another important indicator is the sectoral changes that have occurred since the stage of development of the country. On an average, countries with a 50% contribution from the

Secondary sector of manufacturing has grown substantially. Similarly countries with a tertiary Sector stronghold also see greater rate of Economic Development.

Some researchers in development economics, such as Theodore Schultz who won a Nobel Prize in 1979, have found that literate farmers in developing countries are more productive than illiterate farmers. They therefore recommend investing in human capital (education, health, etc.) as an effective tool for economic development. Others, such as Mohammed Tamim, believe that economic development is measurable in educational level from primary school to the university. They noticed that wherever the educational level is raised, the level of development is also raised. They conclude that the percentage of the schooled population is proportional to the economic growth rate and inversely proportional in the demographic growth rate. The Take-Off of Walt Whitman Rostow can start in a country if its population is completely schooled. It is therefore necessary for the organization of a worldwide education program, itself conditioned by another worldwide program of birth control and the establishment of a worldwide organization for the implementation of this development strategy.

IV. KEY ISSUES:

- **Domestic resource mobilisation:** Many LEDCs still have difficulties obtaining capital through their own internal economy through taxation of profitable sectors. Granted, maintaining a constant line of capital through taxation will be difficulty due to the undoubtedly high rate of unemployment correlating with being an LEDC. Furthermore, many governing bodies don't even have the required infrastructure for efficient
- **Diversity may not *actually*** aid LEDC development. For example, China's greenhouse emissions have hit a record high in 2017, yet it has met outstanding economic growth. A possible solution would be report monthly progress with more lenient collection of taxes. These countries also induce a large informal sector (not monitored by governments or taxed, black market or "under the table" type economies), which not only means that they will have a considerably lower tax income; but also means residents of the informal sector have no access to basic protection services and are often ruled by corrupt households- being trapped in menial jobs indefinitely.
- **Lack of economic variegation:** Most LEDCs are exclusively exporting and producing products or services in only one sector the economy. These commodities are often involved within the primary sector of raw materials, a sector which is highly volatile, being reliant on needs of MEDC's. Even MEDC's in the primary sector of oil production

had considerable difficulty recovering from the economic shock. Additionally, exports of raw materials are often exploited by MEDCs and transnational organisations for non-fairtrade prices; meaning that an already “seasonal” income can drop even lower. This inconsistency in GDP prevents many LEDCs from graduating like the Maldives have.

- **Proliferation of goals and targets:** Recently LEDCs have been met with many goals and targets set by foreign nations with means of helping the country, however, targets set by various global frameworks, including the Sustainable Development Goals, IPOA, the Paris Agreement on climate change and the Convention on Biological expectations of LEDCs compared to other countries, however, this may be met with backlash and accusations of hypocrisy.
- **Increasing reliance on the private sector:** There is a varying influx of humanitarian aid by MEDCs due to other internal issues such as the slowing economy in the developed world, corruption and 'poor governance' on the recipient side. Due to this, many of these LEDCs are reliant on their private sectors and non-planned entrepreneurs to aid the economy of the country. As in LEDC's local entrepreneurs are unlikely to have reached a company size capable of making a visible difference within the GNI of a region, most private companies may be able to exploit their own people for profit needing stakeholders on account of given wages still being higher than what's received by those working in the primary sector.
- **Reduction in appliance by MEDC's:** There is still an aura of frustration expressed at MEDCs not delivering pledged assistance. lack of reform leads persistently unfavourable trade regimes, the divergence between pledged financial assistance and monies actually delivered, and token technology transfer. For example, the G8 group of countries fell more than US\$10 billion short on its Africa pledges for 2010 alone.

V. MAJOR COUNTRIES INVOLVED:

Afghanistan	Guinea	Sao Tome and
Angola	Guinea-Bissau	Principe
Bangladesh	Haiti	Senegal
Benin	Kiribati	Sierra Leone
Bhutan	Lao People's Democratic	Solomon Islands
Burkina Faso	Republic	Somalia
Burundi	Lesotho	South Sudan
Cambodia	Liberia	Sudan
Central African Republic	Madagascar	Timor-Leste
Chad	Malawi	Togo
Comoros	Mali	Tuvalu
D.R. Congo	Mauritania	Uganda
Djibouti	Mozambique	United Republic
Eritrea	Myanmar	of Tanzania
Ethiopia	Nepal	Vanuatu
Gambia	Niger	Yemen
	Rwanda	Zambia

VI. UN INVOLVEMENT:

The Committee for Development Policy (CDP) is mandated by the General Assembly (GA) and the Economic and Social Council (ECOSOC) to review the list of LDCs every three years and to make recommendations on the inclusion and graduation of eligible countries using the following criteria:

- INCOME
- HUMAN ASSETS
- ECONOMIC VULNERABILITY

The UN System’s efforts to reverse LDCs’ increasing marginalization in the global economy and put them on a path to sustained, accelerated, pro-poor growth and development dated back to the 1980s.

In the late 1960s, the United Nations began paying special attention to the LDCs, recognizing those countries as the most vulnerable of the international community. The International Development Strategy for the second UN Development Decade for the 1970s incorporated special measures in favour of the LDCs.

The United Nations Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) was established by General Assembly Resolution 56/227 as a follow-up mechanism to LDC-III to ensure effective follow-up, implementation, monitoring and review of the implementation of the Brussels Programme of Action for the LDCs for the Decade 2001 – 2010, adopted at that conference.

International Support Measures for LDCs (ISM) may also be require an improvement on the means of their implication. The most common of ISM’s would be ODA flow, yet even this has not met the pledged amount.

	DAC ODA flows to LDCs, \$ million (current)	
	2011	2012
Observed	44,758.3	40,536.6
Committed	70,949.3	71,173.1
Gap	26,191.0	30,636.5

VII. RELIABLE USEFUL LINKS

[https://www.afdb.org/fileadmin/uploads/afdb/Documents/Development_Effectiveness_Review_2016/ADER_2016 - 07_Chapter_5_En_.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Development_Effectiveness_Review_2016/ADER_2016_-_07_Chapter_5_En_.pdf)

<https://www.un.org/development/desa/dpad/least-developed-country-category/ldcs-at-a-glance.html>

<https://www.bbc.co.uk/education/guides/zs6m82p/revision/3>

http://www.un.org/en/development/desa/policy/cdp/cdp_background_papers/bp2014_22.pdf

https://www.wto.org/english/thewto_e/whatis_e/tif_e/org7_e.htm

<http://unohrlls.org/about-ldcs/>

https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/cdp_presentation_cortez_dec20141.pdf

https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/Bangladesh_ISM-and-closing-the-gaps_22-Oct.pdf

<https://www.ncbi.nlm.nih.gov/pubmed/12281359>

<https://www.investopedia.com/updates/purchasing-power-parity-ppp/>