

‘Developing countries’, a convenient and resilient fiction?

Developing?

The term ‘developing countries’ remains quite popular and has been widely used for decades. To such an extent that, logically, people should think that because they have been ‘developing’, these countries should have been developed long ago!

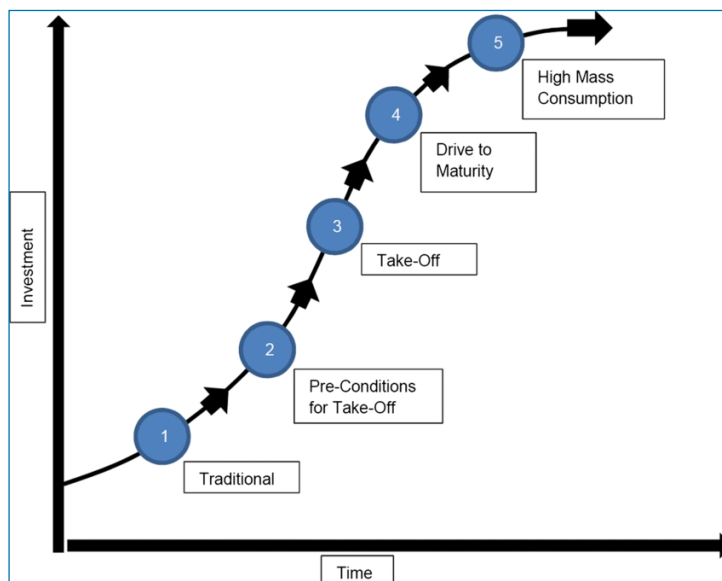
Yet, this far from being the case.

So could it be that the concept of ‘developing country’ were a convenient fiction for hiding a reality by draping it with a promising optimism in which poor countries should be in a position to catch up with the rich ones? In any case, it is ambiguous, encompasses countries in very different conditions and is of little real analytical value. It may, however, have a symbolic weight that explains, perhaps, its sustained use in political narratives [\[read\]](#).

Other expressions frequently used in the past, such as ‘Third World’ or ‘less advanced countries’ did not stand so well the test of time, maybe because of their possible negative connotation.

In reality, a great part of these terms used for qualifying countries have been inherited from the theory articulated by Rostow in the 1950s, that stipulated that development was a process made of a series of ‘development stages’ (**Figure 1**) that all countries had to follow, on the pattern experienced by those countries now called ‘developed’ or ‘industrial’ [\[read\]](#).

Figure 1 The stages of development according to Rostow



Source: [Potter et al., 1999](#).

However, this theory has now been considered obsolete for long and a recent report by one of the main UN agencies stated that “The development paths followed by high-income countries are not replicable in low- and middle-income countries...” as “Past conditions are no longer available” and “Very few low- and middle-income countries [...], perhaps none, will have the possibility of achieving hegemonic power and the status of empires that many HICs made use of to benefit their well-being and welfare” [\[read p. xix\]](#).

But what about it? What about development? Which countries are really ‘developing’ today? Do ‘developing countries’ catch up with the ‘developed’ ones?

What exactly is development?

First, let’s see how development has been defined.

The World Bank proposes to use GDP (Gross Domestic Product), whether total or per person, as simple and only indicator of development. In other words, it is the level of production of a country that would determine its level of development, this production being taken as the value added generated annually by the country¹.

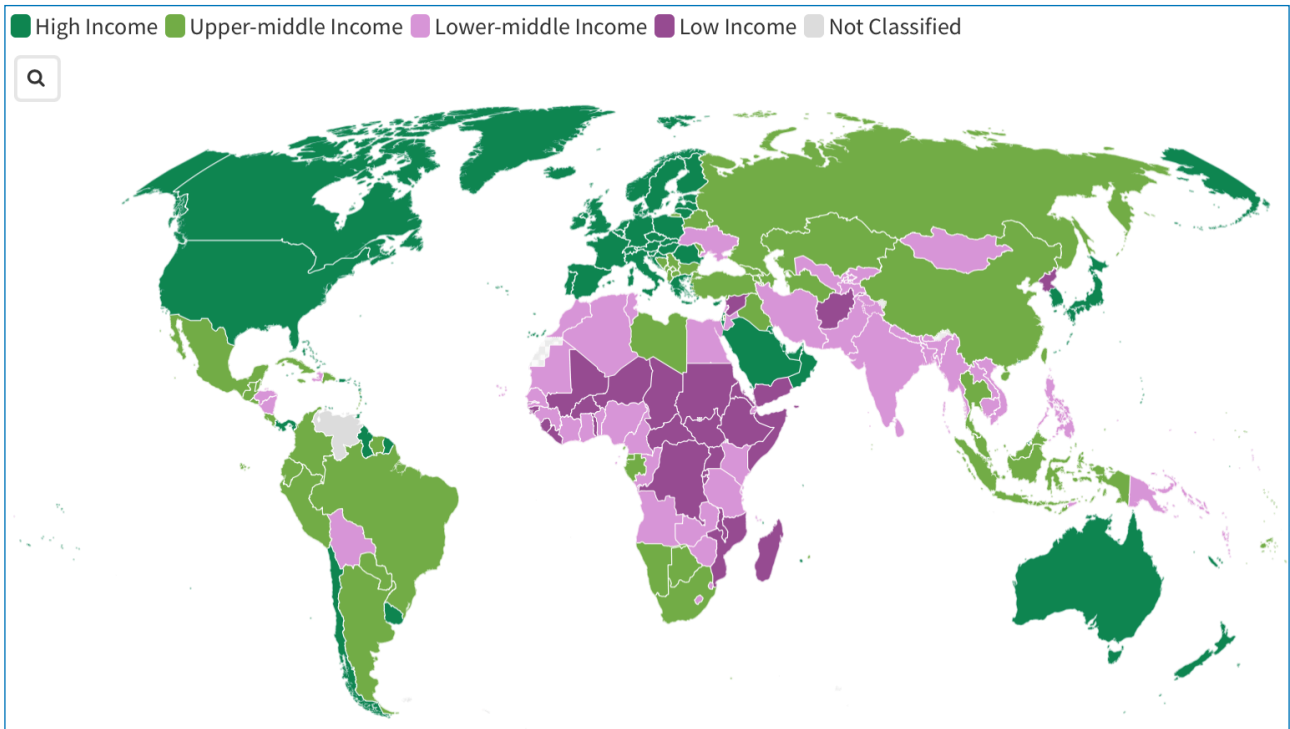
This indicator has been strongly criticized as a measure of development (a country living from the extraction of its natural resources can appear to be more ‘developed’ than one with a solid diversified economy). It can also be challenged as a useful indicator of wealth as a country producing mostly weapons could be considered richer than a country the production of which is mainly geared towards the well-being of its population. Similarly, a country accumulating money by squandering its natural resources that will not last for ever, would seem richer (and more developed) than another with a more sustainable economy.

The World Bank uses this indicator to classify countries in 4 main income categories (income being measured in GDP/person): high income, upper middle-income, lower middle-income and low-income [\[read\]](#) (**Figure 2**) (see the composition of these groups for 2024 in annex), and abandoned from 2016 the terms ‘developed country’ and ‘developing country’. This classification, which can be considered as simplistic, has been strongly criticized for its poor analytical value [\[read here, for instance\]](#).

For their part, in 1990, the United Nations proposed the Human Development Index (HDI) for which “National development should be measured not only by income per capita, as had long been the practice, but also by health and education achievements.” (**Figure 3**). In 2010, this index was complemented by three additional indices: “The Multidimensional Poverty Index (MPI), the Inequality-adjusted Human Development Index (IHDI) and the Gender Inequality Index (GII)” [\[read p. 1\]](#).

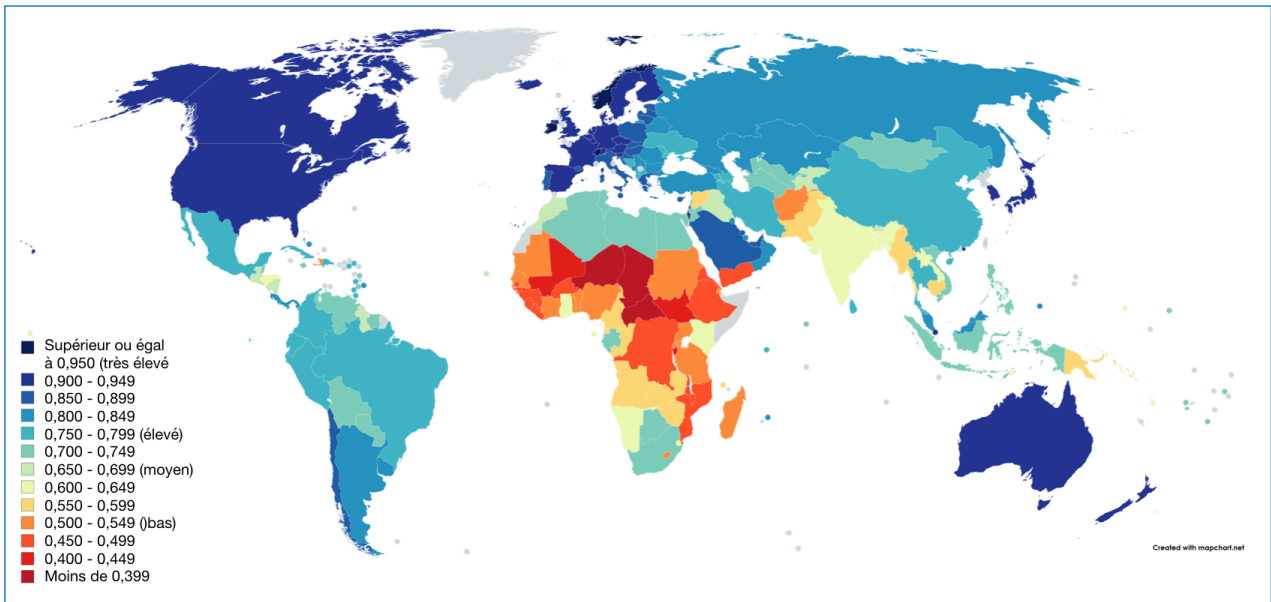
¹ Value added is defined by the difference between the final value of production less the value of intermediate consumption. At firm level, it is the difference between sales of produce minus the value of the material goods purchased.

Figure 2 Classification of countries according to income (World Bank, 2022)



Source: [Hamade et al., 2023](#).

Figure 3 Country classification according to the Human Development Index (HDI) of the United Nations (2020)



Source: [Reddit](#).

The comparison of the maps obtained by using these two classifications shows some similarity, with, however, several important differences that illustrate the fact that if wealth matters for development (and this will be no surprise for anyone), the economic and social policies adopted by countries are of crucial importance for the way the population experiences development, particularly in its daily dimension of health and education.

Evidently, wealth, education and health are not sufficient alone to qualify completely the development level of a country. Cultural, political and environmental aspects matter as well in describing people's quality of life. These dimensions had been considered at least in part when the concept of sustainable development was coined, back in the 1990s [[read p. 2](#)] or when Bhutan defined their Gross National Happiness Index [[read](#)], but these efforts have not (yet) led to taking into account these additional dimensions to better measure the level of development achieved by a country at a point in time.

Tracking development? (method)

As the words 'developing country' gives an idea of evolution, of dynamics, this article will explore changes observed in some important areas, so as to assess to what degree 'developing countries' are really following a development path.

Conducting this analysis country by country would imply a task that is out of reach for hungerexplained.org. The challenge is therefore to try and regroup to the extent possible similar countries.

One possibility would have been to take, for example, OECD countries (the rich countries' club), BRICS (or BRICS+) countries (emerging countries), and the rest of the world. For this too, the job would have been quite complex and requiring the mobilization of a huge volume of data.

By default, the choice was therefore to use the grouping by level of income of the World Bank, particularly because the World Bank database on World Development Indicators [[consult](#)] includes quantitative information for its four main country groupings. The key limitation of this choice is that the composition of these groups (see in annexe) changes over time, thus possibly creating some bias in the analysis, and - as already mentioned earlier - these groups gather very different countries.

Once this choice made, the work required was consequently limited to selecting the most relevant indicators (and the best informed among them - several indicators only have little data, unfortunately) and analysing them.

This is what the rest of this article does.

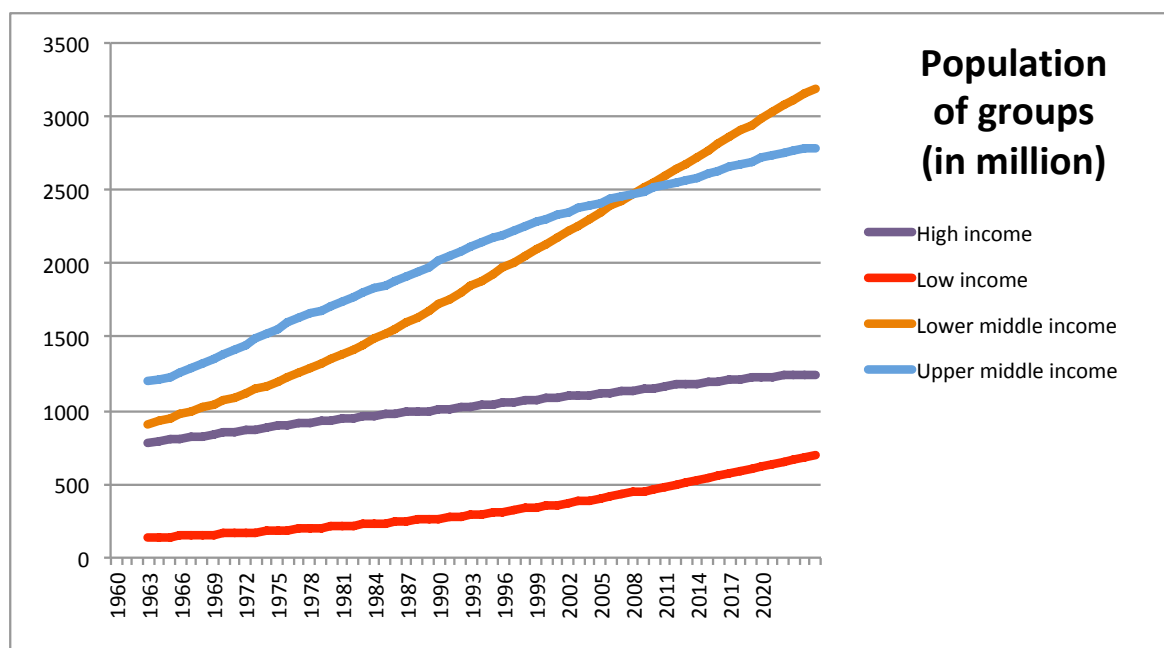
Demographic weight of the groups and its evolution

Figure 4 shows the demographic size of the four groups considered in the analysis.

In 1960, the high-income, upper middle-income, lower middle-income and low-income groups represented respectively 26%, 40%, 30% and 4% of world population. In 2022, these proportions had changed respectively to become 16%, 35%, 40% and 9%.

This evolution is a result of demographic changes as well as variations of the value of GDP/person. It illustrates an amplification of income inequality in the world, something that the World Bank has mentioned repeatedly [[read here, for example](#)].

Figure 4 Demographic weight of the World Bank income groups (1960-2022)



Source: [World Bank data](#)

Did poor countries catch up with rich countries?

Figure 5 shows that, in fact, the gap between the group of low-income countries and other groups increased regularly instead of decreasing over the 1960-2022 period.

In 1981, the GDP/person in the high-income group was 31 times bigger than for low-income countries. In 2022, this ratio rose to 58 times, the difference between the two more than doubling to reach \$43,000 per person! The income gap also grew with other groups (it increased by 48% to 98%, depending on the group, the difference becoming higher as one moves to lower income groups). In short, the gap between groups expanded.

For instance, between 1981 and 2022, the low-income group has seen its average income/person (measured in constant 2015 US dollars, so as to eliminate inflation) grow by only 8%, while it doubled for the high-income group. For the middle-income groups, it was multiplied by 2.5 for the lower middle-income group, and by more than 4 for the upper middle-income group. Inequality therefore increased at all levels (see **Figure 5**, upper left corner).

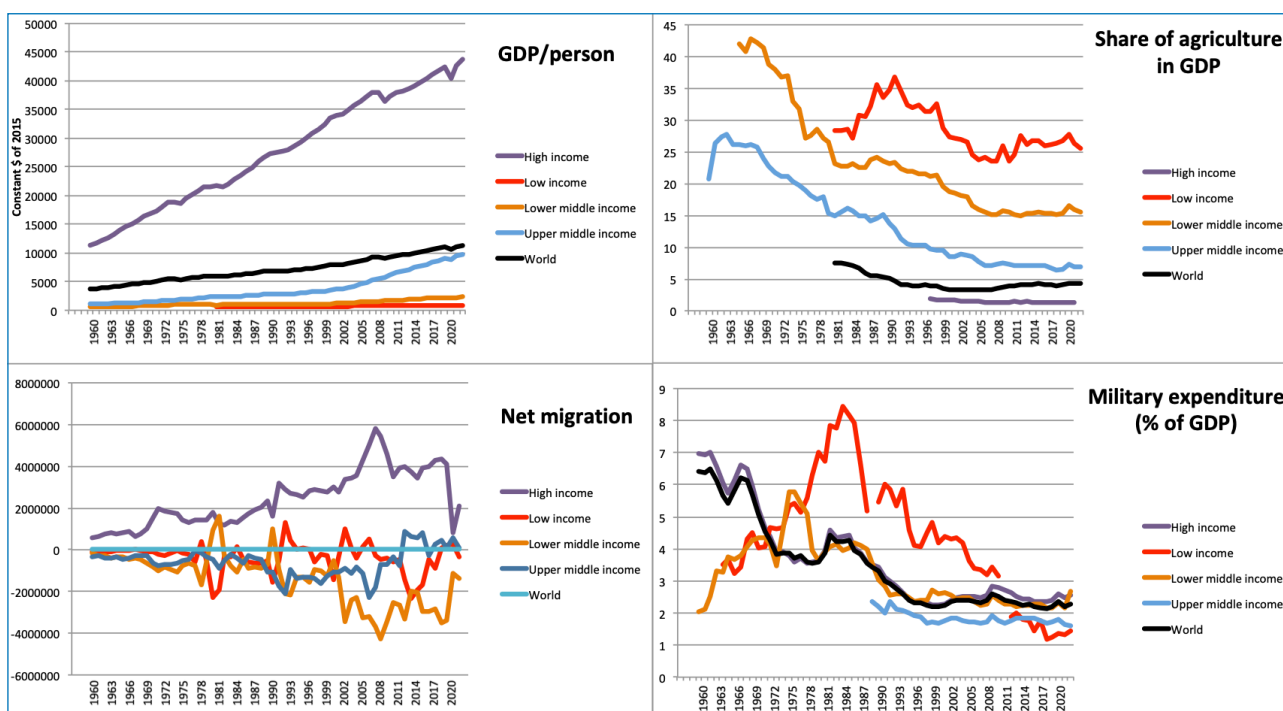
It is interesting to note that, although the two middle-income groups have experienced a relatively regular decrease of the weight of agriculture in their economy, this process virtually stopped in low-income countries, after the beginning of this century. While agriculture only contributes respectively to 1% and 7% of GDP in the two richer groups in 2021, it corresponds to 15% and 26% of GDP for the two poorer groups, indicating that these groups of countries are not following the ideal 'theoretical' development path that would imply a continuous growth of the weight of non-agricultural sectors (industries and services) in the economy (see **Figure 5**, upper right corner).

In all the groups, the importance of military spendings in GDP decreased, but the low-income countries spent a larger share of their GDP for defence than the others between

1980 and 2010 (**Figure 5**, lower right corner), with consequences on the amount of resources available for investing in other sectors.

Finally, as already mentioned on hungereexplained.org, emigration mostly originated in upper middle-income countries, high-income countries being its favourite destination [[read p. 4](#)]. The two remaining groups were relatively less involved in migration flows. Globally, migrations increased over the period analysed, except towards the end, probably because of the COVID-19 pandemic (**Figure 5**, bottom left corner).

Figure 5 Some indications regarding the economy



Source: [World Bank data](#)

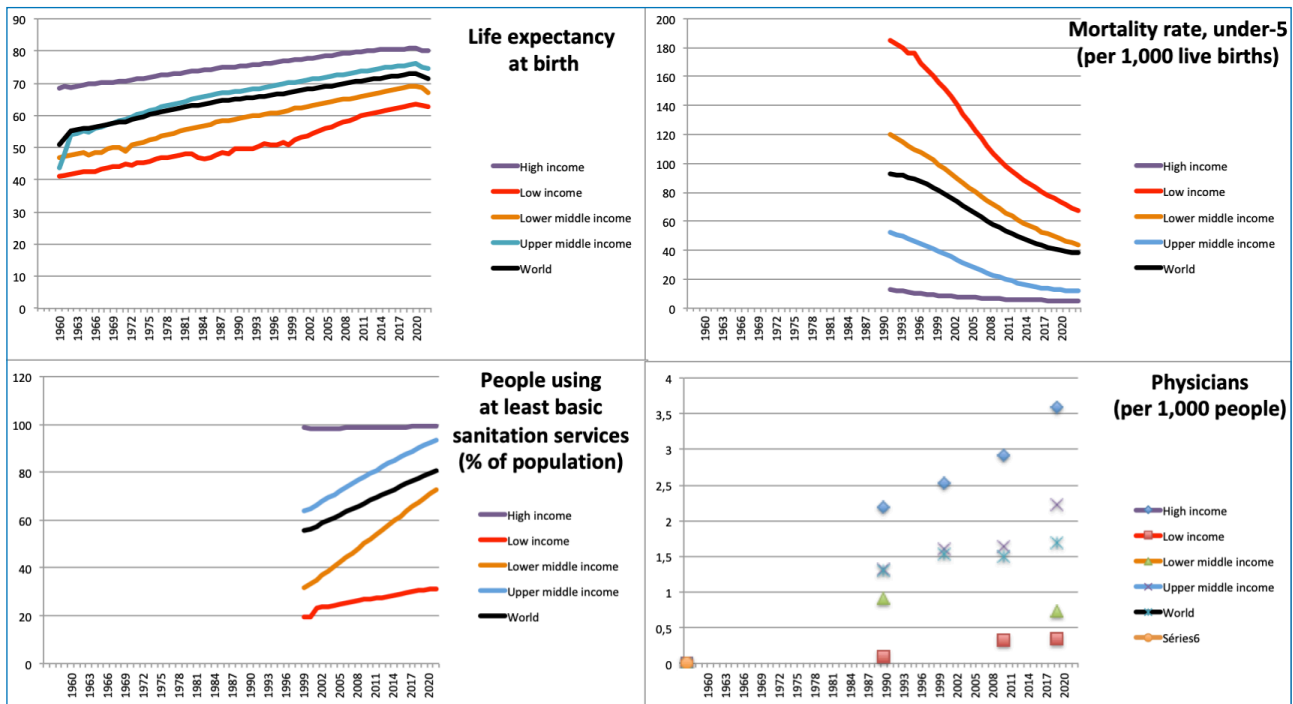
Was there any 'catching up' in the domain of health?

Figure 6 shows that economic differences resulted in persisting inequality in the health sector.

It is perhaps for life expectancy that all groups evolved most in parallel. Over the period, life expectancy improved in all groups at a comparable rate. In this case, although there was no real catching up, inequalities did not increase, at least. They even reduced, but only marginally, as the different between high income countries and low-income countries fell from 27 years to 28 years in 2022 (**Figure 6**, top left corner).

The gap in mortality for children below 5 years fell considerably as mortality rates diminished rapidly. Some difference remains, however, as mortality in low-income countries is still around 47‰ births in 2021, yet much higher than what was observed in high-income countries as early as in 1990 (10‰), first year for which these data are available (**Figure 6**, top right corner).

Figure 6 Some indications regarding health



Source: [World Bank data](#)

Among the possible explanations for remaining differences across groups, there is the access to basic sanitation services, the number of physicians per 1000 people and others like the access to safe drinking water.

In the case of sanitation (**Figure 6**, bottom left corner), there is a rather quick catching-up for the two middle-income groups. But it is very slow for low-income countries.

Regarding the number of physicians for 1000 people (**Figure 6**, bottom right corner), the gap is still growing between the high-income group and the other groups. This growing gap is probably due to the insufficient number of physicians these countries can train, **as well as** to the flow of physicians from poor countries to rich countries, this trend being even observed among EU member countries.

The general impression is that in health, the situation is less critical than in the economic domain, although considerable differences remain and the gap even increases in the case of access to medical care.

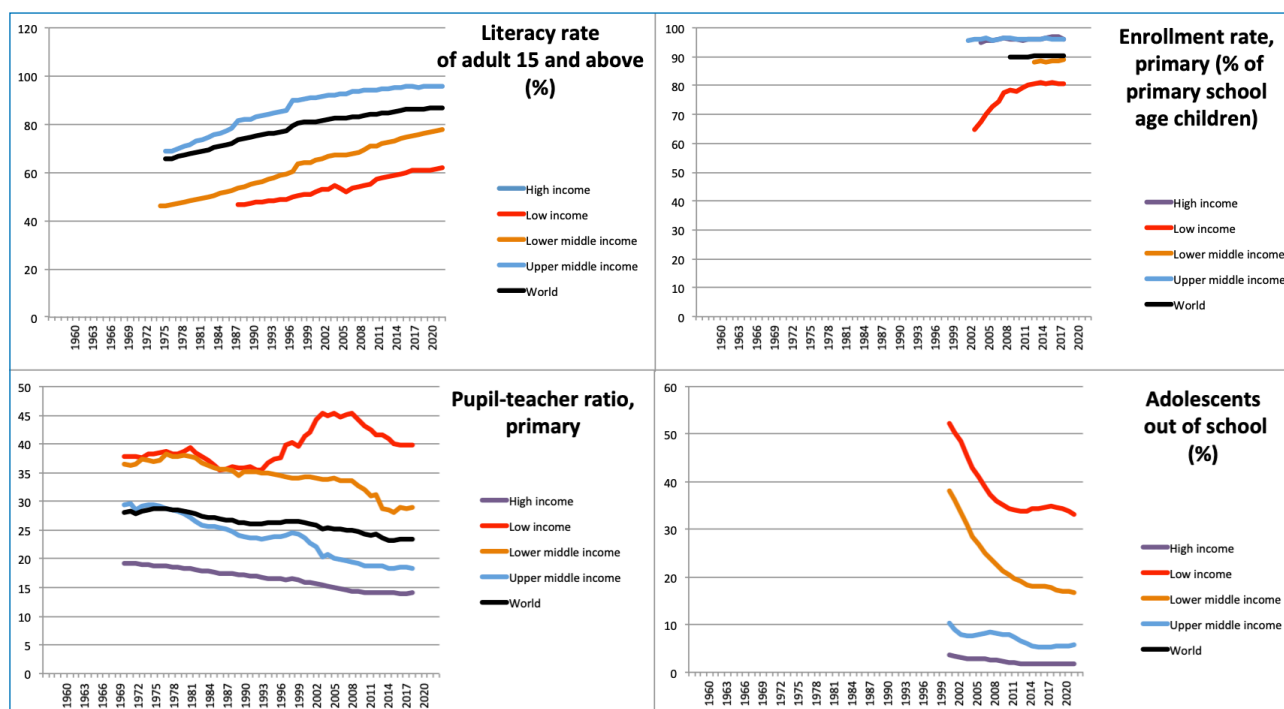
Was there any 'catching up' in the domain of education?

Yes, to some extent, as the literacy rate of adults rose in all groups (except for high-income countries for which the data are not available, but where it is presumably quite high). The upper middle-income group is very close to the 100% rate of literacy, while for the low-income group, the rate only just crossed 60% (**Figure 7**, top left corner).

In primary education, the enrolment is high everywhere, low-income countries appearing to have reached a cap at around 80% and to be stuck at that level since the beginning of the years 2010 (**Figure 7**, top right corner).

In contrast, the quality of primary education seems quite variable, if one assumes that the pupil-teacher ratio is one of its key ingredients and a relevant indicator. This ratio is of more than 40 in the case of low-income countries, and it quite degraded during the 1990s, before improving somewhat since then. For the other groups, the ratio decreased regularly since the 1970s, the lowest being observed in high-income countries (around 18 pupils per teacher) (Figure 7, bottom left corner).

Figure 7 Some indications regarding education



Source: [World Bank data](#)

Finally, the first decade of this century saw a strong decrease of the percentage of adolescents out of school for the two poorest country groups, with a slower trend during the years 2010, while the two richest groups showed out-of-school percentages less than 20% over the whole period for which data are available (Figure 7, bottom right corner).

From this quick review, it seems that education made relatively more progress than health, and, foremost, inequalities appear to be comparatively less marked. However, huge differences persist in higher education and research which are dominated by a few countries only, most of them being high-income countries, apart from China and, to a lesser extent, Brazil and India [read [here pp. 3-5](#) and [here pp. 2-3](#)].

What about undernourishment and poverty?

Undernourishment

Regular readers of [hungerexplained.org](#) are aware of the evolution of the global food situation [[read](#)] and of the major causes that explain it [[explore](#)].

When considering changes in the total number of chronically undernourished people in the world (Figure 8, left side, black curve), it is clear that the diminishing trend of UN estimates stopped at the beginning of this century. Then, after a period of relative stability,

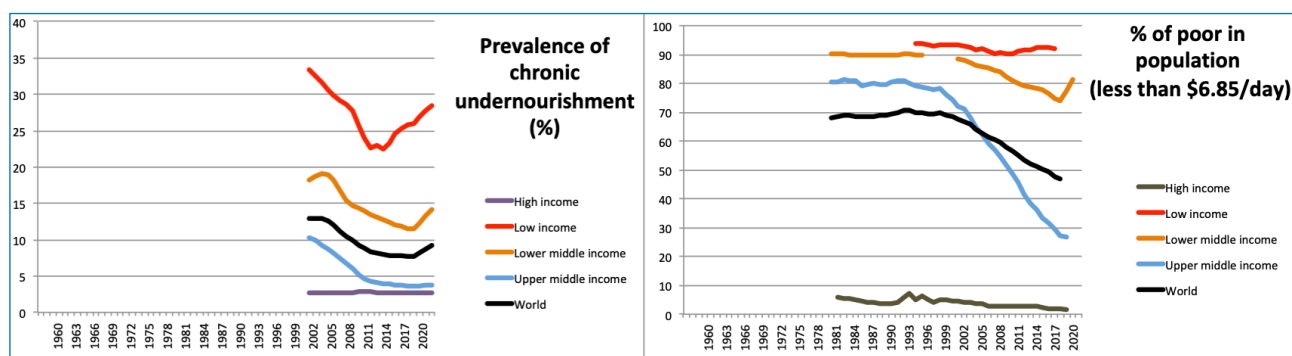
this number again increased during recent years, partly due to the pandemic, but also because of a series of other causes discussed on hungerexplained.org [[read Box, p. 6](#)].

When examining the groups of countries classified on the basis on GDP/person, their curves are ranked from the low-income countries, where undernourishment is the highest (28% of the population) (red line), to high-income countries for which undernourishment is lowest (less than 3%) (purple line).

The lines follow a similar pattern, with the exception of the low-income countries, where the trend reversed earlier than for the other groups, and for the high-income group for which the line is relatively flat, with only a slight increase (for further explanations, see [here](#)).

It is, however, quite clear that from the point of view of undernourishment, there is no ‘catching up’. Rather, during the last decade, the spread between high-income and lower middle-income countries, and high-income countries actually grew.

Figure 8 Evolution of chronic undernourishment and poverty



Source: [World Bank data](#)

Poverty

The share of people living below \$6.85/day decreased rapidly in upper middle-income group countries from the mid 1990s, falling from 81% in 1995 to 27% in 2022 (**Figure 8**, right side). This remarkable improvement can largely be explained by changes in the Chinese economy.

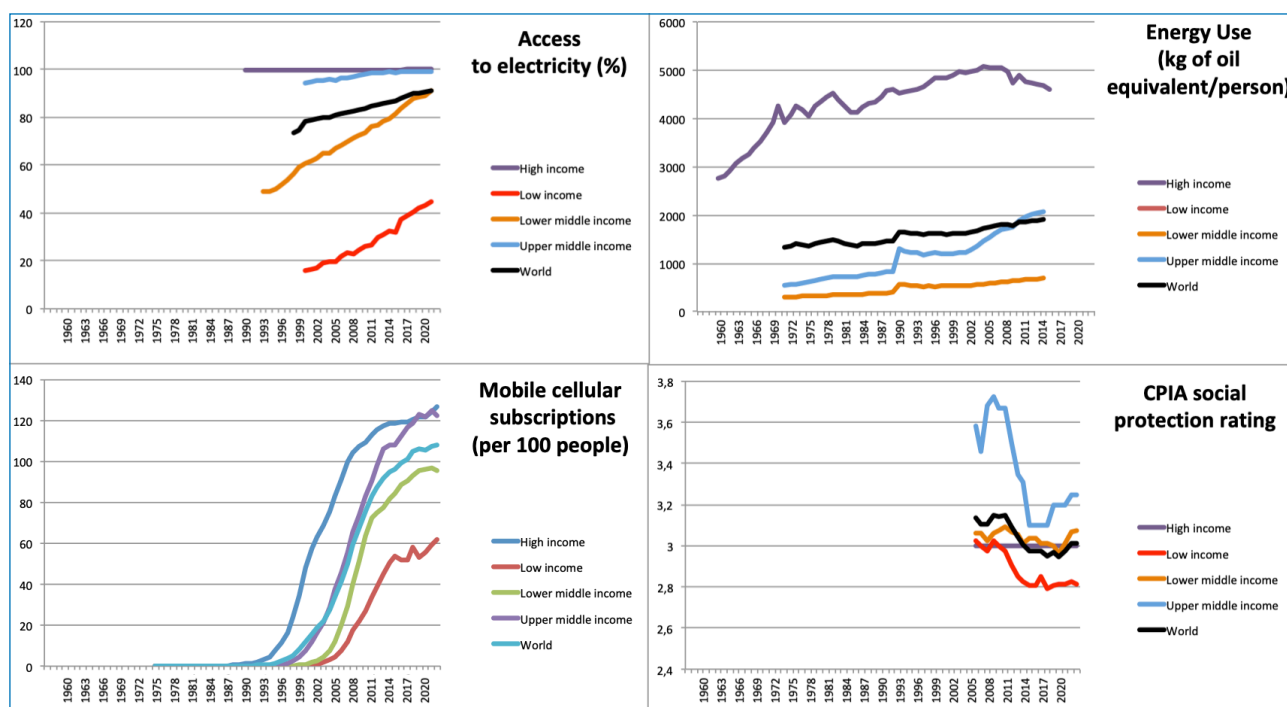
In contrast, there was relatively little change for the lower middle-income and low-income groups, for which the share of poor people respectively was around 80% and above 90%, while in the high-income group, the rate has been below 2% since 2008.

In other words, there has been some catching up for the upper middle-income group (mainly in China) and only marginal improvement in other groups, if any.

What about energy, communications and social protection?

Figure 9 shows changes that have taken place in the fields of energy, communications and social protection.

Figure 9 Some indications regarding energy, communications and social protection



Source: [World Bank data](#)

In the energy sector, there was some catching-up for access to electricity, but the gap between low-income countries and others is still huge (**Figure 9**, top left corner). Energy consumption/person increased for all groups for which there are available data. A slight decrease in consumption can be seen in the high-income group, starting from the year 2000, its level remaining, however, more than double of what is found in other groups (**Figure 9**, top right corner).

Mobile phone subscriptions have boomed everywhere at the turn of the century, attaining more than 120 subscriptions for 100 people in the richest countries. For the lower middle-income group, the number is around 100, for the low-income group, the number follows an irregular growth to reach 50 subscriptions for 100 people in 2022 (**Figure 9**, bottom left corner).

From a social equity and inclusion point of view, the rating by CPIA² shows a degradation of the situation in all groups during the 2010s, particularly in the upper-intermediate income group, and a relative stability, on average, for the other groups for which data are available (**Figure 9**, bottom right corner). This could be surprising, given that these movements occur at a time when greater importance was given to social aspect in mainstream narratives.

² CPIA: Country Policy and Institutional Assessment of the World Bank - Social policies are being rated between 1 (little in favour of social inclusion and equity) and 6 (strongly in favour of social inclusion and equity).

Conclusion

This quick review shows that the term 'developing countries' hides a reality made of continued and even increasing inequality worldwide. The idea that countries would progressively converge to a high level of development represented by high-income countries is a sham, and this is verified whichever dimension usually associated to development is considered.

From an **economic** point of view, the gap between the GDP/person of the four income groups analysed here has grown spectacularly during the last 60 years.

From a **health** point view, some kind of catching-up occurred in some domains (access to sanitary services, child mortality), but the differences remain and sometimes even deepen, as for access to quality healthcare.

In the area of **education**, considerable progress has been made in primary education at least quantitatively, even if from the quality perspective, the gap is still huge. For higher education, e.g. adolescents and beyond, much remains to be done.

Regarding **undernourishment** and **poverty** (who are targeted by the two first Sustainable Development Goals - SDGs), of special interest to hungerexplained.org, there has been no real catching-up process or it is only marginal, apart from the case of China where substantial progress was made. In fact, the picture is more one of stagnation or even regression, particularly during the last years.

Access to **electricity** or **cell phones** and **energy consumption** are probably part of the most remarkable and fast ongoing changes. But there too, the poorest countries lag far behind, while **social protection**, prominent in the dominant narrative, is not truly occurring in reality.

The World Bank makes no mistake, and the analysis it makes of the year 2023 is quite realistic. It is well illustrated by 9 diagrams that relate to 9 critical findings, all sources of concern, of which the most important is that the decrease in poverty, pride of the World Bank, appears to be at a standstill [\[read\]](#).

The Bank dropped the expression 'developing countries' in 2016. It is high time that all forget about it, as we did at hungerexplained.org long ago, because it does not have any use if not for masking the harsh reality of a global economy made of growing inequality.

[Materne Maetz](#)
(January 2024)

Annex: Composition World Bank country groups for 2024 ([World Bank Country and Lending Groups](#) - online)

Low-income countries

Afghanistan, Korea, Dem. People's Rep , South Sudan, Burkina Faso, Liberia, Sudan, Burundi, Madagascar, Syrian Arab Republic, Central African Republic, Malawi, Togo, Chad

Mali, Uganda, Congo, Dem. Rep, Mozambique, Yemen, Rep., Eritrea, Niger, Ethiopia, Rwanda, Gambia, The Sierra Leone, Guinea-Bissau, Somalia.

Lower middle-income countries

Philippines, Algeria, India, Samoa, Bangladesh, Iran, Islamic Rep, São Tomé and Príncipe, Benin, Kenya, Senegal, Bhutan, Kiribati, Solomon Islands, Bolivia, Kyrgyz Republic, Sri Lanka, Cabo Verde, Lao PDR, Tanzania, Cambodia, Lebanon, Tajikistan, Cameroon, Lesotho, Timor-Leste, Comoros, Mauritania, Tunisia, Congo, Rep., Micronesia, Fed. Sts., Ukraine, Côte d'Ivoire, Mongolia, Uzbekistan, Djibouti, Morocco, Vanuatu, Egypt, Arab Rep., Myanmar, Vietnam, Eswatini, Nepal, Zambia, Ghana, Nicaragua, Zimbabwe, Guinea, Nigeria, Haiti, Pakistan, Honduras, Papua New, Guinea.

Upper middle-income countries

Albania, Fiji, North Macedonia, Argentina, Gabon, Palau, Armenia, Georgia, Paraguay, Azerbaijan, Grenada, Peru, Belarus, Guatemala, Russian Federation, Belize, Indonesia, Serbia, Bosnia and Herzegovina, Iraq, South Africa, Botswana, Jamaica, St. Lucia, Brazil, Kazakhstan, St. Vincent and the Grenadines, Bulgaria, Kosovo, Suriname, China, Libya, Thailand, Colombia, Malaysia, Tonga, Costa Rica, Maldives, Türkiye, Cuba, Marshall Islands, Turkmenistan, Dominica, Mauritius, Tuvalu, Dominican Republic, Mexico, West Bank and Gaza, El Salvador, Moldova, Equatorial Guinea, Montenegro, Ecuador, Namibia.

High income countries

American Samoa, Germany, Oman, Andorra, Gibraltar, Panama, Antigua and Barbuda, Greece, Poland, Aruba, Greenland, Portugal, Australia, Guam, Puerto Rico, Austria, Hong Kong SAR, China, Qatar, Bahamas, Hungary, Romania, Bahrain, Iceland, San Marino, Barbados, Ireland, Saudi Arabia, Belgium, Isle of Man, Seychelles, Bermuda, Israel, Singapore, British Virgin Islands, Italy, Sint Maarten (Dutch part), Brunei Darussalam, Japan, Slovak Republic, Canada, Korea, Rep., Slovenia, Cayman Islands, Kuwait, Spain, Channel Islands, Latvia, St. Kitts and Nevis, Chile, Liechtenstein, St. Martin (French part), Croatia, Lithuania, Sweden, Curaçao, Luxembourg, Switzerland, Cyprus, Macao SAR, China, Taiwan, China, Czech Republic, Malta, Trinidad and Tobago, Denmark, Monaco, Turks and Caicos Islands, Estonia, Nauru, United Arab Emirates, Faroe Islands, Netherlands, United Kingdom, Finland, New Caledonia, United States, France, New Zealand, Uruguay, French Polynesia, Northern Mariana Islands, Virgin Islands (U.S.), Guyana, Norway.

To know more:

- World Bank, [World Bank Country and Lending Groups](#), (on-line, accessed on 14/01/2024).
- World Bank, [World Development Indicators \(WDI\)](#), Online database accessed on 14/01/2024 (en anglais).
- World Bank, [2023 in Nine Charts: A Growing Inequality](#), 2023.
- Hamade N., et al., [World Bank Group country classifications by income level for FY24 \(July 1, 2023- June 30, 2024\)](#), World Bank, 2023.
- FAO, [The future of food and agriculture – Drivers and triggers for transformation](#), The Future of Food and Agriculture, no. 3, FAO Rome, 2022.
- Lencucha R, Neupane S., [The use, misuse and overuse of the 'low-income and middle-income countries' category](#), BMJ Glob Health, 2022.

- Farias, D.B.L., [Outlook for the 'developing country' category: a paradox of demise and continuity](#), Third World Quarterly, 2019.
- UNDP, [Human Development Indexes and Indicators: 2018 Statistical Update](#), 2018.

Selection of articles on hungerexplained.org related to this topic:

- [Facts and figures on world food insecurity and malnutrition - Food insecurity stable globally, but still on the rise in Africa - SDGs out of reach](#), 2023.
- [Policies for a transition towards more sustainable and climate friendly food systems](#), 2018.
- [Growing inequalities are a threat to world social and political stability](#), 2017.
- Opinions: [How to stop the global inequality machine](#) by J. Hickel, 2017.