Toward Equality in a Highly Unequal World:
The Fate of the LDCs

Hilal Elver*

Abstract: This article deals with the future of the Least Developed Countries in economically and politically highly uneven and unequal current world order. First, I will discuss how categorization of the United Nations (UN) on the Least Developed Countries (LDC) took place, and the influence of the economic globalization and free market liberalism impacted on the UN’s mainstream policies on this matter. Under this framework, history of the UN categorization of the LDC, and indicators of such categorization will be re-evaluated and the necessity of a new paradigm, especially in relation to concept of “graduation” will be discussed. Recent discussions on inability to evaluate countries’ economic success and its irrelevance on happiness of citizens with GDP in some developed countries, such as France and the U.K. is a good reason to think new alternatives for the LDCs. Secondly, the article will deal with global poverty as one of the major obstacles in 21st Century, and increasing gap between rich and poor countries. Thirdly, the current economic, climatic, institutional, economic and social conditions and difficulties of the LDCs will be evaluated under the framework of the historical reasons such as colonialism and exploitation by the Western powers. At the end, the most recent catastrophic famine that hit Somalia, one of the poorest members of the LDC will be discussed as an extreme example of a failed state. Somalia is a poster child of colonialism, imperialism, environmental degradation, climate change and religious extremism. It is a wake up call for the world community. If the policies of the LDC will not be revitalized and developed countries will not be genuinely committed to change current trade and climate change policies in order to include the needs of the LDCs, and if they will not consider LDC as partner rather than charity receivers such catastrophic famine will be more and more part of the reality for the LDCs and world peace will be significantly jeopardized through internal and international political conflicts.

Keywords: LDCs, Climate Change, Alternatives to GDP, Poverty, Colonialism, Human Development Index, Somalia, Turkey and LDC

* Res. Prof., Global and International Studies, University of California Santa Barbara, Santa Barbara, California, U.S.A., elver@global.ucsb.edu.
Point of Departure

The Fourth United Nations Conference on the Least Developed Countries (LDC-IV) took place 9-13 May, 2011 in Istanbul, Turkey. According to the United Nations, the purpose of the conference was to: (1) Assess the results of the 10 year action plan for the Least Developed Countries (LDCs) adopted at the Third United Nations Conference on LDCs in Brussels, Belgium, in 2001; and (2) Adopt new measures and strategies for the enhancing the sustainable development of the LDCs during the next decade. It is the first time the UN Summit on the LDCs met outside of the conventional donor countries of Europe. The first two were held in 1981 and 1991 in Paris. After the Paris and Brussels Declarations and Plans of Action, the UNGA LDC IV summit ended up with the Istanbul Declaration. In addition to the 48 LDCs, Landlocked Developing countries and Small Island Developing states have been grouped together with the LDCs in the UN administrative structure.

In 1971, the international community recognized as the Least Developed Countries a category of countries distinguished not only by widespread poverty, but also due to their deficiencies with respect to economic, institutional and human capabilities, often compounded with geographical handicaps. The LDC group consisted of 25 countries in 1971, and has since grown to 48. It has been described by the United Nations as “the poorest and weakest segment of the international community” whose economic and social development presents a major challenge both for the countries themselves and their development partners.

In this article, I will discuss why categorization of the UN took place, and the way in which UN mainstream policies under the rubric of globalization and free market liberalism did not work, and will not work. Moreover, the global community is under pressure from several overlapping global crises. These crises have had a severe negative impact on the LDCs. We are living at a time when financial and economic crises in developed world have attained alarming levels, started in 2008 in the U.S. As of 2011 this situation is likely worsen in both Europe and the U.S. Some European countries, the so called PIGS (Portugal, Ireland, Greece and Spain) are under seemingly unmanageable sovereign debt burdens and the EU’s most powerful economies, Germany and France, seem unwilling to commit to further bailouts to protect the Eurozone from possible collapse. On top of this, the United States is under serious scrutiny by international investment rating companies because of the size of its foreign sovereign debt, as aggravated by political, partly systemic problems associated with fiscal deficits that had long been ignored.

Furthermore, the post-9/11 atmosphere has made countries in the West more security oriented, less dedicated to helping the Third World. The endless “war on terror” is affecting countries like Afghanistan and Iraq openly, and some other places in Africa and Asia through transnational “law enforcement” and special operations activities. Muslim countries, in particular, are under strict scrutiny by the West,
while Islamophobia is becoming more pronounced in Europe and North America. As a result, many LDCs have significant Muslim populations that make them less attractive candidates for Western financial aid programs. The woeful international response to the humanitarian disaster unfolding in Somalia is an illuminating example of this phenomenon.

Beyond all these difficulties, climate change is happening faster than previously was anticipated, as the planet overall is registering record high temperatures, unexpected meteorological changes are leading to more frequent hurricanes and to more heavy rainfall in some parts of the world, while producing drought and heat waves in other parts of the world. Even though a consensus exists among climate scientists about the harmful impacts of human induced C02 emissions associated with the fossil fuel economy as the major cause of climate change, a few dissident scientists, conservative politicians, and giant energy corporations are still using every channel possible to discourage all national, international, and global efforts to respond appropriately to the challenges posed by global climate change. Well-funded climate deniers are campaigning worldwide to manipulate public opinion about scientific results to advance their short-term economic, political, and financial interests.

As of 2011 January, a worldwide energy squeeze has led to increased oil and food prices that are reaching critical levels. Africa is suffering more than other parts of the world from shortage of food. Many of these countries belong to the LDC category, and hunger is threatening entire populations and the future wellbeing of the whole society. Needless to say climate change has an enormous impact on current food crises. Already geographically challenged LDCs are suffering more and much deeply from the direct and indirect negative effects of climate change far beyond what the rest of the world is currently experiencing, and this despite the fact that LDCs make virtually no contribution to the emission of greenhouse gasses (GHG). The developed world is historically responsible for the buildup of GHG in the atmosphere, and they have a resulting ethical responsibility to respond the current food crises of the poorest of the poor.

Even though the historical responsibility of the developed world has been articulated in international documents on combating climate change, the United States and other developed countries stubbornly refuse to accept such responsibility. Rather, they prefer to establish a fund that promises help to poorer countries to enable them to mitigate harmful climate change on a project basis. This approach has not worked in the past, and fails to promote the kind of structural changes that the LDCs desperately need to make if they are to survive.

These are some of the emerging difficulties and unfortunate events. Developed countries are going through a series of self-evaluating reflections in this period of free market capitalism and economic globalization. Even in the developed world the gap between rich and poor is getting significantly larger. This was traditionally regarded as mainly a problem for the developing and least developed
countries. In this atmosphere the problems of LDCs do not get sufficient attention from international community to have any serious prospect of improving their situation in the near future.

**History of the UN Categorization of the LDCs**

The Least Developed Countries (LDC) is a category that was established by the United Nations in the 1970s. During the first session of the United Nations Conference on Trade and Development (UNCTAD) in 1964, the “less developed” countries were singled out from among the other members of the developing world to receive special attention in view of their extreme poverty and greater vulnerability. Nevertheless there was disagreement among the member states about how to structure this new category that divides the developing bloc (G-77) in a period when developing countries were trying to act as a unified whole, an effort which reached its unfortunate climax with the failed project to establish “New International Economic Order (NIEO).”

NIEO was a comprehensive package of multilateral policy options that aimed to improve the position of Third World countries in the world economy relative to the richest states. In 1974, the Group of 77 adopted a UNGA Declaration in support of the NIEO undertaking despite the opposition of the United States and a small group of advanced industrialized countries. In 1981, US President Reagan unilaterally declared that the NIEO initiative was dead. During the process of fighting against the NIEO, the idea of dividing the G-77 by forming a sub-category composed of the LDC was a tactical maneuver of the developed countries.

After considerable debate, it was decided that a country would be treated as an LDC on the basis of the following criteria: (i) Low average income based on the per capita domestic product (GDP); (ii) Weak human assets, as measured by a composite Human Assets Index; and (iii) Economic vulnerability, as measured by a composite Economic Vulnerability Index. These criteria were used to as the basis of inclusion in a relatively small category of the very poorest and structurally weakest countries. The international community accepted the principle that the least developed counties were deserving special and specific attention.

Nevertheless, the UN decided that lower income countries with a population larger than 75 million inhabitants would not be eligible to be for inclusion to the category of LDC. This seems highly questionable as the greatest number of the poorest people in the world live in countries with a population of over 75 million. As the United Nations is a strongly nation state oriented organizations, those people living in a country that are larger than the arbitrary UN threshold cannot receive help. One of the major criticisms of the LDC categorization as adopted by the UN involves this untenable 75 million upper limit.
Establishing the rules of inclusion and categorization of a country as an LDC is a pure economistic decision of the UNCTAD based on countries’ capacities to take an active part in the free market system. The specific treatment accorded the LDCs mainly falls under three areas of international cooperation:

1) *In the multilateral trading system*, special concessions, such as non-reciprocal market access preferences (e.g. the European Union’s “Everything But Arms” initiative);

2) *In the field of development financing*, bilateral, regional and multilateral donors and financial institutions are expected to give the LDCs especially favorable consideration in their decisions on concessionary financing;

3) *In the area of technical assistance*, priority is given to the LDCs under all cooperation programs of the UN and bilateral and regional development partners are encouraged to follow the same preferential policy.

Despite all these promises and policy assessments, the LDCs with very few exceptions, find themselves unable to escape from such a categorization and have not increased their compatibility with the world economy to any appreciable extent. Many of the LDCs are in Africa, some in the South Asia, and one in Central America. These are considered to be the world’s poorest countries as they have a per capita GDP under $900 and they have very low levels of capital, human and technological development. These 48 countries have a combined approximate population of 815 million, which is equivalent to 12 percent of the world’s population, but their share of the world GDP is less than 2 percent, and of global trade in goods it is below 1 percent.

Another highly questionable policy toward the LDC is the idea of “graduation”. In 1991, a UN Committee set forth the graduation rules for the LDCs. To be eligible for graduation requires that a country is considered to be sustainable without special assistance. It takes place only after a country’s development prospects have significantly improved, and there is reason to believe that a graduating country will be able to sustain its development path. An intentional asymmetry exists between inclusion and graduation criteria. The term ‘graduation’ and the conditions underlying the decision “to graduate a country” by the Committee gives a paternalistic tone to the UN with respect to the LDCs. By now, only two countries have been able to graduate, Maldives and Ivory Coast. These lamentable results indicate that of the UN LDC policies have not been effective up to this point.

Over the years it became evident that these least developed countries were lagging further and further behind, and in some cases were actually moving backwards. For instance, during the 1980s the real GDP per capita growth rates of the developing countries was only double that of the LDCs. In the 1990s, however, developing countries the real GDP per capita growth rates were four times higher
than that of the LDCs. This indicates that the gap in average per capita income as between the LDCs and the other developing countries is also growing.

In light of these failing policies, the first UN Conference on the LDCs was convened in Paris by the UN General Assembly in 1981. At this conference, the Substantial New Program of Action (SNPA) for the 1980s on behalf of the LDCs was adopted. However, despite the many reforms preformed by the LDCs to carry out a structural transformation of their domestic economies, their economic situation did not improve during the 1980s. The 1980s was the period during which free market principles were pushed hard on the both sides of the Atlantic by Ronald Reagan and Margaret Thatcher. The LDC were not able to adjust to this more competitive international atmosphere. Even many developing countries not in the LDC category were also left to flounder amid this phase of robust economic globalization that promoted a diminished regulatory system and eroded national protection of weaker economies.

A second UN Conference on the LDCs was held in 1990 in Paris that produced a new program of action. The implementation of this program again showed that the LDCs continued to be marginalized, and so in 1997 the UN General Assembly decided to convene a third UN Conference on the LDCs to be held in Brussels in 2001. No significant betterment was measured in the general the LDC’s social and economic conditions. There were also several independent commitments left unfulfilled by the donor countries. Additionally, LDC’s structural problems persisted unabated.

The most recent UN summit was convened in May 2011 in Istanbul, held for the first time outside of Europe. Unfortunately, the participation of the developed countries was disappointing. The Istanbul Declaration adopted at the conference was considered even weaker than the Brussels one. Yet, the effort made by Turkey was remarkable as a show of interest in and solidarity with the LDCs. Turkey took the responsibility for the next 10 years overseeing various projects in relation to LDCs, particularly private sector involvement and educational aid. Among other policy issues, in the closing ceremony of LDC IV, Turkey’s Foreign Minister, Ahmet Davutoğlu, announced that Turkey would make available $200 million annually to LDCs (starting in 2012) for technical cooperation and scholarships. In doing this, Turkey became the single largest bilateral development partner in terms of providing LDC-specific support measures. In a related initiative, Turkey has recently launched a massive aid campaign to support efforts to fight hunger in Eastern Africa, particularly Somalia where the World Food Program estimates that ten million people desperately need humanitarian aid and the U.N. Children’s Fund estimates that more than two million children are malnourished and in need of lifesaving action in the region.9
Overcoming Poverty?

According to well known UN statistics almost half the world, over 3 billion people, live on less than $2.50 a day. One-third of these live in the LDCs. Those with $2.50 a day are relatively better as half of the LDC population is living on $1 a day or less. Moreover, one billion children, accounting for half of the children in the world, live in poverty. 640 million of them live without adequate shelter, 400 million children have no access to safe water, 270 children million have no access to health services. 10.6 million which accounts for roughly 29,000 children per day, died in 2003 before they reached the age of 5.

Poverty has impacts upon other social indicators. For instance, nearly a billion people entered the 21st century unable to read a book or sign their names. However, less than 1 percent of what the world spent every year on weapons was needed to put every child in a school by the year 2000 and yet it didn’t happen. About 25,000 people die every day of hunger or hunger-related causes. This means one person dies every three and a half seconds. Unfortunately, it is children who are most at risk.¹⁰

While world poverty is well known statistically, the gap between the rich and poor is generally ignored. Moreover, this gap is getting bigger every decade as compared to the previous one due to the unjust effects of economic globalization on the already prosperous developed world. As a result, the GDP of the 41 Heavily Indebted Poor Countries accounting for 567 million people is less than the combined wealth of the world’s seven richest people. More strikingly, as of May 2005, the 125 richest people in the world have assets that exceed the combined gross domestic product of all the LDCs.¹¹

Growing income disparities between the global rich and poor are at the hearth of the crisis. The world community is increasingly discouraged by this trend toward ever greater global inequality. The Former Secretary General of the UN, Kofi Annan’s initiative The Millennium Development Report was intended as a response to overcoming unequal and dire conditions, particularly in African countries. they are home to many of the “bottom billion”, and according to some, populated by large numbers of impoverished persons who are living in “fourteenth century” conditions. Many informed commentators argue that international aid has been a dead loss in fixing the problem. According to this view of the world, we are stuck in a serious crisis of development.

Who Should Blame for Poverty? Colonialism and Exploitation

While the gap between the rich and poor is consistently widening, the root causes of international inequality between rich and poor nations as studied by many economists
have led to several hypotheses. One hypothesis is that poor countries may have been subjected to exploitation, colonialism, neocolonialism, or imperialism that created conditions producing the extreme poverty in our time.\textsuperscript{12}

Many of the LDCs worldwide, and all of the LDCs in Africa are former colonies of Western countries. The countries that remained independent most likely did so for a reason: lack of raw materials, non-arable land or hostile climate.\textsuperscript{13} Countries competing with these kinds of extreme conditions are likely to struggle to produce food and goods; therefore they do not produce wealth and uphold health.\textsuperscript{14}

The artificial way in which Africa was divided up by the colonial powers in Europe at the Berlin Conference of 1884 caused great difficulties due to the manner with which it confined large groups of people of diverse cultures in areas too small or lack the resources needed to support them.\textsuperscript{15} Coming out of colonialism also poses extremely difficult challenges because it requires the infrastructure and industrial base required to lead a country to a sustainable future. In the 1970s, many newly independent African countries were forced to take out large loans due to the then prevailing high commodity prices. This resulted in crippling debt obligations that prevented African nations from investing in the vital structures that could help them escape from their poverty trap.\textsuperscript{16} Additional to these economic difficulties, many African countries experienced bitter post-colonial struggles to control resources, giving rise to ethnic conflicts and civil wars.

After several decades neo-colonialism is still a problem for much of Africa. The western world still exerts considerable control over the continent. Africa pays more to the IMF than it receives each year, despite being its dire need of aid. The effect is that African nations are often left without the ability to provide for the basic needs of their society, which leads to extensive poverty. There is also the market tendency to exploit local people by making them available only the poorly paid, unskilled jobs that lead them and their nation to get sucked into a poverty trap.\textsuperscript{17}

These are some of the innumerable problems that Africa faces today and the question that should be asked is the extent to which it is fair to attribute such problems to the legacy of colonialism and the subsequent neo-colonial exploitation of Africa’s resources. Western imperialism should receive its some of the blame for the occurrence of these problems. It seems undeniable that the continent has never been allowed to recover from the looting and plunder that was its fate during the colonial era.\textsuperscript{18} It is also undeniable that the Western world continues to make conscious and deliberate efforts to exacerbate Africa’s isolation in the global economy. It is true that instead of helping Africa recover from the adverse impact of their colonial domination, the Western powers have sought ways to constrain African development by prescribing flawed experimental economic policies the adoption of which have been made a precondition for the receipt of aid.\textsuperscript{19}

The Bretton Woods institutions, the World Bank (WB) and the International Monetary Fund (IMF) have formulated these policies and they have failed to steer
Africa toward effective and sustainable development. African leaders have been induced to adopt these policies in return for aid with very little understanding of what the policies entail. These leaders have assumed that they could apply the techniques of muddling through while implementing these policies, but it has turned out that the globally induced policies have created structural conditions that condemn the generality of African people to chronic poverty.

The point here is that the Western powers, despite their rhetoric of empathy, are not seriously committed to helping Africa recover from the abject poverty that has resulted from decades of imperial domination and unprecedented asset stripping. This helps us understand why today the West refuses to write off Africa’s debts and is unwilling to consider, much less to pay, reparations for subjecting many African institutions to the horrors of the profit-making international slave trade.  

However, there is also a counter argument that it is no longer persuasive to continue blaming historical injustices for Africa’s development problems. According to such lines of thinking the sincerity of the African leaders is doubted when slavery, colonialism and neo-colonialism are offered as an explanation of the continent’s economic stagnation. Historical injustices played a significant role in condemning Africa to poverty and underdevelopment. More importantly, African leaders themselves have also failed to take advantage of their resource-rich continent. The supporters of this view claim that Asian and Latin American countries despite their colonial experiences were able to handle developmental challenges far better than the LDCs in Africa. Many scholarly articles question this effort to minimize Western responsibility for African underdevelopment. Obviously there are several underlying reasons for the African plight additional to colonial plunder, but this does not relieve the colonial powers off from responsibility for leaving Africa in terrible shape, and taking steps after African independence to continue to exploit its labor and resources.

Other Reasons

There are some other causes of poverty in modern day Africa. For example, at the present time, the prevalence of HIV on the continent has reached epidemic proportions. In Sub Saharan Africa 7.5 percent of people between 15 and 49 are living with HIV. When this incidence is compared with the 0.3 percent in Western Europe, Africa suffers from AIDS at a rate 25 times more than Europe. One dreadful aspect of this situation is that the traditional breadwinners of African families, the adult males, are dying younger and more often than earlier, increasing the dependency ratio in Africa to dangerous levels.

The climate in large parts of Africa is also not conducive to growing crops. Much of Africa is tropical, having either too much rain or not enough, depending on the season or desert, where agriculture is impossible without expensive and wasteful irrigation systems. Further problems are associated with the monsoons and
harmattan winds that afflict western Africa and with the droughts and famines that regularly strike eastern African nations such as Ethiopia and Somalia. Africa as a whole is a difficult continent on which to arrange a decent livelihood for the resident population.\textsuperscript{23}

In addition, the population of Africa has increased very rapidly accentuating all the pre-existing problems. The need for families to have several children in order to ensure the survival of at least one breadwinner has caused social pressures to make the average family size larger than elsewhere in the world. This trend seems likely to continue, with Africa’s share of world population expected to rise from 12.9 percent to 19.8 percent in the next 50 years.\textsuperscript{24} This could lead to a Malthusian crisis of overpopulation in the near future, which would magnify the present difficulties faces Africa greatly.

Due to the pressures associated with a rapidly increasing population, which compounds the difficulties of development in Africa, the LDCs on the continent have become a preoccupation of the international community. These dire immediate material challenges lead us to understand why African countries are not sufficiently concerned about their mounting environmental problems. According to Brundtland Report ‘Our Common Future’ issued by the United Nations prior to the Rio Summit on Environment and Development of 1992 “poverty is form of a pollution.” Since that influential assertion, the international community has looked upon poverty from a different perspective. Although this motto started a debate about which one caused the other. Is it poverty that creates environmental problems, or is it environmental problems that create poverty? The best understanding of the relationship is as a dynamic interaction. Many poor countries are attempting to industrialize, causing both pollution and resource depletion. The exploitation of massive resources, especially oil fields, which took place during colonial days together with the resources currently being used without proper management by African countries may prove to be the last easily accessible resources on the continent. Environmental bankruptcy is on the horizon unless the African people change their ways, and are helped to do so. The international community should also acknowledge the contribution of colonial practices to this deteriorating situation in Africa and offer special assistance with an emphasis on how to pursue development without exhausting remaining natural resources, namely implementing “sustainable development” principles. By now, the slogans are there, but the supportive action is as yet lacking. At the 1992 Rio UN summit on “Environment and Development”, Agenda 21, an 800 pages plan of action for the Twenty first century was adopted, but not implemented. Why it was not implemented? The governments in the developed world by and large failed to deliver on the pledges made to give overall support needed to make the sustainable development realistic for the poorest countries, especially the LDCs.

Besides these explanations of disappointing results, there are several more factors that have contributed to the policy failure, such as the role of the certain institutions, especially those protecting the property interests of rich countries;
corruption; international trade regimes, and export and import subsidies in the developed world; as well as geographical factors. In this complex web of factors all take their toll. In most LDCs all of these factors play an important role, but in different combinations reflecting the variety of national settings. It would not be possible to make instructive generalizations without considering the different history, geography, economy and climatic conditions of specific countries. One of the failures of the UN categorization of LDC is that it tends to put very different countries into a single policy basket and then attempts to implement unified policies in the spirit of “one size fits all.”

Is There any Good News?

Despite the bad news, it is important also to mention some positive developments. For instance, according to Charles Kenny, in his new book Getting Better argues that there is little evidence that a growing population condemns a country to a declining standard of living. He believes that many people have overlooked the enormous improvements in human wellbeing that have occurred over the last few decades. Looking at Africa in particular, while populations continue to expand, no link connects population growth to declining income. Mortality rates are also falling, not rising.

Another item of good news is that since 1960 the global average infant mortality rate has been steadily reduced. Nine million children born in 2005 were alive to celebrate their first birthday in 2006 they would have died if global mortality rates had remained unchanged since 1960. The vast majority of those children do live in developing countries.

Countries in every region of the World, from the poorest to the richest, with stagnant or vibrant economies, have all experienced improvements in average levels of health and education over the past half century. Most countries, regardless of economic performance, have also seen the scene of forward strides in gender equality, civil and political rights. Impressively, progress in the quality of life has been particularly strong in those countries previously the furthest behind.

The overall picture for the last fifty years is of a planet with a growing number of people living a better quality of life. The last century has seen a dramatic decline in the actual cost of living. Today, the country with the highest recorded infant mortality in the world is Sierra Leone. That mortality rate is seventeen percent—only two percent higher than the rate in the US a century earlier. Yet, income per person in Sierra Leone has dipped as low as $404 in the recent past or one tenth the level of what was the United States level a century ago. Countries as poor and wretched as Haiti, Burma and the Congo have infant mortality rates today that are lower than any country in the World achieved in 1900.
According to Kenny, ideas and technologies are the driving forces behind some piecemeal progresses in health, education, civil and political rights, access to infrastructure, especially in the developing world. However, despite declining global levels of poverty, poor countries have grown more slowly than the rich ones since to the World War II. According to Harvard economist Lant Pritchett, the top tenth of the World’s population is about 100 times richer than the bottom tenth. For instance, the US had a GDP per capita a little more than 7 times larger than Senegal in 1960. By 2004, the US was around 26 times richer. The only exception to this pattern is found among the East Asian countries, what used to be called “the Asian miracles,” which have managed to sustain economic growth rates higher that the rich countries over the last 50 years. Those who believe that investment is fundamental to economic growth (against those who stress technological innovation) have their views reinforced by the performance of East Asian countries. Kenny says that we don’t know exactly what to blame in Africa, and what to praise in East Asia. This remains an unanswered dilemma for economists.

One observation should not be overlooked: rapid income growth doesn’t guarantee faster progress. Two things that do increase in line with GDP per capita are consumption and pollution, which is propelling planet earth toward an unknown, dangerous future. But across countries, there is little or no relationship between rates of GDP per capita growth and progress in health, education or human rights. If this is the case, why is GDP still taken to be the major indication of economic success? Western policy makers and economists are increasingly posing this question.

Is There any Alternative Indicator to Replace GDP?

For years, economists and commentators have depicted the continent of Africa as an economic basket case, a caldron of hunger, joblessness, corruption and despair where living standards have barely risen. Certainly, the figures on gross domestic product, the standard measure of growth and income confirms this widespread opinion. Between 1960 and 1999, per capita GDP in the world’s more developed countries rose from $13,000 to $31,000. During the same period, it rose from $477 to just $561, about $1.50 a day, in sub-Saharan Africa. But does this necessarily mean that most Africans have seen little improvement in their quality of life? The answer is hardly. Our image of African stagnation is closely tied to our fixation with GDP, Kenny suggests, producing a highly distorted picture of reality. “The biggest success of development has not been making people richer but, rather…making the things that really matter—things like health and education—cheaper and more widely available,” he contends.

Vanuatu, one of the small Island States in South Pacific composed of 83 islands with a population of 200,000 people, highly vulnerable to climate change, is illustrative. They are among the happiest people on earth, according to a wave
of recent articles. The Guardian ranked the UK the 108th, and the United States the 150th, among the 178 nations rated by the “Happy Planet Index.” However, there is a problem. No one has asked Vanuatuans how happy they are. It is hard to believe that considering the enormous danger of climate change to the future of Vanuatu that it can possibly be the happiest place on earth. The ranking is based on extrapolating happiness levels from other countries. The ranking would have different had the group sought to determine which nations are the happiest, rather than coming up with an “efficiency” score that took into account resource consumption. Recently, many surveys have been devoted to considering why the people living in the developed world are not as happy as overall economic conditions would suggest. There are other statistics such as World Values Survey, or Global Footprint Network based on environmental impact numbers that give different results than are derived from satisfaction scores taken around the globe.

Individualism is one of the most important virtues of the western liberalism and capitalism. Recently it is subject to questioning now, emphasizing what makes people happy, and what makes countries successful. According to Angus Deaton, money does not necessarily make much of a difference in gauging our happiness, which is distinct from our feeling of satisfaction. Third world countries and indigenous communities are far more aware of sentiments of community-oriented happiness than their richer Western counterparts. Now, the developed world is beginning to understand how to live much more meaningful lives than what modernity and enlightenment had presented to them. As renowned economist Joseph Stiglitz puts it: “You might say, if we have unemployment, don’t worry, we’ll just compensate the person, but that does not compensate the person. Losing a job can have repercussions that affect a person’s social connections (one main driver of human happiness, regardless of country).”

For a long time, evaluating countries’ development and economic success based on GDP has been the only way to evaluate so far as mainstream economists and policy makers are concerned. GDP is the aggregated added value of all money-based economic activities and it is the best-known measure of macroeconomic activity. It was developed in the 1930s and is used by political decision-makers worldwide and referred to in public discussions. GDP has come to take on the role of a comprehensive indicator for overall societal development and progress in general. However, it does not provide a reliable basis for policy debate on every issue. In particular, GDP does not measure environmental sustainability or social integration.

There is an increasing awareness of the need for improved data and indicators to complement GDP. This awareness forms, the basis of a number of international initiatives. In November 2007, the European Parliament together with the European Commission, the Club of Rome, the WWF and the OECD, held a conference entitled “Beyond GDP”. At this conference, there was broad support by policy-makers and experts from the fields of economics, environmental protection and civil society for the development of indicators to complement GDP, providing more comprehensive information related to wellbeing to support policy-making.
A Group of notable economists, including Joseph Stiglitz, Amartya Sen and Jean-Paul Fitoussi argue in another book, Mismeasuring Our Lives: Why GDP Doesn’t add up, that GDP is a deeply flawed indicator of well-being. Their book is a streamlined version of the final report produced by the “Commission on the Measurement of Economic Performance and Social Progress”, which was created in 2008 by the French President Nicholas Sarkozy to identify the limits of GDP and to take into account outline new metrics such as education, gender equality and environmental sustainability.29

Growing international recognition takes note of the limits of GDP as an indicator of social progress, natural resources and eco-system services, major transformations like those ensuing from climate change and sustainable development acknowledges progress made in different policy arenas, such as the UNDP, the WB and OECD, with respect to the development of indicators to measure and analyze progress. Many European countries have expanded their “productivity” measures to focus on wellbeing rather than merely economic growth.

Several countries in the developed world have taken note of this initiative. In the United Kingdom, Prime Minister David Cameron recently directed the Office for National Statistics to conduct a nationwide survey asking citizens what they believe should be used to measure happiness, with the goal of formulating policy “focused not just on the bottom line, but on all those things that make life worthwhile.” In Germany, the Bundestag has established a commission on “Growth, Prosperity, Quality of Life” to develop a more holistic measure of progress. Reforms are under way in Italy, Australia, South Korea, Canada and the United States, where a project called State of the USA, supported by the National Academy of Sciences and numerous prominent foundations, has begun to track some alternative indicators of progress, which will eventually be accessible to citizens online.

There is a firm understanding among economists and policy makers that there is a disconnect between growth and development oriented measures of national income and how people feel about their lives.30 However, it is challenging to develop a clear and comprehensible set of indicators that are at the same time theoretically consistent, politically relevant and empirically measurable and ensure comparability between countries and regions. It is also fair to point out that some universal criteria of wellbeing applicable to all societies as an alternative to GDP is not realistic. Up to now, there is no initiative to develop a set of common standards that is accepted widely enough that it could replace GDP.31 It is a notable development in Western countries to explore alternative measures to GDP. It is time to consider similar initiative to evaluate LDCs in a more qualitatively perceptive manner. Even though present indicators of progress in the LDCs are not based solely on GDP, it is time to start measuring progress in the LDCs by reference to a sustainable development index or by a greater reliance on the United Nation Development Program’s (UNDP) Human Development Index.
What about the Human Development Index?

In 1990, the UNDP published its first *Human Development Report*, containing its newly devised Human Development Index. The premise of HDI, considered radical at the time, was elegantly simple. National development should be measured not simply by national income, as had long been the practice, but also by life expectancy and literacy. The most recent Human Development Report of 2010 had its shortcomings, as the Report’s authors forthrightly acknowledge including a reliance on national averages which conceals skewed distributions and the absence of “a quantitative measure of human freedom.” Yet, it successfully advanced the Report’s central thesis, stated succinctly in its first sentence: “People are the real wealth of a nation.”

“Human development” accounting proposed a systematic examination of a wealth of information about how human beings in each society live and what substantive freedoms they enjoy. So a simple index, the Human Development Index (HDI), was devised explicitly as a rival to GDP and concentrating only on longevity, basic education and minimal income. Not surprisingly, the HDI, which proves to be very popular in public discussion, has a crudeness that in some respects parallels the limitations of reliance on GDP.

It is now almost universally accepted that a country’s success or an individual’s wellbeing cannot be evaluated by only monetary criteria alone. Income is of course crucial: without resources, any progress is difficult. Yet, we must also gauge whether people can lead long and healthy lives, whether they have the opportunity to be educated and whether they are free to use their knowledge and talents to shape their own destinies. That was the original vision and remains the great achievement of the creators of the *Human Development Reports*, Mahbub ul-Haq of Pakistan and his close friend and collaborator, Amartya Sen of India, working in collaboration with other leading development thinkers.

On one crucial point, the evidence is compelling and clear: there is much that countries can do to improve the quality of people’s lives even under adverse material circumstances. Many countries have made great gains in health and education despite only modest growth in income, while some countries with strong economic performance over the decades have failed to make similarly impressive progress in life expectancy, schooling and overall living standards. Improvements are never automatic; they require political will, courageous and imaginative leadership and the continuing commitment of the international community.

This Report shows significant progress by most countries in most areas, with the poorest countries often showing the largest gains. Not all the trends are positive, as we know well. Unfortunately, several countries have moved backwards in absolute HDI achievement since the first Report in 1990. These countries have experienced the devastating impacts of conflict, the AIDS epidemic, and have been
victimized by economic and political mismanagement. Most of them suffered from more than one, if not all, these burdens on sustainable development. Three new measures, depicting multidimensional inequality, gender disparities, and extreme deprivation, are introduced in the 2010 Report. Many of the analytical and statistical challenges identified in the original 1990 Report continue to confront us today.

The world has moved on since 1990. There have been many gains, e.g. in literacy but the human development approach is motivationally committed to concentrating on what remains undone, what demands most attention in the contemporary world, from poverty and deprivation to inequality and insecurity.

As it happens, the new challenges being faced have also intensified in recent years—for example, those surrounding the conservation of our environment and the sustainability of our wellbeing and substantive freedom, and most prominently, climate change.

The 1990 HDR began with a clear definition of human development as a process of “enlarging people’s choices,” emphasizing the freedom to be healthy, educated and to enjoy a decent standard of living. But, it also insisted that human development and wellbeing went far beyond these dimensions to encompass a much broader range of capabilities, including political freedoms, human rights and echoing Adam Smith, “the ability to go about without shame.” Its enthusiastic reception by governments, civil society, researchers and the media demonstrated the deep resonance of this innovative approach in the development community and beyond.

Almost all countries have benefited from this progress. Of 135 countries in 1970–2010, with 92 percent of the world’s people, only three—the Democratic Republic of the Congo, Zambia and Zimbabwe have a lower HDI today than in 1970. Overall, poor countries are catching up with rich countries according to the HDI. Those experiencing the slowest progress are countries in Sub-Saharan Africa hit hard by the HIV epidemic and countries formed in the aftermath of the collapse of the Soviet Union have been enduring increased adult mortality. Not all countries have progressed rapidly, and the variations are striking. Over the past 40 years, a quarter of developing countries saw their HDI increase less than 20 percent, another quarter, more than 65 percent. These differences partly reflect different starting points. Less developed countries have on average faster progress in health and education than more developed ones do. But half of the variation in HDI performance is unexplained by the initial HDI, and countries with similar starting points experience remarkably different evolutions, suggesting that country factors such as policies, institutions, resources and geography are important.
Poster Child for a Failed State and Colonial Destruction: Tragedy of Somalia

Somalia’s recent tragedy is an unfortunate example of how things could go really wrong. In 2011, the worst humanitarian crises hit the horn of Africa, leaving 12.4 million people at risk of starvation. 4.8 Million of Ethiopians, 3.7 Million Kenyans have no food security due to drought. Somalia is in the worst shape among the countries situated in horn of Africa. 25 percent of Somalia’s 7.5 million people are displaced. Somalia’s problem does not only arise from starvation. For almost two decades, Somalia has not a central government and Somalis has been in the scene of uncontrolled violence and crime since the collapse of Siad Barre regime in 1991. While struggling with survival because of drought that created emergency conditions, Somalis also find themselves stuck in the middle of clashes between Islamist insurgents (Al-Shabab) and the Somalia government, along with the AMISOM forces that induced many Somalis to flee their homes.

As a cumulative result of endemic poverty, decades of violence, the lack of viable governance structure, poor land use practices, dramatic environmental degradation and impact of climate change, the country has almost collapsed. In July 20, 2011 the United Nations has officially declared that a famine exists in parts of Somalia for the first time this century, including Mogadishu and four southern regions of the country. Tens of thousands have died and hundreds of thousands have fled in a crisis that has also hit Djibouti, Ethiopia, Kenya, South Sudan, Sudan and Uganda. There were not enough financial resources to provide even emergency assistance, and even has this been provided, it will not solve the underlying problems of the country. “What is also needed a long-term sustainable approach,” said the Minister of Agriculture Abdullahi Haji Hassan. Somalia is a wake up call for international community. If business as usual policies continue to prevail, and the warning signals of emergency are ignored, it is possible that many LDCs will be trapped one way or another in a situation as serious as that confronting Somalia.

Climate Changezzzz

Even though the impact of climate change is notoriously unpredictable, it is quite well known that sub-Saharan Africa is one of the most vulnerable regions in the world. Having said that, the impact of climate change will not be evenly spread across Africa, as is the case also for many other parts of the world. Regions in moist or dry savannah are vulnerable to higher temperature, and less rainfall, while lands in humid and forest areas can become more productive even when faced with severe climate change.

Drought has often caused suffering among the peoples of East Africa. Therefore, “climate skeptics” insist that the recent tragedy has nothing to do with climate change. However, according to the former executive director of UNEP,
Klaus Toepfer, “Drought is a natural climatic phenomenon. What has dramatically changed in recent decades is the ability of nature to supply essential services like water and moisture during hard times. This is because so much of nature’s water and rain supplying services have been damaged, destroyed or cleared. These facts are especially poignant when you factor in the impact of climate change which is triggering more extreme weather events like droughts.” Such reasoning helps us understand why climate change is important, and how human induced environmental damage might cause severe consequences. But for climate skeptic it is diversionary to investigate whether Somali’s famine is connected with climate change. Climate skeptics are adept at manipulating meteorological statistics to allege that the bad conditions just reflect a recurrence of weather conditions that Africa has frequently experienced over the course of its history.

Starting from the early 2000s, the climate has been particularly harsh in Somalia. Particularly in 2007, first, the heavy rains caused flooding in central Somalia as well as the droughts in the other parties. Too much and too little rainfall caused a lot of problems that affected both people and animals. The rainy season itself was a disappointment, and water shortages made it impossible to replenish the reservoirs. As a result, cereal production in the year of 2009 dropped to 30 percent of the average for the last decade. An increase in population growth by 3.2 percent each year placed an additional strain on food availability, and in turn led to more conflict and environmental degradation in a society heavily dependent on natural resources.

When separately considered these factors seem formidable by themselves. Evidence suggest that climate change is likely to compound these existing vulnerabilities, making future crises like the current famine even more severe. Experts agree that Africa is especially vulnerable to climate change due to its dependency on natural resources, poverty, weak governance structure and particularly great susceptibility to global warming. Somalia, at the extreme of all of these problems, will have a great difficulty adapting to the consequences of climate change as they increase further in impact. Even so, even implementing micro-level changes in the interactions of Somalis with their environment can stave off or minimize some of the most damaging consequences of climate change.

Little research has been done to examine the consequences of climate change for Somalia or how it can adapt to a harsh environment. Awareness is growing among Somalis themselves about climate change. Moreover, African farmers and herdsmen are known for their adaptability to changing environmental conditions with remarkable resilience. But where individual ingenuity fails, Somalia lacks the institutions and governmental structure needed to protect the population from the ravages of increased food insecurity. UN agencies such as UNHCR, UNICEF and FAO have stepped in to fill this vacuum in the present emergency, but their operations have been curtailed by the unwillingness of Al-Shabab, an extremist armed Islamist group to allow Western based institutions into territory under their control. A shift towards non-western institutions or African origin NGOs could provide a more palatable option for extremist groups like al-Shabab.
Other Natural Disasters and Depletion of Fish Stocks

Somalia has experienced other natural disasters in the last several years. In December 2004, Somalis lost their fishing fleet due to an earthquake that had its epicenter almost 5000 kilometers away from their territory; yet, the tsunami produced completely destroyed Somali coastal areas. Many Somalis left their homes to go inland with the hope of starting a new life. This did not happen. The interior of the country did not give the newcomers a warm welcome. Some remained in their coastal villages and piracy became their new economic activity adopted as a personal survival strategy. It was at this point that the international community became familiar with Somalia’s problems. Without inquiring further into why Somalis became pirates in the twenty-first century, they tried to find a solution to protect their own interests through the international military cooperation to guard maritime commercial route in the Indian Ocean.

Actually, piracy started in a serious way as a response to illegal foreign fishing and toxic dumping. With no patrols along its shoreline after the collapse of government in 1991, Somalia became a dumping area for the developed world’s toxic wastes. Western economic actors were desperate to discover places to escape from strict and expensive environmental regulations in their own countries that regulated the discharge of their industrial wastes. As a result, the lives and livelihoods of Somali fishermen along Somalia, 3333-km coast were being seriously jeopardized.

At the same time, Somalia’s tuna-rich waters were being plundered by commercial fishing fleets from around the world. Somali fishermen armed themselves and turned into vigilantes by confronting illegal fishing boats and demanding that they pay a tax. For a long time, African coasts were exploited by the lucrative fishing industry that serviced European markets. The combination of depleted fish stocks because of the environmental pollution and overfishing by high tech long distance fishing fleets of the Western countries, and the collapse of African coastal villages gave Somalis little choice other than to engage in piracy.

Turkey’s Aid to Somalia, and Leadership to the LDC

For all these reasons, combined with the abject poverty of the country, Somalia has become the poster child for failed states, environmental disaster and human misery. Somalia has come to be regarded as one of the most dangerous countries in the world, both because of these extreme internal conditions and its role as a base for international terrorism. Despite these perceptions, the Turkish Foreign Minister observed during the Turkish Government’s state visit to Somalia in August 2011 in relation that “there is no reason that Somalia could not recover from its problems.”
It was in this context that the Turkish Prime Minister, Recep Tayyip Erdogan, took the highly unusual step of visiting Somalia in the company of several ministers in his cabinet, their families and a group of Turkish business leaders. Somalia is a country that no Western leader has dared to enter over the course of the last 20 years, presumably put off by the chaos and unrest, as well as the threats posed by religious extremists, warlords, criminal gangs, along with risks associated with several lethal infectious diseases that were spreading rapidly in the country.

There are several important symbolic and functional reasons that have been expressed to explain the timing and purpose of this high profile diplomatic event outside of Turkey’s normal orbit of diplomatic activity. “The purpose of the visit was first symbolic” Erdogan declared. “There was a perception that nobody can go to Mogadishu; we try to destroy the perception. We came, many others can come.”

A more important reason has to do with Turkey’s leadership of the UN LDCs program in the near future. Somalia may well be the most afflicted of all the 48 LDCs, and so singling them out in this way calls attention to the broader concern with world poverty. After all, the LDC summit was held under Turkish auspices because Ankara had expressed its willingness to take on the responsibility for shaping UN policy towards these “poorest of the poor” during the next 10 years. In view of this initiative, it would have been difficult for the Turkish government to close its eyes to the terrible situation in Somalia, and seemed incompatible with their professed desire to do everything possible to help address the challenges faced by this group of countries.

Even though there was disappointing participation by western donor countries, some 6,000 government, civil society and business participants attended the LDC meeting held in Istanbul this May. Turkey became the host of the conference through a major diplomatic effort, while with Austria for the role, and in the end managing to get a unanimous support for hosting the event. This was one of the areas in foreign policy that Turkey strongly feels the need of changing if it is to make good on its ambition to exercise regional leadership and be recognized as a global player. The architect of the new foreign policy, the Minister of Foreign Affairs Ahmet Davutoglu, did not hesitate to transform Turkey’s traditional foreign policy based on being a passive partner to western powers through the adoption of an ambitious and pro-active agenda in the region and beyond. The LDC’s leadership is one dimension of this policy, assuming an active risk and related responsibility to work on peace and development in areas that have been virtually ignored by the international community for a long time.

The participation of the civil society and private sector in the LDC-IV process in Istanbul was impressive. It brought a bottom-up character of the process, bringing the rich experiences and lessons from the ground, thereby ensuring a more inclusive and critical assessment of the UN Programs and commitments of the parties. Doctors Worldwide Turkey represented the civil society leg of the Istanbul meeting and they declared their own LDC Declaration parallel to official UN
Declaration. Under the civil society umbrella, for the first time in LDC process, the Turkish government established an international Intellectuals Forum to bring together a group of independent academics, who work on various issues that are closely related to the conditions of the LDCs. The initiative had a strong mandate: “business as usual policy will be abandoned and a new approach will be discussed.” The declaration of Intellectual Forum set forth a critique of the official UN language and its established policy based on donations from developed countries rather than a comprehensive approach to make countries part of the process and an active partner rather than a passive receiver.

In 2010 one of the preparatory meetings of the LDC, Mr. Davutoğlu stated that: “LDCs have been facing serious challenges in meeting internationally agreed development goals, including those contained in the Millennium Declaration. Many LDCs have yet to provide their people with safe drinking water, electricity, access to health facilities and education, which are essential human needs. They are utterly caught in the vicious trap of poverty and hunger. These challenges are further exacerbated by recent developments such as the global economic and financial crises, food security and energy security, as well as climate change. In light of these manifold challenges, some longstanding and some new, our efforts must be focused on increasing LDCs’ resilience by enhancing human, institutional and productive capacities through strengthened international support measures for sustained and inclusive economic growth and development. The international community cannot remain indifferent and continue with a ‘business as usual’ attitude, any longer.” In fact, the message has always been very simple and continuous throughout human history. ‘Help the needy and defend their rights.’ It’s in the Torah; it’s in the Prophets, it is in the Koran, it is in the Gospels; ‘Open your mouth for the dumb, for the rights of all the unfortunate. Open your mouth, judge righteously, and defend the rights of the afflicted and needy’,,” the academic-turned minister said.

In light of the Minister’s speech, the Turkish initiative associated with the recent visit to Somalia is a brilliant and brave consciousness-raising step. The real test of its worth will come during the coming years when Turkey will be under a self-imposed pressure to take the lead in exhibiting this empathy for the most deprived segments of humanity along with increased sensitivity to the seriousness of the climate change dimensions. Of course, Turkey’s role should not provide a free ride to other countries, including those in Europe, North America, and Asia that have the resources and responsibilities to act as world citizens in an era of ever increasing globalization both in relation to pursuing economic policies that do reduce world poverty and taking on climate change for which their past and present activities are primarily responsible.
NOTES

2 The NIEO initiative was an outcome of the “Non-Aligned Movement (NAM)” Conference held at Algiers in September 1973.
3 In the case of 2006 review, the WB thresholds for low-income countries were $900.
4 An indicator of health and nutrition such as mortality rate or children under age 5; secondary school enrollment and adult literacy rate.
5 Economic vulnerability to trade and natural shocks are major obstacles. Indicators are such as population size, remoteness, merchandise export concentration, share of agriculture, forestry and fisheries in GDP, instability of agricultural product and instability of exports of goods and service.
7 UN Recognition of the least Developed Countries: http://www.unctad.org/templates/Page.asp?intItemId=3618&lang=1
8 For the graduation process see: http://www.un.org/esa/analysis/devplan/profile/criteria.html
10 http://world-poverty.org/default.aspx
13 Kingdom of Eritrea was the only independent country in 1945 in Africa.
14 www.worldclimate.org, 2004
17 Ben Johnston, “Poverty and Colonialism”.
18 There is an excellent book on the way in which developing world plundered by the West throughout the colonial history and this policy is still existing by the imperialist world using the rule of law metaphore. See: *Plunder: When the Rule of Law is Illegal*, by Ugo Mattei and Laura Nader, 2008, Wiley-Blackwell,
19 Charles Mangongera, “Should we Blame Colonialism?” Online Article:
20 Charles Mangongera, “Should we Blame Colonialism?”
21 Charles Mangongera, “Should we Blame Colonialism?”.
22 UNAIDS, 2004
23 Ben Johnson, “Poverty and Colonialism”
26 *Getting Better.*
30 Alan Krueger. Cited in Press
31 Enrico Giovanni, id.
pdf
33 For the impact of climate change on pastoral society of Somaliland see a report of
2009. Available at: http://www.global-greenhouse-warming.com/somalia-and-climate-
change.html
34 Climate change on pastoral society of Somalia report of 2009
35 See: http://www.ldcistanbul.org/
36 For the Istanbul Declaration of Intellectuals Forum see: http://www.ldcintellectuals.org/EN/
37 *India Times*, March, 2010