

Title

Slicing up the developing world:

Differentiation in the special treatment of developing countries

Abstract

This thesis studies the proliferation of categories of developing countries within the UN, starting with the first formal category created by the organisation (the Least Developed Countries - LDC) and ending with the first negotiated LDC graduation case.

Triangulation of data collected through literature review, document analysis, semi-structured interviews and descriptive statistics allows the issue of differentiation or categorisation of developing countries to be examined in terms of two main factors: interest and power; studied separately and in relation to each other and analysed through (institutional) behaviour. The ultimate goal is to understand how interests shape and modify behaviour and how interests can be translated into policy decisions.

To assist in the inquiry - by providing both a language for discussing the nature of these power/interests interactions, as well as a rich set of assumptions about processes similar to the ones underlying developing country differentiation efforts, this research is:

- (i) Generally framed in the disciplines of Political Economy and International Relations, and
- (ii) Draws inspiration from the principal-agent and structure-agency theories, and from the autonomous bureaucratic angle, counterweighted by constraints imposed by member states on the actions of IOs' bureaucracies.

This analytical framework is applied to:

1. The "slicing up" of the general and undefined developing countries' group in order to, within it, draw international attention to the Least Developed Country (LDC) group; the first intentional UN effort to differentiate among developing countries. Findings indicate that more advanced developing countries engaged with the UN proposal to "slice-up" the Third World more as a damage-control project (by settling for a harmless deal that would not jeopardise their interests), while developed countries viewed it as an opportunity to help advance their economic interests (namely through trade). However, by the time of the institutionalisation of the LDC category, UN bureaucratic interests were also being attended. Categorising LDCs became not just about the selfless provision of special treatment to that category of countries (the principals), but also about responding to the irreconcilable interests of three different groups (the agents): (i) developed and (ii) more advanced developing countries' individual interests and (iii) UN bureaucratic preferences.
2. The proliferation of categories of developing countries within the UN, segmenting the developing world even further, according to common traits. However, rather than creating predictability, rationality and transparency about rules and principles guiding the provision of special and differential treatment and protecting states against the vagaries of both large countries and powerful international bureaucracies, the proliferation of classifications injects the global governance system with opacity and discretion, enabling the exercise of power over smaller and weaker states.

3. The case of Cape Verde's LDC graduation; the first negotiated LDC graduation case and a thus far under-researched topic. This analysis demonstrates how, paradoxically, categorisation of developing countries can be perpetuated in time or prolonged beyond reasonable, with implications in terms of long-term aid dependence. Indeed, the extension of preferential treatment despite the loss of LDC status and the institutionalisation of a new transition framework that allows LDC graduates to linger in that category for an unclear period of time, creates a new implicit category of "graduated LDCs-in-transition", which favours the *status quo*, validates the continued existence of the LDC bureaucratic apparatus, and legitimises further development interventions in these countries. Ultimately, under these circumstances, LDC graduation does not necessarily mean liberation from a dependent relationship.

This in-depth investigation - anchored in the three above-mentioned angles of analysis - serves as a vehicle to understand apparently incongruous behaviour from UN bureaucracy and from the bureaucracies in member states, and to grasp the political economy of developing country categorisation/differentiation. In trying to understand who benefits from: (i) developing country categorisation, (ii) continuous proliferation and perpetuation of these categories, and (iii) graduation processes that still keep graduated countries in a dependent relationship, the ultimate goal is to bring out the interests and the power shifts motivating and resulting from this.

By making this interest/power dynamics evident, the thesis' main contributions are on two levels: (i) initiate an academic debate towards a political economy of developing country differentiation (a thus far under-researched field) and (ii) provide elements for a more balanced decision- and policy-making framework for categorising developing countries with the aim of providing them with special and differential treatment.