

# Part One

## ECONOMIC GROWTH AND SOCIAL TRENDS IN THE 1990s



# Economic growth and social trends in the 1990s

## Chapter

# 1

### A. Overall growth trends

The real GDP of the LDCs as a group grew by 3.2 per cent per annum during 1990–1998, as against 3.4 per cent for the low- and middle-income countries as a whole and 2.5 per cent for the world (table 1). This was a minor improvement over the economic performance in the 1980s. Moreover, the gap between the LDC growth rate and the growth rate of other developing countries also narrowed in the 1990s.

However, two qualifications must be made to these positive trends. First, a significant part of the aggregate LDC growth is attributable to a single country, Bangladesh, which accounts for a quarter of the economic size of the LDC group, and which grew at higher and more stable rates than most other countries in the group. The growth rate for the LDCs without Bangladesh was 2.4 per cent during the period 1990–1998. Second, the population growth rate for LDCs was significantly higher than the developing country average, and almost double that of the world average. Taking this into account, real GDP per capita in the LDCs grew at only 0.9 per cent per annum during 1990–1998, and excluding Bangladesh, by only 0.4 per cent (table 1).

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TABLE 1: LDCs' REAL GDP AND PER CAPITA GDP GROWTH RATES, 1980–1990 vs 1990–1998  
(Per cent)

|   | GDP growth rates <sup>a</sup> |           | Per capita GDP growth |           |
|---|-------------------------------|-----------|-----------------------|-----------|
|   | 1980–1990                     | 1990–1998 | 1980–1990             | 1990–1998 |
| Least developed countries <sup>b</sup>      | 2.5                           | 3.2       | -0.1                  | 0.9       |
| <i>of which:</i>                            |                               |           |                       |           |
| LDCs excluding Bangladesh                   | 1.9                           | 2.4       | -0.9                  | 0.4       |
| African LDCs                                | 1.6                           | 2.1       | -1.1                  | -0.4      |
| Asian LDCs                                  | 4.3                           | 4.7       | 1.7                   | 2.9       |
| Island LDCs                                 | 4.8                           | 3.5       | 2.2                   | 0.9       |
| <i>Memo items:</i>                          |                               |           |                       |           |
| World                                       | 3.1                           | 2.5       | 1.4                   | 1.1       |
| Low income countries                        | 6.3                           | 7.1       | 4.3                   | 5.4       |
| Low and middle income countries             | 3.3                           | 3.4       | 1.4                   | 1.9       |
| DCs (excluding LDCs)                        | 3.9                           | 5.2       | 1.9                   | 3.6       |
| <i>Mean of growth rates in:</i>             |                               |           |                       |           |
| LDCs  | 2.7                           | 3.0       | 0.4                   | 0.5       |
| DCs (excluding LDCs)                        | 3.0                           | 3.9       | 0.8                   | 2.0       |
| t-test for the difference between the means | -1.5                          | -5.3*     | -2.4*                 | -9.1*     |

Source: UNCTAD secretariat calculations, based on data in constant 1995 dollars.

Notes: \* Significant at 1 per cent level. t-Test is based on pooled sample variance.

a Annual growth rates are calculated by log-linear trend regressions.

b For LDC country classifications, see Part Two, chapter 1, note 1. World, low income, and low and middle income groups are according to World Bank definitions (WDI, 2000). DCs (excluding LDCs) are all developing countries, excluding high income oil-exporting countries and the former centrally planned countries in Eastern Europe and former Soviet Union, and the LDCs.

This does not compare favourably with the per capita GDP growth rates in other developing countries. As shown in table 1, other developing countries as a group had an annual per capita GDP growth rate of 1.9 per cent during the 1980s, and 3.6 per cent during 1990–1998. The table also shows that the mean of the annual per capita GDP growth rates in the LDCs was significantly below the mean growth rates in the other developing countries. During the 1980s, the mean per capita growth rate in the other developing countries was double the mean for the LDCs, and in the period 1990–1998 the mean growth rate in other developing countries (at 2 per cent) was four times higher than that of the LDCs (at 0.5 per cent). This indicates a growing average per capita income gap between the LDCs and other developing countries. The overall growth performance of the LDCs as a group also appears slow in relation to low-income countries as a group. Per capita GDP in low-income countries, largely because of high rates of growth in China and India, increased at annual rates of 4.3 per cent and 5.4 per cent during the 1980s and the 1990s respectively (table 1). This indicates that the LDCs are being rapidly overtaken by other low-income countries.

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There are, however, important divergences among LDCs. The statistical annex to this chapter shows this by comparing the per capita income trends in the LDCs with other developing country aggregates for the 1980–1998 period. For comparison, the aggregate trends for the low-income and low- and middle-income country groups, and the average per capita income trends for other developing countries are also plotted. The widening per capita GDP gap between most of the LDC economies and the aggregate developing country groupings is clearly demonstrated. An important feature of the performance of most LDC economies, as shown in the annex charts, is the significant degree of income instability, with periods of slow growth followed by sharp declines in per capita incomes. With the exception of Equatorial Guinea, none of the LDC countries has succeeded in keeping pace with the aggregate trends in low-income countries over the 1980–1998 period as a whole. Some LDCs, nevertheless, have managed to keep pace with, or even reduce their distance from, the low- and middle-income aggregate or the developing countries average trends in per capita income. The growth performance of this group of LDCs, particularly those in sub-Saharan Africa, however, has been highly volatile. Asian countries such as Bangladesh and Nepal are marked by maintaining a steady and sustained growth over the period as a whole.<sup>1</sup>

A further illustration of the diversity of LDCs' growth performances is provided in table 2 which classifies the LDCs into four categories according to their growth performance: (i) those where the real GDP per capita growth exceeded 2 per cent per annum, i.e. a rate at which their incomes are converging with average developing country performance; (ii) those where per capita income is growing but where incomes are regressing relative to average performance in the developing countries; (iii) those where per capita income is regressing in absolute terms at less than 2 per cent per annum; and (iv) those where per capita income is regressing in absolute terms at more than 2 per cent per annum. The table also shows indices of growth instability for each country.

From table 2, it is evident that there is a group of 15 LDCs where real GDP per capita growth exceeds 2 per cent per annum. Of these, seven are in Asia. At the other end of the spectrum there are 22 LDCs which have been stagnant or in economic regress during 1990–1998. In eleven of these, all of which have experienced serious armed conflicts and internal instability during the 1990s, real GDP per capita has been declining by over 3 per cent per annum over the period in question.

TABLE 2: GROWTH AND INSTABILITY OF REAL PER CAPITA GDP IN LDCs, 1990–1998

| Group I:<br>High Growth |                   |                      | Group II:<br>Moderate Growth |                   |                      | Group III:<br>Moderately Regressing |                   |                      | Group IV:<br>Rapidly Declining |                   |                      |
|-------------------------|-------------------|----------------------|------------------------------|-------------------|----------------------|-------------------------------------|-------------------|----------------------|--------------------------------|-------------------|----------------------|
|                         | Growth<br>1990–98 | Instability<br>Index |                              | Growth<br>1990–98 | Instability<br>Index |                                     | Growth<br>1990–98 | Instability<br>Index |                                | Growth<br>1990–98 | Instability<br>Index |
| Eq. Guinea              | 14.3              | 21.5                 | Benin                        | 1.7               | 2.4                  | United Rep. of Tanzania             | 0.0               | 5.0                  | Angola                         | -3.2              | 9.5                  |
| Sudan                   | 5.6               | 6.7                  | Guinea                       | 1.5               | 1.0                  | Central African Rep.                | -0.6              | 4.2                  | Comoros                        | -3.2              | 4.3                  |
| Myanmar                 | 5.0               | 5.7                  | Mauritania                   | 1.3               | 2.1                  | Togo                                | -0.7              | 8.3                  | Haiti                          | -3.8              | 5.4                  |
| Lesotho                 | 4.7               | 5.6                  | Samoa                        | 1.2               | 4.6                  | Vanuatu                             | -0.8              | 3.8                  | Rwanda                         | -4.2              | 16.9                 |
| Uganda                  | 3.9               | 2.3                  | Burkina Faso                 | 1.1               | 3.4                  | Chad                                | -0.9              | 8.2                  | Djibouti                       | -5.3              | 2.6                  |
| Maldives                | 3.8               | 2.8                  | Malawi                       | 1.0               | 7.3                  | Sao Tome and Principe               | -1.0              | 0.6                  | Burundi                        | -5.6              | 4.8                  |
| Lao PDR                 | 3.7               | 2.9                  | Kiribati                     | 1.0               | 3.4                  | Gambia                              | -1.0              | 1.6                  | Sierra Leone                   | -7.2              | 7.9                  |
| Mozambique              | 3.2               | 5.4                  | Mali                         | 0.8               | 4.2                  | Guinea-Bissau                       | -1.2              | 9.7                  | Dem.Rep. of Congo              | -8.4              | 5.0                  |
| Bhutan                  | 3.2               | 2.0                  | Solomon Islands              | 0.3               | 4.3                  | Niger                               | -1.3              | 3.8                  | Liberia                        | ..                | ..                   |
| Bangladesh              | 3.0               | 1.4                  | Yemen                        | 0.1               | 2.6                  | Madagascar                          | -1.6              | 2.7                  | Somalia                        | ..                | ..                   |
| Cape Verde              | 2.7               | 2.0                  |                              |                   |                      | Zambia                              | -1.7              | 3.8                  | Afghanistan                    | ..                | ..                   |
| Ethiopia                | 2.6               | 7.1                  |                              |                   |                      |                                     |                   |                      |                                |                   |                      |
| Eritrea                 | 2.4               | 4.3                  |                              |                   |                      |                                     |                   |                      |                                |                   |                      |
| Nepal                   | 2.4               | 1.7                  |                              |                   |                      |                                     |                   |                      |                                |                   |                      |
| Cambodia                | 2.1               | 3.2                  |                              |                   |                      |                                     |                   |                      |                                |                   |                      |

Source: UNCTAD calculations, based on World Bank, *World Development Indicators*, 2000.

Notes: Annual growth rates (per cent) are measured by fitting log-linear trend lines to the data. Instability index is measured as the standard deviation of annual growth rates over the 1988–1998 period. No data are available for Tuvalu.

Overall, there are 32 LDCs (those in groups II to IV in table 2) which have either been falling behind the per capita income of other developing countries in relative terms, or have experienced an absolute deterioration in living standards, during 1990–1998. Countries with low or negative growth rates also in general show a high degree of volatility in growth. The standard deviation of annual growth rates in most of these countries is well above the average annual growth rate. Even in the case of the high growth LDCs, in sub-Saharan African countries such as Equatorial Guinea, Eritrea, Ethiopia, Lesotho, Mozambique and Sudan, economic growth is highly unstable.

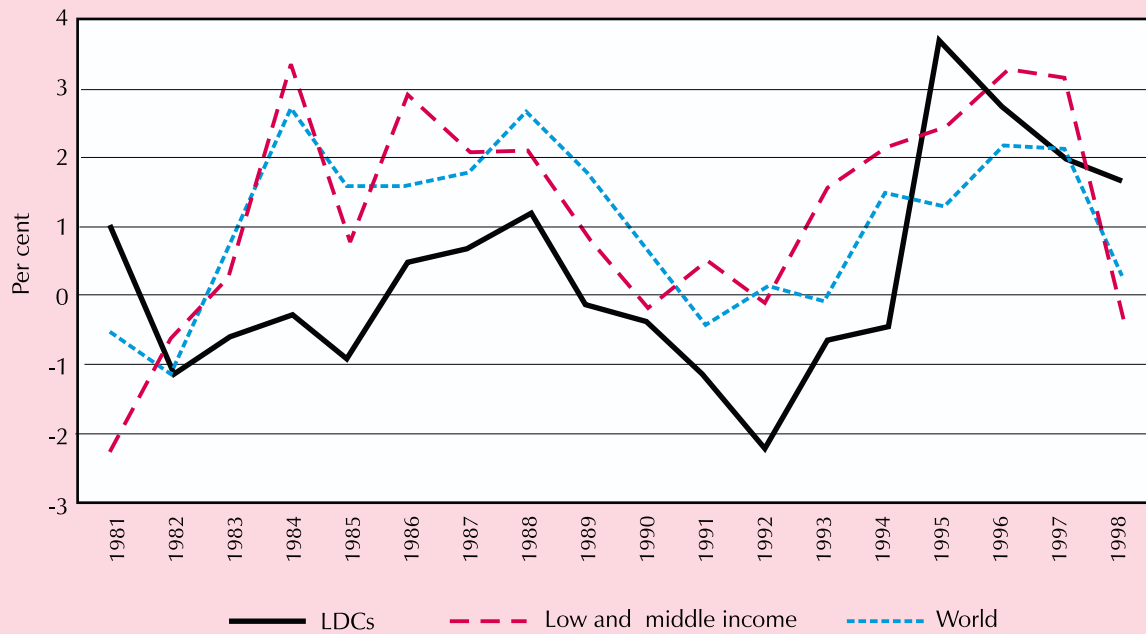
## B. Commodity prices and the external terms of trade

Within the overall economic performance in the 1990s, there are significant differences between the early and the late part of the decade. For the LDCs as a whole the growth of real per capita GDP was low and declining each year in the early 1990s, but it jumped significantly and became positive in 1995. Between 1995 and 1998, it remained at levels above those achieved in the 1980s and early 1990s, but has been declining each year (chart 1).

The turning point corresponds to the most sustained improvement in the terms-of-trade of the LDCs since the early 1980s. Between 1988 and 1993, their terms-of-trade on average fell by about 12 per cent, but in 1994–1995 there was an upturn that was sustained until 1997 (chart 2). Although there are various factors influencing growth in the LDCs, the close association between the trends in per capita GDP in the group as a whole (particularly when Bangladesh is excluded) and the movements in the terms-of-trade demonstrates the significance of the terms-of-trade. In particular, economic growth in sub-Saharan African LDCs, and in some of the island economies which are predominantly

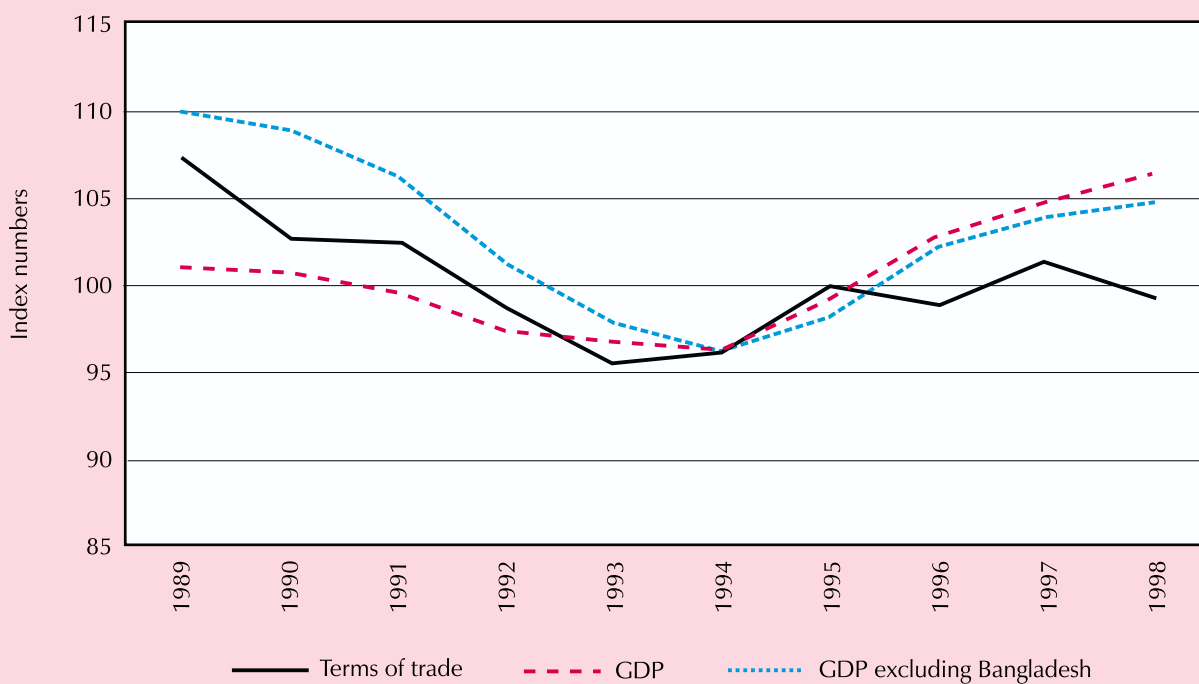
*Between 1988 and 1993, LDCs' terms-of-trade on average fell by about 12 per cent, but in 1994–1995 there was an upturn that was sustained until 1997.*

CHART 1: ANNUAL REAL PER CAPITA GDP GROWTH RATES, 1981–1998: LDCs, LOW- AND MIDDLE-INCOME AND WORLD  
(per cent)



Source: UNCTAD secretariat calculations, based on World Bank, *World Development Indicators*, 2000.  
Note: Low and middle income, and World groups refer to World Bank classifications.

CHART 2: INDICES OF PER CAPITA GDP AND EXTERNAL TERMS-OF-TRADE IN THE LDCs, 1989–1998  
(Index numbers, 1995=100)



Source: UNCTAD secretariat calculations and as chart 1.  
Note: Terms-of-trade is the export unit value divided by import unit value for the average LDC.

primary-commodity exporters, is strongly influenced by the movements in commodity prices on international markets.

Although full data are not available, the terms-of-trade of the LDCs worsened in 1998 and 1999 with the drop in commodity prices. Table 3, shows the trends in commodity prices relevant to the LDCs during the periods 1989–1993 and 1994–1997, as well as in the years 1998 and 1999. The negative growth in commodity prices during 1989–1993 and the relatively large sustained price increases during 1994–1997 mirror the LDC terms-of-trade movements depicted in chart 2. What is remarkable, however, is the precipitous decline in the commodity prices of major exports of the LDCs during 1998 and 1999. The causes of the decline during those two years, which have had much to do with the slowdown in demand following the Asian crisis and its contagious effects, have been extensively discussed (see, for example, *The Least Developed Countries 1999 Report* and *Trade and Development Report, 2000*). The breadth and depth of commodity price declines during the past two years have been, at least since the early 1980s, unprecedented. The composite index of non-oil commodity prices fell by more than 30 per cent during the period 1998–1999. However, the price index of crude oil, which dropped by over 30 per cent in 1998, has increased sharply since early 1999. It has witnessed a more than threefold increase between March 1999 and August 2000.

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The implications of commodity price changes for the terms-of-trade of different LDCs have varied, of course, depending on the nature of their trade specialization and the composition of their imports and exports. During 1998, the oil-exporting LDCs were hard hit, while the impact of the pervasive primary commodity price declines on oil importers was to some extent alleviated by cheaper oil prices. Since March 1999, however, the precipitous increase in oil prices has benefited the oil exporters, while the non-oil primary exporters have been doubly hit by low primary commodity prices and rising oil import bills. Some of the small island LDCs which have specialized in services exports (e.g. Maldives), or Asian LDCs which have specialized in manufacturing exports (e.g. Bangladesh), are expected to be less adversely affected by the primary commodity price declines than by the increase in oil prices.

In sum, the commodity price movements since 1998 have exerted a significant squeeze on the LDC economies. This squeeze has been particularly

TABLE 3: ANNUAL AVERAGE GROWTH OF PRIMARY COMMODITY PRICES OF DIRECT RELEVANCE TO THE LDCS  
(Per cent)

|                            | 1989–1993 | 1994–1997 | 1998  | 1999  |
|----------------------------|-----------|-----------|-------|-------|
| Total                      | -3.8      | 6.0       | -13.0 | -14.2 |
| All food                   | -2.8      | 7.3       | -14.3 | -18.3 |
| Food                       | -1.7      | 4.8       | -13.8 | -18.1 |
| Tropical beverages         | -8.2      | 23.3      | -17.3 | -20.9 |
| Coffee                     | -10.8     | 31.3      | -28.5 | -23.2 |
| Tea                        | 1.9       | 4.9       | 4.3   | -0.7  |
| Agricultural raw materials | -1.3      | 2.6       | -10.8 | -10.3 |
| Tobacco                    | 3.1       | 7.6       | -5.5  | -7.0  |
| Cotton                     | -0.6      | 10.4      | -8.3  | -22.9 |
| Jute                       | -1.5      | 5.8       | -14.2 | -2.0  |
| Ores and metals            | -7.4      | 5.6       | -16.5 | -1.8  |
| Copper                     | -5.6      | 6.3       | -27.3 | -4.9  |
| Crude petroleum            | 4.2       | 5.0       | -31.8 | 7.6   |

Source: UNCTAD, *Monthly Commodity Price Bulletin*, various issues.

Notes: Average growth rates refer to the mean annual growth rates.

severe for the primary commodity exporting and oil importing economies, that is to say, for the majority of the LDCs. These adverse external developments can easily lead to a breakdown of the fragile growth process in the minority of LDCs that have recorded relatively respectable growth rates during the 1990s, and can further push the stagnating LDCs down the path of negative growth.

### C. Social trends

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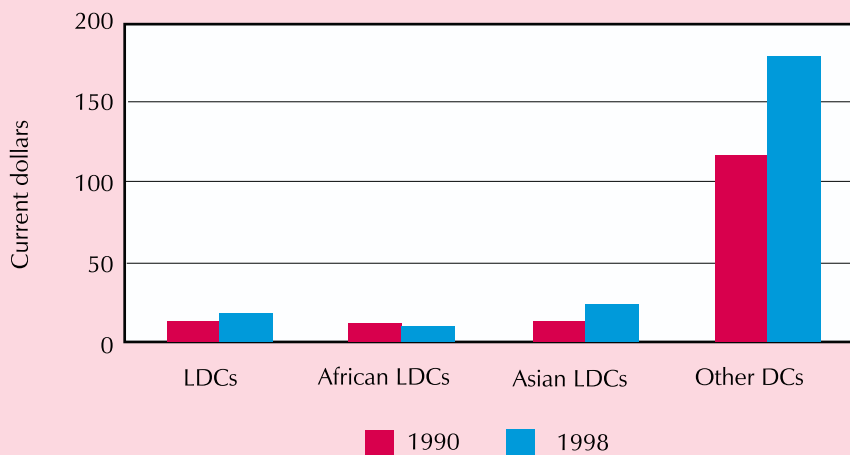
*LDCs account for 32 of the 35 countries in the lowest category of the UNDP's Human Development Index.*

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The LDCs are not just the poorest countries in terms of per capita income, but most of them also have by far the lowest human development and poverty indicators. LDCs account for 32 of the 35 countries in the lowest category of the UNDP's Human Development Index (HDI). On average, 15 per cent of all children born in LDCs do not survive to their fifth birthday – a rate almost double the developing country average – while the average life expectancy is no more than 51 years, compared to 65 years for the developing countries and 78 in OECD countries. Among the LDCs are also the countries with the highest illiteracy rates, the lowest rates of primary school enrolment and the widest gender disparities between males and females in education in the world.

The LDCs have undoubtedly made some progress in a number of social indicators during the past two decades. But, on average, the gap between the LDCs and other developing countries has grown apace. This is related to the low levels of economic growth of most LDCs and the serious resource constraints that they face in achieving social goals. A comparison in per capita health expenditure between the LDCs and other developing countries can best highlight the degree of intensity of such constraints. In the early 1990s, for example, per capita health expenditure in the LDCs was on average just over \$11, while for other developing countries the average was just below \$100, and in high-income OECD countries during the same period, the average per capita health expenditure was above \$1700. As shown in chart 3, while between 1990 and 1998 the other developing countries managed to increase their per capita health expenditure to nearly \$180, the expenditure in African LDCs actually fell to just over \$8 per person. Asian LDCs (excluding Afghanistan), most of whom were amongst the fastest growing LDCs, on the other hand managed to increase

CHART 3: HEALTH EXPENDITURE PER CAPITA, 1990 AND 1998: LDCs AND OTHER DCs  
(Current dollars)



Source: UNCTAD secretariat calculations based on World Bank, *World Development Indicators*, 2000.

Note: Other developing countries are as defined in table 1. LDC average refers to African and Asian LDCs.

their per capita health expenditure to just over \$25, which is still only one seventh of the other developing countries average.

Against this background, it is not surprising to find that in terms of health outcome indicators such as life expectancy and infant mortality, the LDCs continue to lag behind other developing countries. As shown in chart 4, despite their extreme resource constraints the LDCs have managed to make positive headway in increasing life expectancy, from under 40 years on average in the 1960s to over 50 years in 1998. But the LDCs continue to lag behind other developing countries in terms of improvements in life expectancy. Moreover, during the 1990s, 11 LDCs actually experienced reversals in life expectancy trends. These countries were: Burkina Faso, Burundi, Central African Republic, Democratic Republic of the Congo, Ethiopia, Lesotho, Malawi, Togo, Uganda, United Republic of Tanzania and Zambia. The AIDS epidemic was an important contributory factor in these reversals.

Chart 5 depicts a similar pattern for infant mortality trends: while improvements are being made in the LDCs, the gap between the LDCs and low-income, and low- and middle-income country groups has increased. The widening gap in health indicators between the LDCs and other country groupings is actually more pronounced than charts 4 and 5 suggest, as the low- and middle-income, and low-income country groups also include LDCs. The trends in infant mortality of other developing countries (the developing countries average in chart 5, which excludes the LDCs) are a better indicator of the degree to which the LDCs have been falling behind the other countries in these respects.

A disaggregation of the trends in social indicators of the LDCs into different sub-groups according to their growth performance (namely, high growth, moderate growth, moderately regressing, and rapidly declining groups, as in table 2) can provide a better understanding of how different LDCs, classified according to economic growth, have been performing in terms of social trends. This is shown in chart 6, in relation to the trends in under-five infant mortality rates.

As can be seen, the moderately growing and moderately regressing LDC groups have actually managed to narrow the gap with the high growth group. But much of this catching up was done in the 1960s and 1970s, when most countries in the two former groups achieved much higher growth rates than in the past two decades. Nevertheless, even during the 1980s and the 1990s, they managed to keep pace with the rates of decline in infant mortality in the high growth LDC group. This shows that the relationship between economic growth and social progress is not a simple unilinear one. However, what stands out in chart 6 is that the rapidly declining countries have systematically lagged behind the other groups, particularly in the 1980s and the 1990s. This is not unexpected, considering that during the 1990s these countries experienced per capita income declines of between 3 to 8 per cent a year and most of them were subject to political upheavals and armed conflict.

With respect to educational attainment and the gender gap in education, the LDC performance shows similar trends to the health indicators. The gender gap in education in LDCs is much greater than that in other developing country groups, and the difference between these groups of countries seems to have substantially widened during the past two decades (chart 7). The trends in net primary school enrolment for both males and females during the 1980s and the 1990s, shown in chart 8, also indicate a large gap between the LDCs and other developing country groups, which has been widening continuously in the case of

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*Although infant mortality rates are declining in the LDCs, the gap between the LDCs and low-income, and low- and middle-income country groups has increased.*

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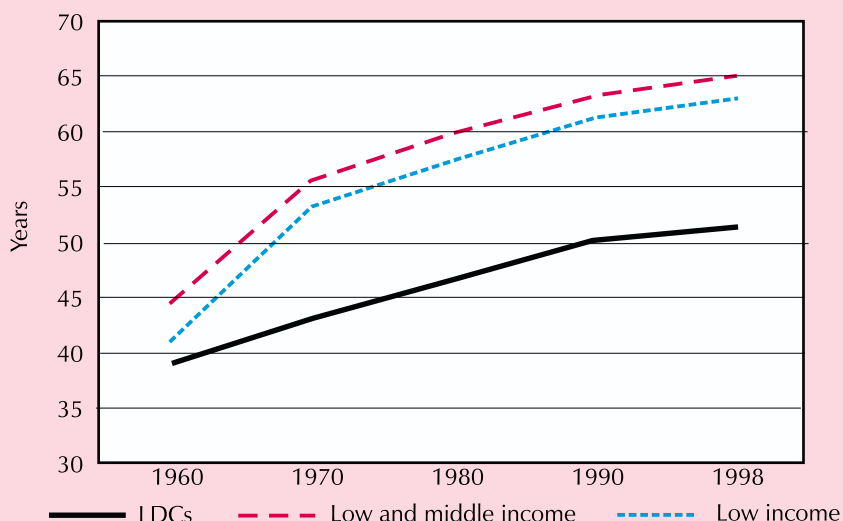
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*Male primary school enrolment rates in the average LDC seem to have picked up since the early 1990s, recovering some of the ground lost to the low- and middle-income, and low-income countries during the 1980s*

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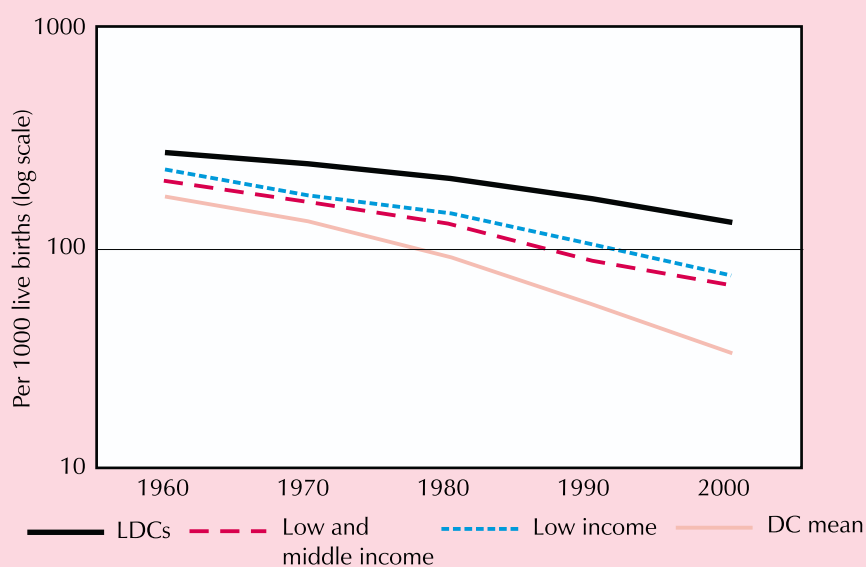
CHART 4: LIFE EXPECTANCY AT BIRTH, 1960–1998: LDCs, LOW-INCOME AND LOW- AND MIDDLE-INCOME COUNTRIES



Source: See chart 3.

Note: Country groupings are as defined in table 1.

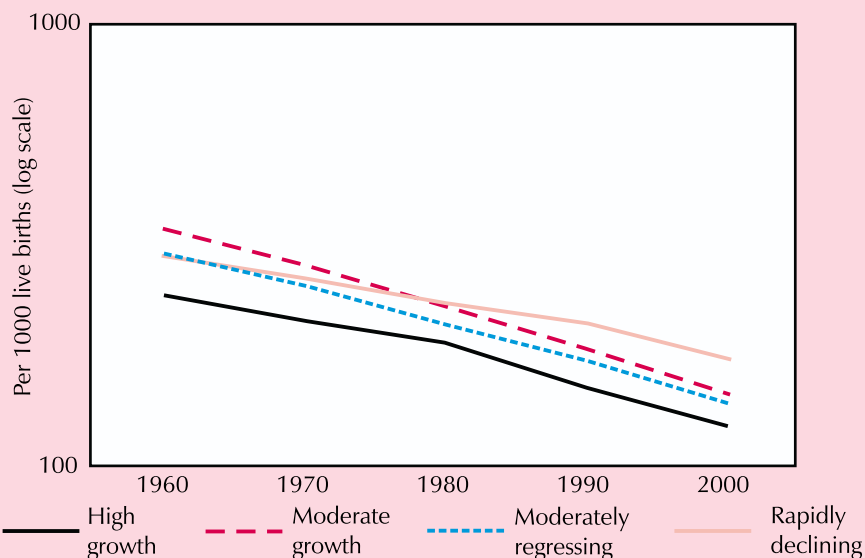
CHART 5: UNDER-5 MORTALITY RATE, 1960–2000: LDCs, OTHER DCs, LOW-INCOME AND LOW- AND MIDDLE-INCOME COUNTRIES



Source: See chart 3.

Note: The year 2000 figures are extrapolated on the basis of the 1990–1998 data.

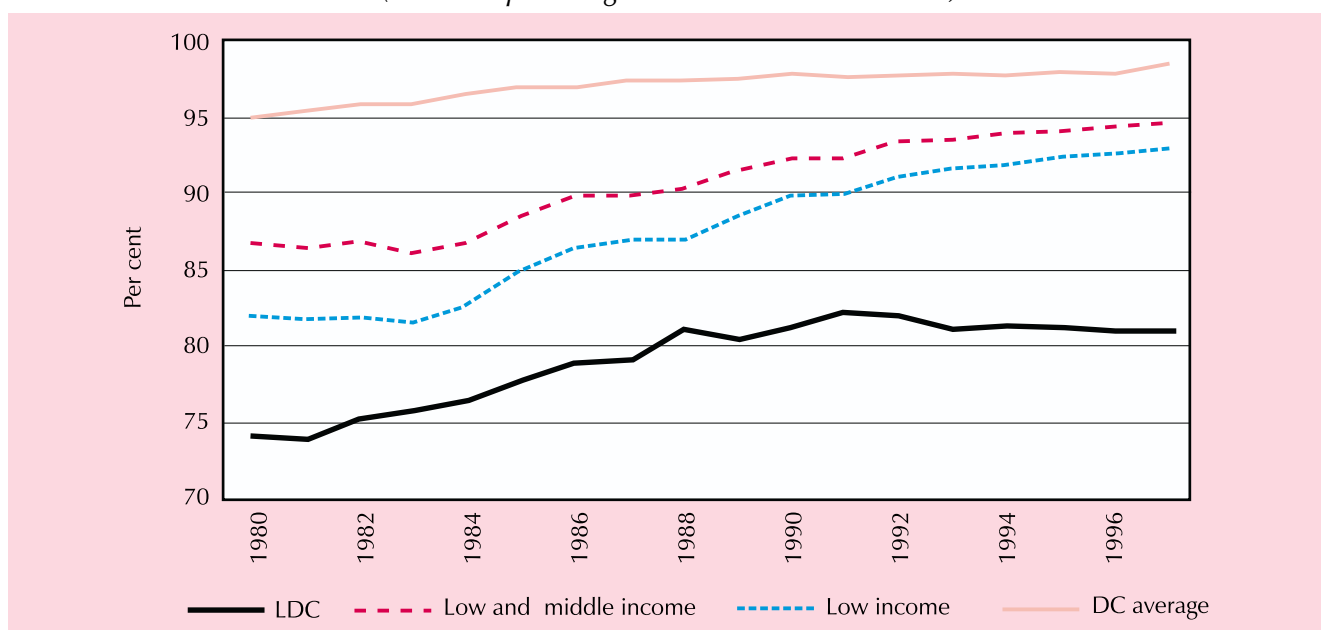
CHART 6: UNDER-5 MORTALITY RATE IN DIFFERENT LDC SUBGROUPS, 1960–2000



Source: See chart 3.

Note: Country groupings are as listed in table 2.

CHART 7: GENDER GAP IN PRIMARY EDUCATION, 1980–1998:  
LDCs, OTHER DCs, LOW-INCOME AND LOW- AND MIDDLE-INCOME COUNTRIES  
(Female as percentage of male net enrolment ratio)



Source: See chart 3.

Note: Country groupings are as defined in table 1.

female education. Male primary school enrolment rates in the average LDC seem to have picked up since the early 1990s, recovering some of the ground lost to the low- and middle-income, and low-income countries during the 1980s (chart 8).

A disaggregated picture of the net primary school enrolment rates in 1987 and 1997 in the LDCs, grouped according to their growth rate and in low-income countries, is shown in chart 9. In terms of the links between growth performance and social progress this chart conveys a more or less similar picture to charts 5 and 6. The largest gains in this period were recorded by the slow growing countries, which start from very low levels of net primary school enrolment rates in 1987. Within this group, enrolments increased particularly rapidly in Malawi, following the elimination of modest school fees and uniform requirements, but Benin, Guinea and Mali also did well. The high growth LDC category shows much higher levels of school enrolment, but on average less improvement was made in the 1990s than in the slow growth group. Equatorial Guinea, the fastest growing LDC economy in the 1990s, was actually one of the 30 LDCs for which data are available, where primary school enrolments declined in the period 1990–1997. The rapidly declining countries seem to be stuck at low levels of school enrolment, and are in fact regressing in the case of female enrolment.

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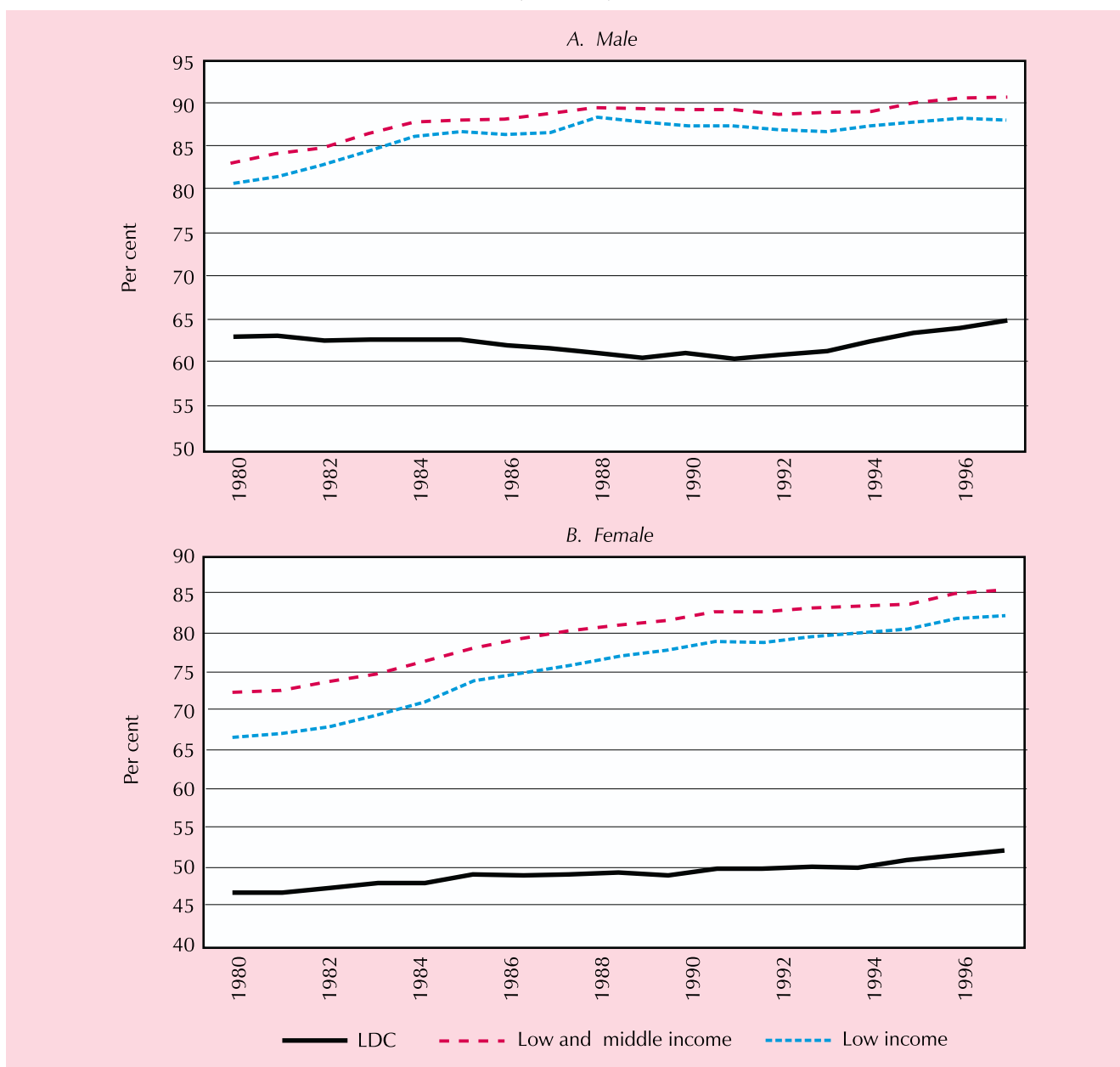
*At their current growth rates, only four LDCs can be expected to cross the \$900 GDP per capita threshold within 25 years.*

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## D. Where will the LDCs be in 2015?

In view of the international targets set by the round of global summits of the 1990s, it is appropriate to consider where the LDCs will be in 2015 if prevailing trends continue. Table 4 addresses the question of how long it will actually take for each country to cross the \$900 per capita threshold that currently forms one of the criteria for graduation from the LDC category.<sup>1</sup> The \$900 criterion was set in 1997, so the calculations are based on real trends in 1997 dollars. The table shows that if the trend growth rates of 1990–1998 persist, only Lesotho will cross

CHART 8: NET PRIMARY SCHOOL ENROLMENT, 1980–1997: LDCs, LOW-INCOME AND LOW- AND MIDDLE-INCOME COUNTRIES (Per cent)



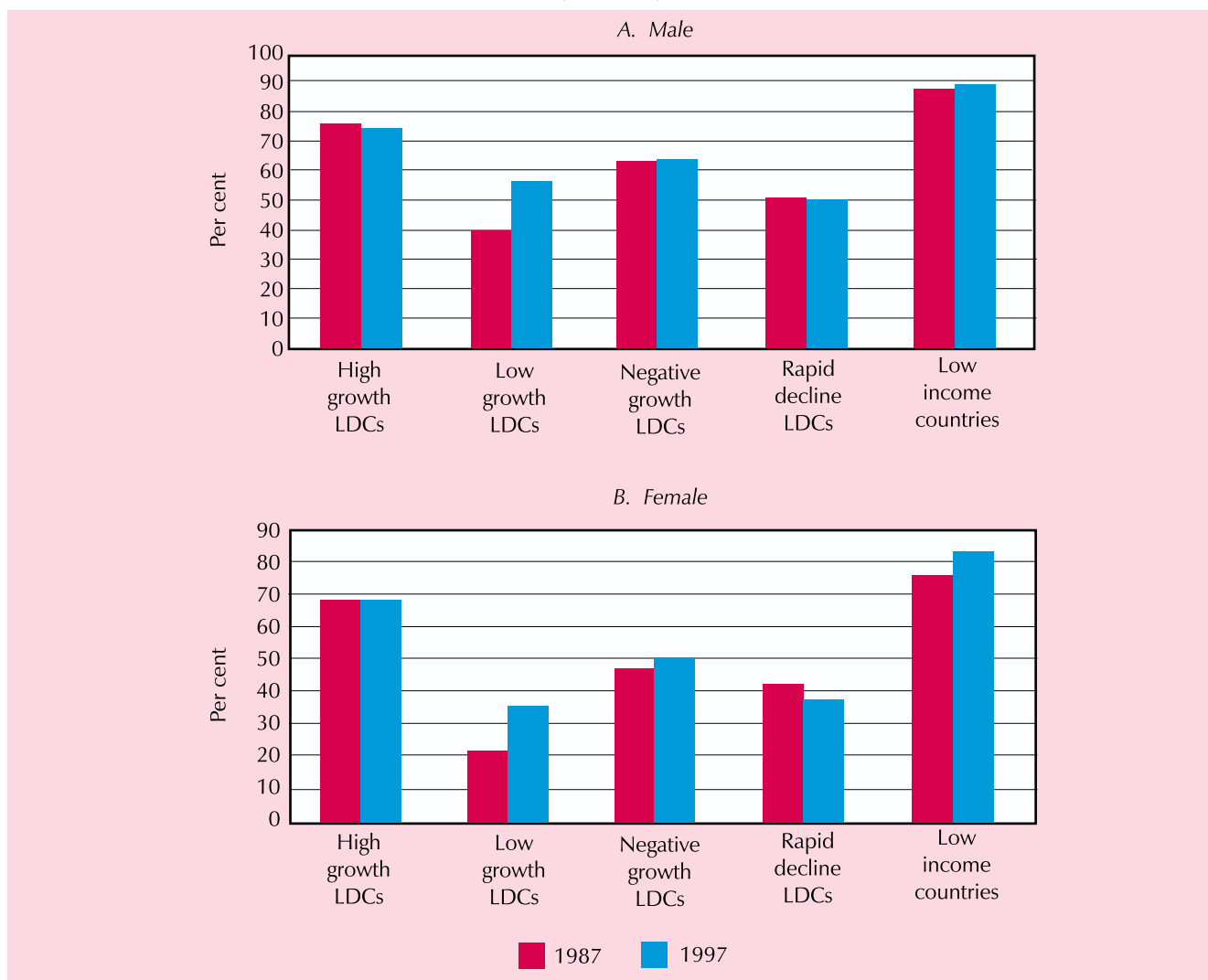
Source: See chart 3.

Note: Low and middle, and low income groupings are according to the World Bank classifications.

this threshold by the end of 2015 (Cape Verde, Equatorial Guinea, Maldives, Samoa and Vanuatu have already passed it). With the continuation of the trends of the 1990s, only Bhutan, the Lao People's Democratic Republic, Lesotho and Sudan can be expected to reach the threshold for graduation within 25 years. As many as 21 countries are projected not to do so even within the next 100 years.

Projections of social indicators on the basis of the 1990s trends do not paint a bright picture either. In 2015 life expectancy would be only slightly higher than the 1998 average, and still well below the prevailing levels in other developing countries (chart 10). If the prevailing trends continue to 2015 under-five infant mortality rates in the LDC average will be over 110 per thousand live births, which is still double the prevailing rates in other developing countries in 1998. In the African LDCs the under-five infant mortality rate would be close to 130 per thousand live births while in Asian LDCs the average will still be over 90 per thousand live births (chart 11). The gender gap in education will be almost the same as the prevailing levels in 1998, at 20 per cent below the other developing

CHART 9: NET PRIMARY SCHOOL ENROLMENT IN DIFFERENT LDC SUBGROUPS AND LOW-INCOME COUNTRIES, 1987 AND 1997  
(Per cent)



Source: See chart 3.

Note: LDC groups are as defined in table 2. Low-income countries are as defined by World Bank, *World Development Indicators*, 2000.

TABLE 4: 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<br>Equatorial Guinea<br>Maldives<br>Samoa<br>Vanuatu | Bhutan<br>Lao PDR<br>Lesotho <sup>a</sup><br>Sudan | Bangladesh<br>Guinea<br>Mozambique<br>Uganda | Benin<br>Cambodia<br>Eritrea<br>Ethiopia<br>Mauritania<br>Nepal | Burkina Faso<br>Malawi<br>Mali<br>Yemen | Angola<br>Burundi<br>Chad<br>Comoros<br>Dem. Rep. of the Congo<br>Gambia<br>Guinea-Bissau<br>Haiti<br>Madagascar<br>Niger<br>Rwanda<br>Sao Tome and Principe<br>Sierra Leone<br>Solomon Islands<br>Togo<br>United Rep. of Tanzania<br>Zambia |

Source: UNCTAD calculations.

Notes: The \$900 income target is set at 1997 US dollars. The base year for calculations is 1997. Projections are based on the trend growth rates of 1990–1998.

a Lesotho reaches \$900 threshold in 15 years, all other countries in this group of countries are above 18 years.

CHART 10: WHERE MIGHT LDCs BE IN 2015  
IN TERMS OF LIFE EXPECTANCY AT BIRTH?

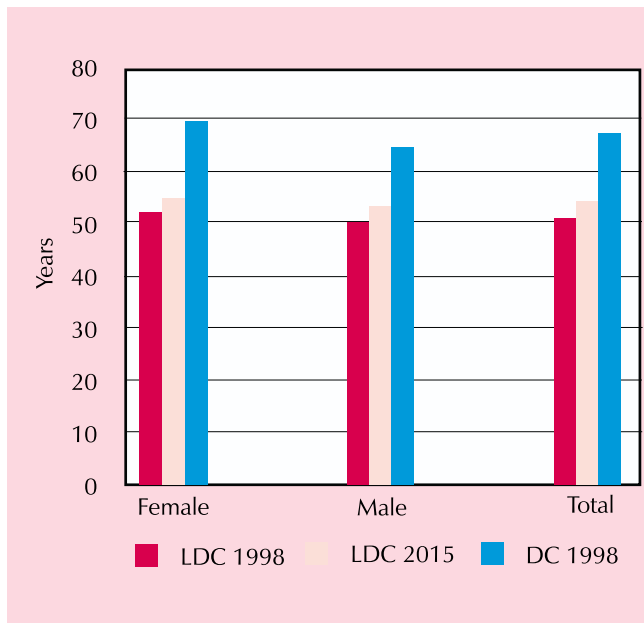


CHART 11: WHERE MIGHT LDCs BE IN 2015  
IN TERMS OF UNDER-5 MORTALITY RATE?

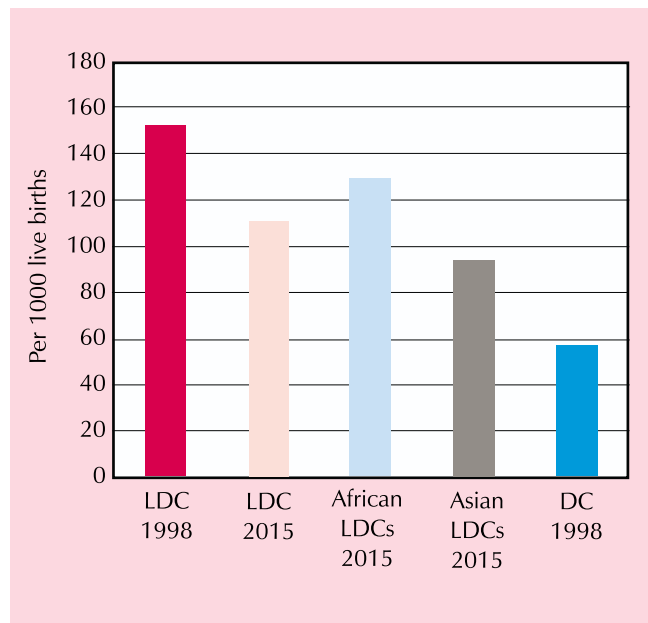


CHART 12: WHERE MIGHT LDCs BE IN 2015 IN TERMS OF  
GENDER GAP IN PRIMARY SCHOOL ENROLMENT?

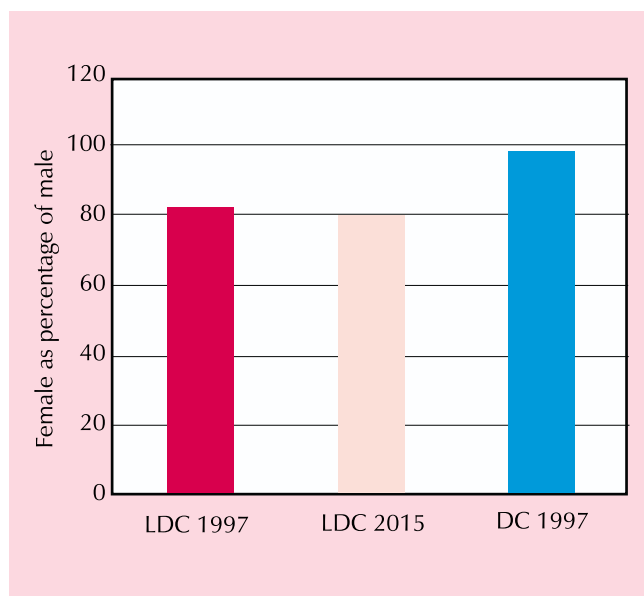
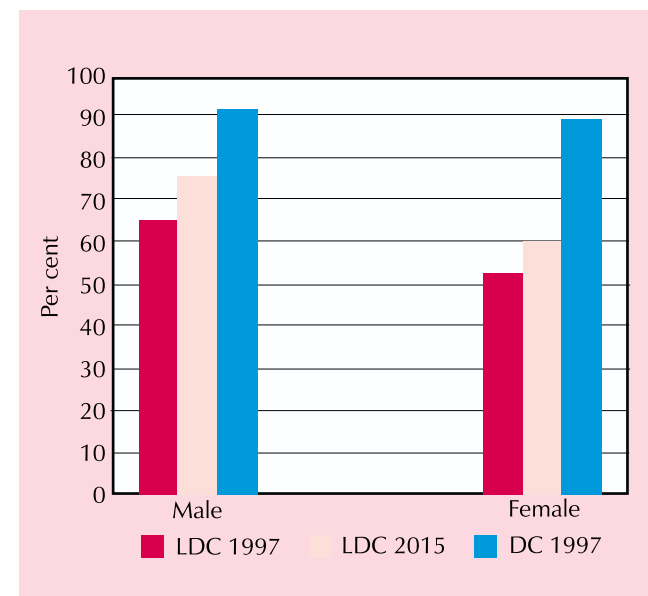


CHART 13: WHERE MIGHT LDCs BE IN 2015  
IN TERMS OF NET PRIMARY SCHOOL ENROLMENT?



Source: See chart 3.

Note: DC refers to developing country average excluding the LDCs, as defined in table 1. Projections are hypothetical and have been made assuming a continuation of average LDC trends in the 1990s until 2015.

TABLE 5: PROGRESS OF THE LDCs IN MEETING SELECTED INTERNATIONAL DEVELOPMENT GOALS

|                              | Infant mortality (per 1,000 live births) |       |                                  |       |      | Net primary school enrolment (%) |      |                                  |      |      |
|------------------------------|--|-------|----------------------------------|-------|------|----------------------------------|------|----------------------------------|------|------|
|                              | Actual trajectory                        |       | Required trajectory <sup>a</sup> |       |      | Actual trajectory                |      | Required trajectory <sup>b</sup> |      |      |
|                              | 1990                                     | 1998  | 1990                             | 1998  | 2015 | 1990                             | 1997 | 1990                             | 1997 | 2015 |
| Afghanistan                  | 164.0                                    | 149.2 | 164.0                            | 129.0 | 54.7 | 25.0                             | 49.7 | 25.0                             | 46.0 | 100  |
| Angola                       | 130.2                                    | 123.6 | 130.2                            | 102.4 | 43.4 | 45.4                             | 34.7 | 45.4                             | 60.7 | 100  |
| Bangladesh                   | 90.6                                     | 72.8  | 90.6                             | 71.2  | 30.2 | 64.0                             | 75.1 | 64.0                             | 74.1 | 100  |
| Benin                        | 104.4                                    | 86.7  | 104.4                            | 82.1  | 34.8 | 45.9                             | 67.6 | 45.9                             | 61.0 | 100  |
| Bhutan                       | ..                                       | 60.9  | ..                               | ..    | ..   | ..                               | ..   | ..                               | ..   | 100  |
| Burkina Faso                 | 105.4                                    | 104.0 | 105.4                            | 82.9  | 35.1 | 27.0                             | 32.3 | 27.0                             | 47.4 | 100  |
| Burundi                      | 118.8                                    | 118.2 | 118.8                            | 93.5  | 39.6 | 54.0                             | 35.6 | 54.0                             | 66.9 | 100  |
| Cambodia                     | 121.6                                    | 101.6 | 121.6                            | 95.7  | 40.5 | 99.9                             | 99.9 | 99.9                             | 99.9 | 100  |
| Cape Verde                   | 65.0                                     | 54.7  | 65.0                             | 51.1  | 21.7 | 99.3                             | 99.9 | 99.3                             | 99.5 | 100  |
| Central African Republic     | 102.2                                    | 98.4  | 102.2                            | 80.4  | 34.1 | 53.2                             | 46.2 | 53.2                             | 66.3 | 100  |
| Chad                         | 118.0                                    | 98.9  | 118.0                            | 92.8  | 39.3 | 40.8                             | 47.9 | 40.8                             | 57.4 | 100  |
| Comoros                      | 84.0                                     | 62.9  | 84.0                             | 66.1  | 28.0 | 53.1                             | 50.1 | 53.1                             | 66.2 | 100  |
| Dem. Rep. of the Congo       | 95.8                                     | 90.3  | 95.8                             | 75.4  | 31.9 | 54.4                             | 58.2 | 54.4                             | 67.2 | 100  |
| Djibouti                     | 117.8                                    | 106.2 | 117.8                            | 92.7  | 39.3 | 31.8                             | 31.9 | 31.8                             | 50.9 | 100  |
| Equatorial Guinea            | 121.0                                    | 105.9 | 121.0                            | 95.2  | 40.3 | 90.8                             | 79.3 | 90.8                             | 93.4 | 100  |
| Eritrea                      | 81.4                                     | 60.7  | 81.4                             | 64.0  | 27.1 | ..                               | 29.3 | ..                               | ..   | 100  |
| Ethiopia                     | 124.2                                    | 106.8 | 124.2                            | 97.7  | 41.4 | 25.1                             | 35.2 | 25.1                             | 46.1 | 100  |
| Gambia                       | 108.6                                    | 76.4  | 108.6                            | 85.4  | 36.2 | 52.5                             | 65.9 | 52.5                             | 65.8 | 100  |
| Guinea                       | 136.0                                    | 118.3 | 136.0                            | 107.0 | 45.3 | 29.0                             | 45.6 | 29.0                             | 48.9 | 100  |
| Guinea-Bissau                | 145.0                                    | 128.4 | 145.0                            | 114.1 | 48.3 | 42.4                             | 52.3 | 42.4                             | 58.5 | 100  |
| Haiti                        | 85.4                                     | 70.5  | 85.4                             | 67.2  | 28.5 | ..                               | ..   | ..                               | ..   | 100  |
| Kiribati                     | 65.0                                     | 58.0  | 65.0                             | 51.1  | 21.7 | ..                               | ..   | ..                               | ..   | 100  |
| Lao People's Democratic Rep. | 108.2                                    | 95.7  | 108.2                            | 85.1  | 36.1 | 65.3                             | 73.0 | 65.3                             | 75.0 | 100  |
| Lesotho                      | 101.6                                    | 93.0  | 101.6                            | 79.9  | 33.9 | 73.0                             | 68.6 | 73.0                             | 80.6 | 100  |
| Liberia                      | 168.0                                    | 114.4 | 168.0                            | 132.2 | 56.0 | ..                               | ..   | ..                               | ..   | 100  |
| Madagascar                   | 103.0                                    | 92.0  | 103.0                            | 81.0  | 34.3 | ..                               | ..   | ..                               | ..   | 100  |
| Malawi                       | 135.4                                    | 133.8 | 135.4                            | 106.5 | 45.1 | 49.7                             | 98.5 | 49.7                             | 63.8 | 100  |
| Maldives                     | 59.8                                     | 30.6  | 59.8                             | 47.0  | 19.9 | ..                               | ..   | ..                               | ..   | 100  |
| Mali                         | 135.6                                    | 116.5 | 135.6                            | 106.7 | 45.2 | 21.2                             | 38.1 | 21.2                             | 43.3 | 100  |
| Mauritania                   | 104.6                                    | 90.0  | 104.6                            | 82.3  | 34.9 | ..                               | ..   | ..                               | ..   | 100  |
| Mozambique                   | 150.4                                    | 134.5 | 150.4                            | 118.3 | 50.1 | 47.0                             | 39.6 | 47.0                             | 61.8 | 100  |
| Myanmar                      | 93.8                                     | 78.2  | 93.8                             | 73.8  | 31.3 | 82.7                             | 99.3 | 82.7                             | 87.5 | 100  |
| Nepal                        | 101.2                                    | 77.2  | 101.2                            | 79.6  | 33.7 | 80.7                             | 78.4 | 80.7                             | 86.1 | 100  |
| Niger                        | 150.0                                    | 118.0 | 150.0                            | 118.0 | 50.0 | 25.1                             | 24.4 | 25.1                             | 46.1 | 100  |
| Rwanda                       | 132.4                                    | 123.1 | 132.4                            | 104.2 | 44.1 | 65.9                             | ..   | 65.9                             | 75.4 | 100  |
| Samoa                        | 27.0                                     | 25.0  | 27.0                             | 21.2  | 9.0  | ..                               | ..   | ..                               | ..   | 100  |
| Sao Tome and Principe        | 60.9                                     | 48.5  | 60.9                             | 47.9  | 20.3 | ..                               | ..   | ..                               | ..   | 100  |
| Sierra Leone                 | 189.0                                    | 169.0 | 189.0                            | 148.7 | 63.0 | ..                               | ..   | ..                               | ..   | 100  |
| Solomon Islands              | 29.0                                     | 22.2  | 29.0                             | 22.8  | 9.7  | ..                               | ..   | ..                               | ..   | 100  |
| Somalia                      | 151.8                                    | 120.6 | 151.8                            | 119.4 | 50.6 | ..                               | ..   | ..                               | ..   | 100  |
| Sudan                        | 85.4                                     | 69.1  | 85.4                             | 67.2  | 28.5 | ..                               | ..   | ..                               | ..   | 100  |
| Togo                         | 81.0                                     | 78.2  | 81.0                             | 63.7  | 27.0 | 75.0                             | 82.3 | 75.0                             | 82.0 | 100  |
| Uganda                       | 104.4                                    | 100.7 | 104.4                            | 82.1  | 34.8 | ..                               | ..   | ..                               | ..   | 100  |
| United Rep. of Tanzania      | 98.7                                     | 85.0  | 98.7                             | 77.6  | 32.9 | 51.4                             | 48.4 | 51.4                             | 65.0 | 100  |
| Vanuatu                      | 56.2                                     | 35.5  | 56.2                             | 44.2  | 18.7 | 70.7                             | 71.3 | 70.7                             | 78.9 | 100  |
| Yemen                        | 109.6                                    | 82.0  | 109.6                            | 86.2  | 36.5 | ..                               | ..   | ..                               | ..   | 100  |
| Zambia                       | 107.3                                    | 113.7 | 107.3                            | 84.4  | 35.8 | 83.7                             | 72.4 | 83.7                             | 88.3 | 100  |

Source: UNCTAD Secretariat estimates, based on the World Bank, *World Development Indicators 2000*.

a The required trajectory is the trajectory required to reduce the death rate for infants by two-thirds between 1990 and 2015.

b The required trajectory is the trajectory required to achieve universal primary education by 2015.

countries (chart 12). Net primary enrolment rate for males would be on average about 76 per cent, as compared to 65 per cent in 1997, and levels of over 90 per cent prevailing in other developing countries in that year. The LDC female net primary enrolment rates would be on average 60 per cent in 2015 as compared to the current levels of just over 50 per cent, and compared to the 1997 levels in other developing countries of over 90 per cent (chart 13).

These projections fall well short of the various international targets that were set in the round of global summits of the 1990s. Amongst the many targets, the OECD has selected seven as key International Development Goals, and these have subsequently received wider endorsement.<sup>2</sup> Table 5 indicates the progress made in the LDCs in the 1990s to meet two of these goals, namely that: (i) the death rates for infants and children under the age of five years should be reduced in each developing country by two-thirds the 1990 level by 2015; and (ii) there should be universal primary education in all countries by 2015. It is apparent that for primary education only eight LDCs (in the sample of 30) are on target, while for infant mortality only four are on target.

The above projections are based on the assumption that the trends of the 1990s will continue. The reality of course may turn out better or worse. A sobering thought in this regard is that, had the trends in economic growth and social progress indicators of the 1960s and the 1970s continued during the subsequent two decades, the LDCs would today be in a much better position than they are. Whether the future will be better, or even more gloomy, than the above projections, depends on the extent to which lessons are learnt from the experience of the last two decades and incorporated into national and international policy-making. It is to this task that the next part of this report is devoted.

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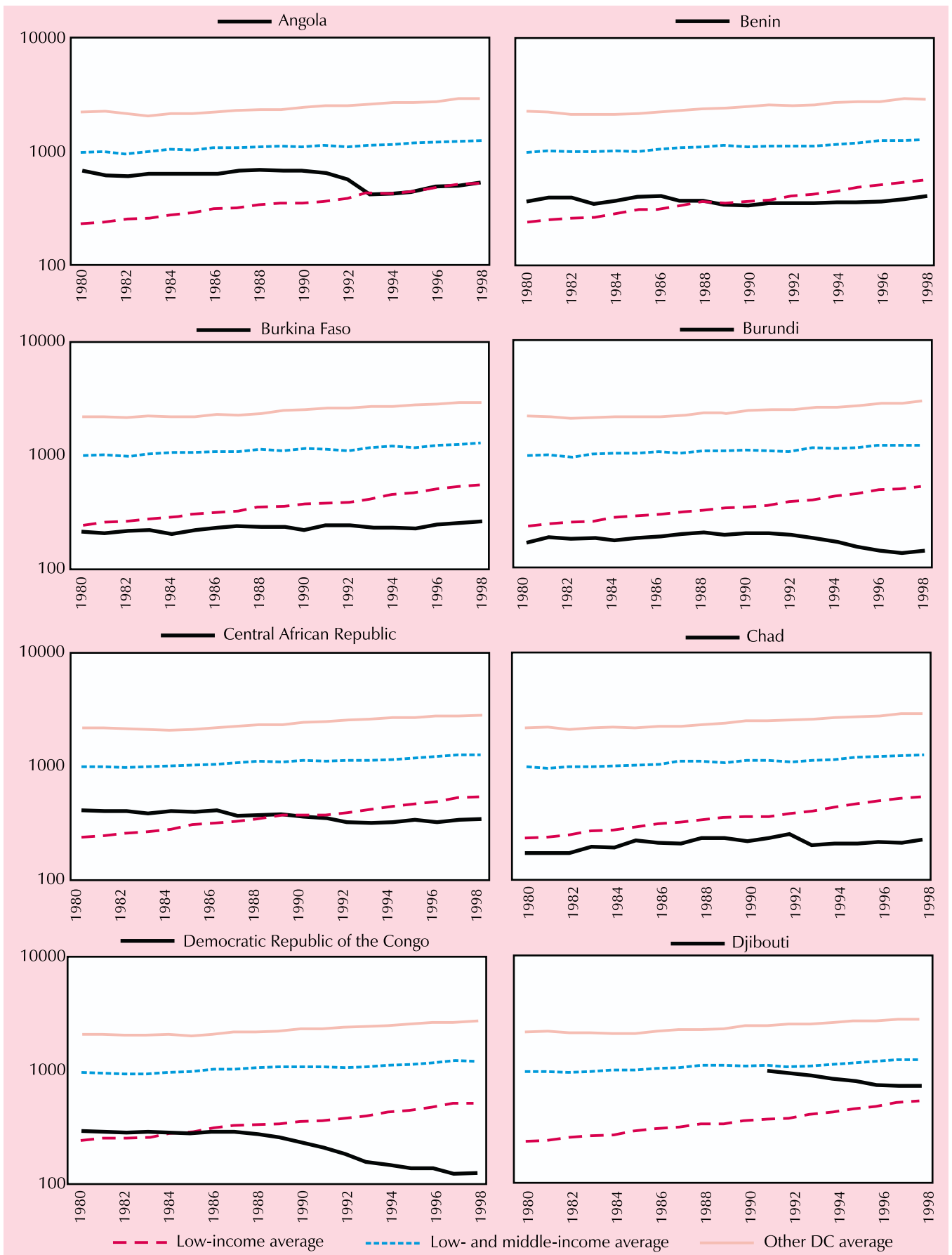
## Notes

1. This figure is currently under review.
2. The seven goals, which were originally identified in OECD/DAC (1996), are: (i) the proportion of people living in extreme poverty should be reduced by at least one half by 2015 (Copenhagen); (ii) there should be universal primary education in all countries by 2015 (Jomtien, Beijing, Copenhagen); (iii) progress towards gender equality and the empowerment of women should be demonstrated by eliminating gender disparity in primary and secondary education by 2005 (Cairo, Beijing, Copenhagen); (iv) the death rates for infants and children under the age of five years should be reduced in each developing country by two-thirds between 1990 and 2015 (Cairo); (v) the rate of maternal mortality should be reduced by three-quarters between 1990 and 2015 (Cairo, Beijing); (vi) access should be available through the primary health-care system to reproductive health services for all individuals of appropriate ages, no later than 2015 (Cairo); (vii) there should be a current national strategy for sustainable development, in the process of implementation, in every country by 2005, so as to ensure that current trends in the loss of environmental resources are effectively reversed at both global and national levels by 2015 (Rio). Wider endorsement is evident in IMF/OECD/UN/World Bank Group (2000), though this report was not received without controversy.

## Reference

- IMF/OECD/UN/World Bank Group (2000). A Better World for All – Progress towards the International Development Goals, [www.paris21.org/betterworld](http://www.paris21.org/betterworld).
- OECD/DAC (1996). *Shaping the 21st Century: The Contribution of Development Cooperation*, OECD, Paris.

TRENDS IN REAL PER CAPITA GDP IN INDIVIDUAL LDCs, 1980–1998<sup>a</sup>  
 (Constant 1995 dollars)  
 African LDCs and Haiti



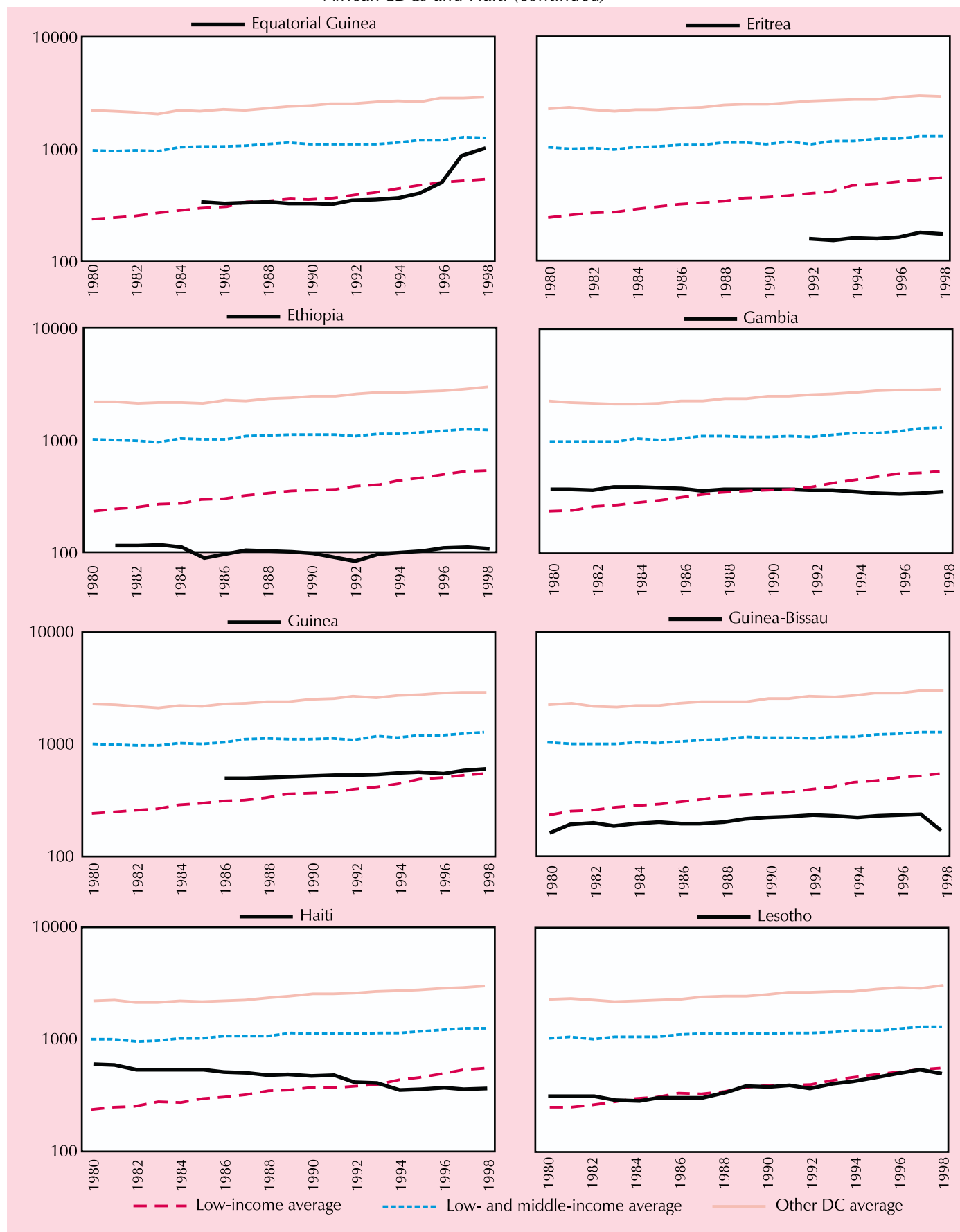
a For reference, the charts include the trends in the average real GDP per capita in low-income, low- and middle-income and developing countries excluding LDCs. For definition of country groups, see table 1.



## Annex to Part One (continued)

TRENDS IN REAL PER CAPITA GDP IN INDIVIDUAL LDCs, 1980–1998<sup>a</sup>  
(Constant 1995 dollars)

African LDCs and Haiti (continued)

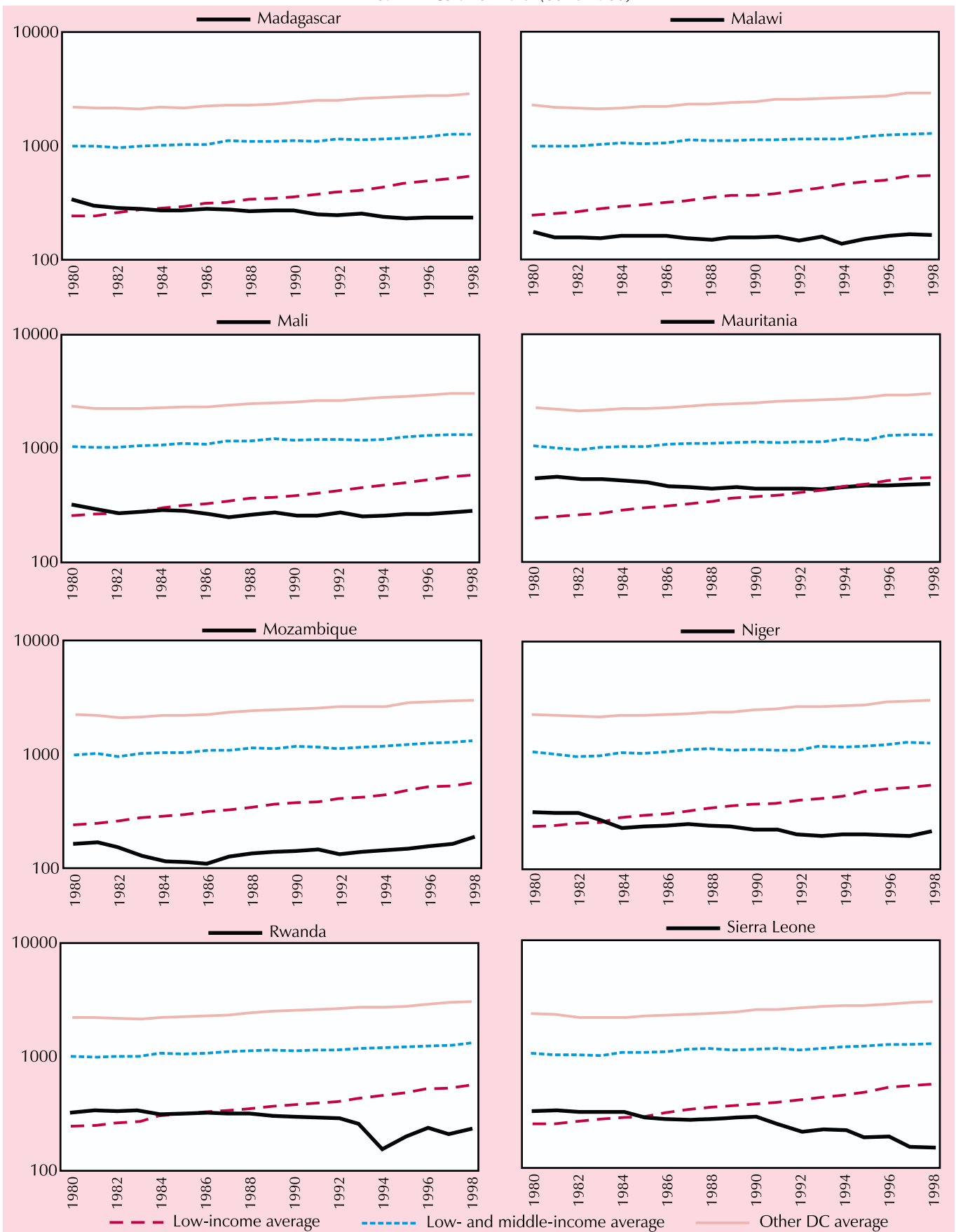


a For reference, the charts include the trends in the average real GDP per capita in low-income, low- and middle-income and developing countries excluding LDCs. For definition of country groups, see table 1.

Annex to Part One (continued)

TRENDS IN REAL PER CAPITA GDP IN INDIVIDUAL LDCs, 1980–1998<sup>a</sup>  
(Constant 1995 dollars)

African LDCs and Haiti (continued)

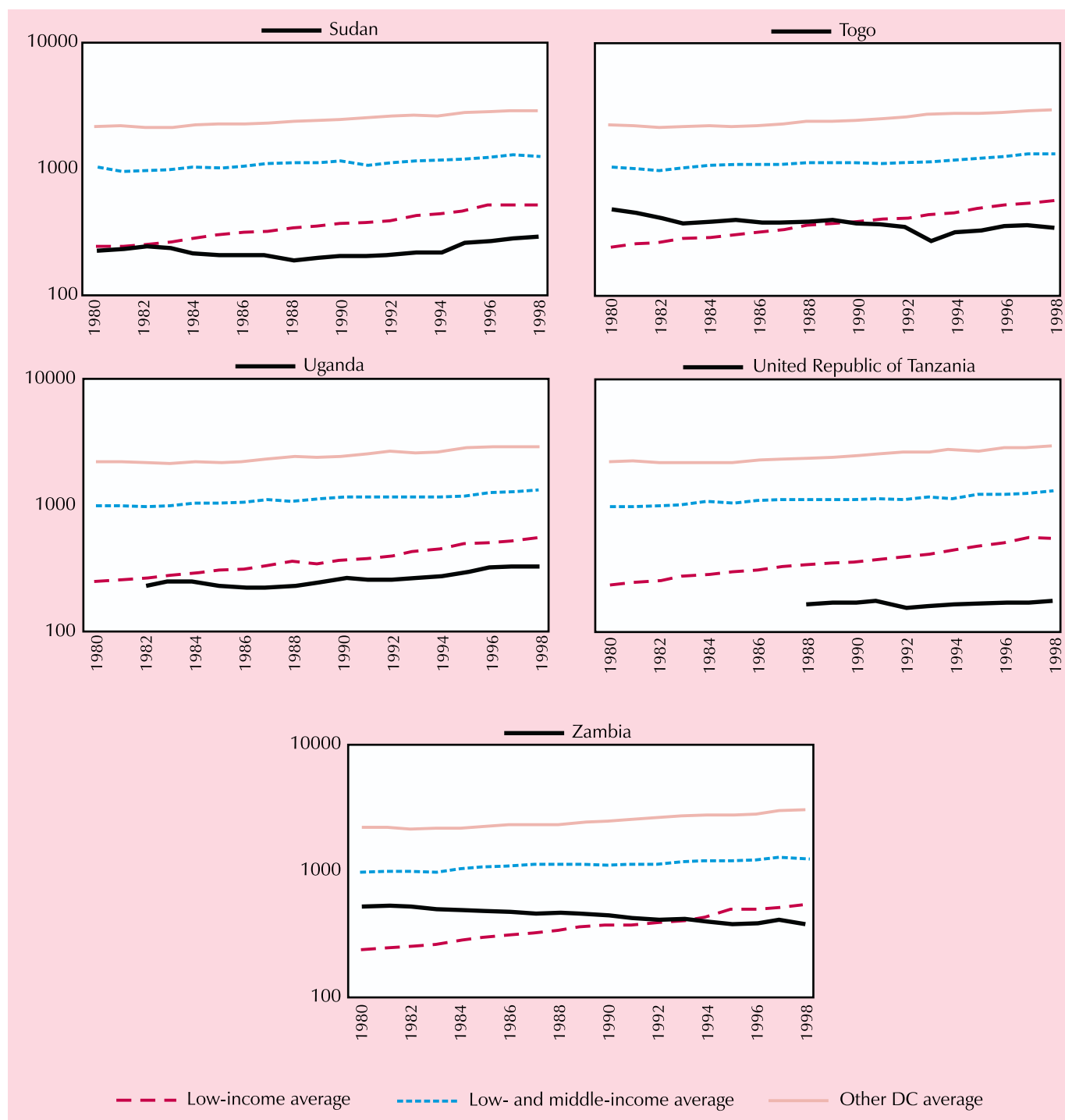


<sup>a</sup> For reference, the charts include the trends in the average real GDP per capita in low-income, low- and middle-income and developing countries excluding LDCs. For definition of country groups, see table 1.

## Annex to Part One (continued)

TRENDS IN REAL PER CAPITA GDP IN INDIVIDUAL LDCs, 1980–1998<sup>a</sup>  
(Constant 1995 dollars)

## African LDCs and Haiti (concluded)

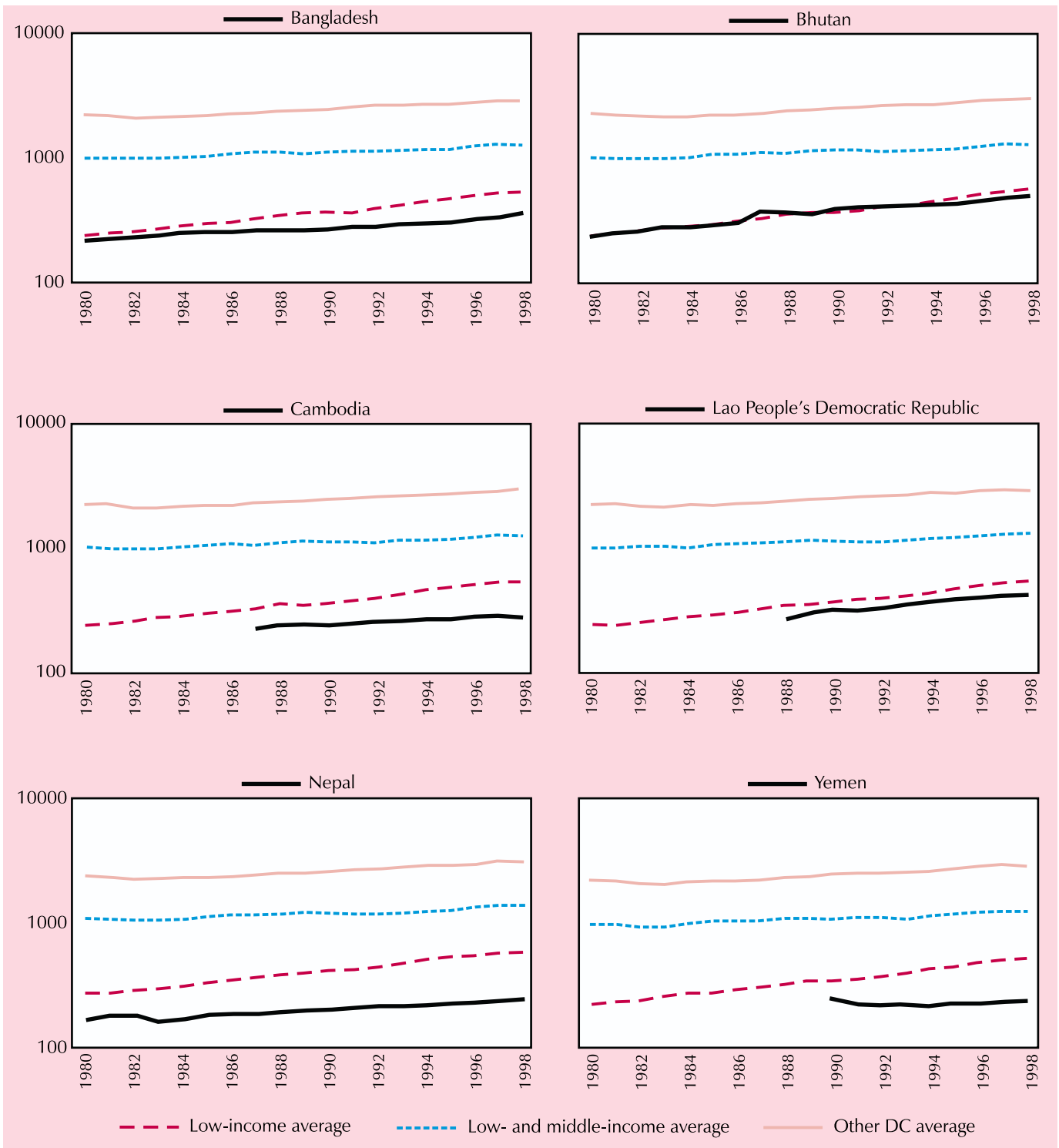


a For reference, the charts include the trends in the average real GDP per capita in low-income, low- and middle-income and developing countries excluding LDCs. For definition of country groups, see table 1.

Annex to Part One (continued)

TRENDS IN REAL PER CAPITA GDP IN INDIVIDUAL LDCs, 1980–1998<sup>a</sup>  
(Constant 1995 dollars)

Asian LDCs

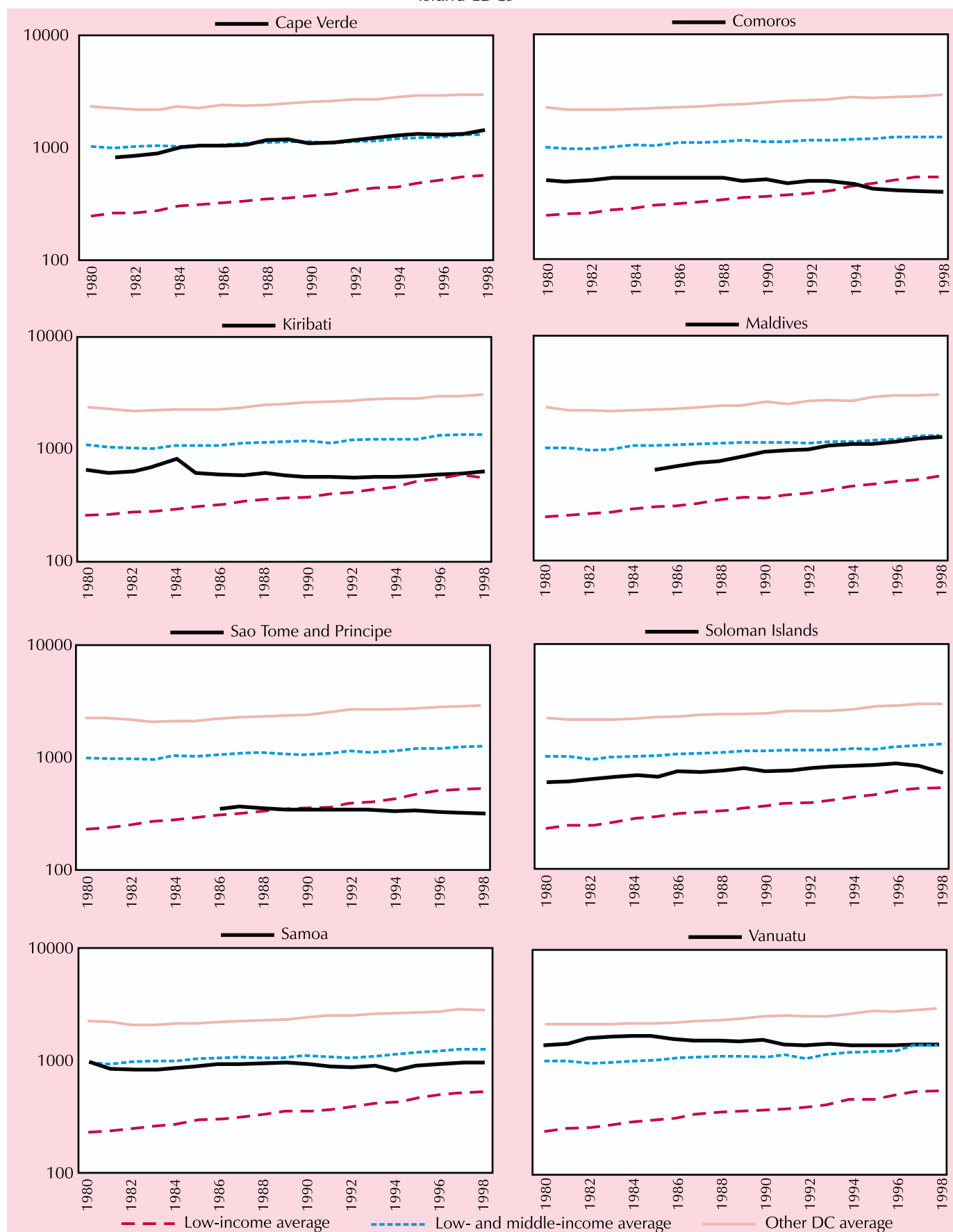


a For reference, the charts include the trends in the average real GDP per capita in low-income, low- and middle-income and developing countries excluding LDCs. For definition of country groups, see table 1.

## Annex to Part One (concluded)

TRENDS IN REAL PER CAPITA GDP IN INDIVIDUAL LDCs, 1980–1998<sup>a</sup>  
(Constant 1995 dollars)

## Island LDCs



a For reference, the charts include the trends in the average real GDP per capita in low-income, low- and middle-income and developing countries excluding LDCs. For definition of country groups, see table 1.