



europa
social fund in the
czech republic



EUROPEAN UNION



MINISTRY OF EDUCATION,
YOUTH AND SPORTS



OP Education
for Competitiveness



UNIVERSITY
OF DEFENCE

INVESTMENTS IN EDUCATION DEVELOPMENT

Course: World Economy

Contents

The aim of the lecture is to describe Developing countries and their position in the world economy. Text is an overview of information resources for students (including links to official sources and supplement materials (green box)).

Content:

- 1) introduction – defining of developing countries
- 2) classifications of countries

There are no general definitions of “developed” and “developing” countries.

„In the early 1960s, growing concerns about the place of developing countries in international trade led many of these countries to call for the convening of a full-fledged conference specifically devoted to tackling these problems and identifying appropriate international actions. The first United Nations Conference on Trade and Development (UNCTAD) was held in Geneva in 1964. Agreements launched by UNCTAD during this time include: the **Generalized System of Preferences (1968)**, whereby developed economies grant improved market access to exports from developing countries a number of **International Commodities Agreements**, which aimed at stabilizing the prices of export products crucial for developing countries. The Convention on a **Code of Conduct for Liner Conferences**, which strengthened the ability of developing countries to maintain national merchant fleets. the adoption of a Set of Multilaterally Agreed Equitable Principles and Rules for the **Control of Restrictive Business Practices**“¹.

More detailed information for students (history, member states)

<http://unctad.org/en/Pages/About%20UNCTAD/A-Brief-History-of-UNCTAD.aspx>

1967 - The Group of 77 of the poor countries of Asia, Africa and Latin America.

<http://www.g77.org/doc/>

The Group of 77 (G-77) was established on 15 June 1964 by seventy-seven developing countries signatories of the “Joint Declaration of the Seventy-Seven Developing Countries” issued at the end of the first session of the United Nations Conference on Trade and Development (UNCTAD) in Geneva².

Geographically, it is the definition of developing countries can be observed on three continents-South America, Africa and Asia--excluding Japan, Australia and New Zealand.

¹ <http://unctad.org/en/Pages/About%20UNCTAD/A-Brief-History-of-UNCTAD.aspx>

² <http://www.g77.org/doc/>

Classification

Income group: Economies are divided according to 2012 GNI per capita, calculated using the World Bank Atlas method. The groups are: low income, \$1,035 or less; lower middle income, \$1,036 - \$4,085; upper middle income, \$4,086 - \$12,615; and high income, \$12,616 or more.

Lending category: IDA countries are those that had a per capita income in 2012 of less than \$1,205 and lack the financial ability to borrow from IBRD. IDA loans are deeply concessional—interest-free loans and grants for programs aimed at boosting economic growth and improving living conditions. IBRD loans are nonconcessional. Blend countries are eligible for IDA loans because of their low per capita incomes but are also eligible for IBRD loans because they are financially creditworthy³.

<http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=world-development-indicators>

Human Development Index (HDI)

“The HDI was created to emphasize that people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone. The HDI can also be used to question national policy choices, asking how two countries with the same level of GNI per capita can end up with different human development outcomes. These contrasts can stimulate debate about government policy priorities. The Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and have a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions”⁴.

<http://hdr.undp.org/en/statistics/hdi>

³ <http://data.worldbank.org/about/country-classifications>

⁴ <http://hdr.undp.org/en/content/human-development-index-hdi>

Human Development Index and its components – ranking

<http://hdr.undp.org/en/content/table-1-human-development-index-and-its-components>

IMF - Emerging market and developing economies

<http://www.imf.org/external/pubs/ft/weo/2013/01/weodata/weoselagr.aspx#a200>

UN

“Since 1971, the United Nations has recognized "least developed countries" (LDCs) as a category of States that are deemed highly disadvantaged in their development process, for structural, historical and also geographical reasons. LDCs face more than other countries the risk of deeper poverty and remaining in a situation of underdevelopment. More than 75 per cent of the LDCs' population still live in poverty. These countries are also characterized by their vulnerability to external economic shocks, natural and man-made disasters and communicable diseases. As such, the LDCs are in need of the highest degree of attention from the international community. Currently, the 48 LDCs comprise around 880 million people, 12 per cent of the world population, which face severe structural impediments to growth. However, the LDCs account for less than 2 per cent of world GDP and around 1 per cent of world trade”⁵.

Currently, 31 countries belong to the Group of landlocked developing countries (LLDCs): 15 are located in Africa, 12 in Asia, 2 in Latin America and 2 in Central and Eastern Europe. The lack of territorial access to the sea poses persistent challenges to growth and development of these countries and has been the main factor hindering their ability to better integrate in the global trading system. The transit of export and import goods through the territory of at least one neighboring State and the frequent change of mode of transport result in high transaction costs and reduced international competitiveness⁶.

⁵ <http://unctad.org/en/Pages/ALDC/Least%20Developed%20Countries/LDCs.aspx>

⁶ <http://unctad.org/en/Pages/ALDC/Landlocked%20Developing%20Countries/UN-recognition-of-the-problems-of-land-locked-developing-countries.aspx>

ADAMCOVÁ, Lenka a Tereza NĚMEČKOVÁ. Rozvojová ekonomika. Vyd. 1. V Praze: Oeconomica, 2009, 345 s. ISBN 978-80-245-1515-1.

KUNEŠOVÁ, Hana. Světová ekonomika: nové jevy a perspektivy. 2., dopl. a přeprac. vyd. V Praze: C.H. Beck, 2006, xviii, 319 s. ISBN 80-7179-455-4.

A Brief History of UNCTAD. [online]. 2014 [cit. 2014-11-11]. Dostupné z: <http://unctad.org/en/Pages/About%20UNCTAD/A-Brief-History-of-UNCTAD.aspx>

About the Group of 77. [online]. 2014 [cit. 2014-11-11]. Dostupné z: <http://www.g77.org/doc/>

Country and Lending Groups. [online]. 2014 [cit. 2014-11-11]. Dostupné z: <http://data.worldbank.org/about/country-classifications>

Human Development Index. [online]. 2014 [cit. 2014-11-11]. Dostupné z: <http://hdr.undp.org/en/content/human-development-index-hdi>

Least Developed Countries (LDCs). [online]. 2014 [cit. 2014-11-11]. Dostupné z: <http://unctad.org/en/Pages/ALDC/Least%20Developed%20Countries/LDCs.aspx>

Landlocked Developing Countries (LLDCs). [online]. 2014 [cit. 2014-11-11]. Dostupné z: <http://unctad.org/en/Pages/ALDC/Landlocked%20Developing%20Countries/UN-recognition-of-the-problems-of-land-locked-developing-countries.aspx>