Front cover: A girl fetches wood from the roof of a house in Bhutan. Poverty exacerbates the cultural discrimination against girls that has denied so many of them the opportunity to attend school.
Credit: UNICEF/96-0534/Charton
Defining Least Developed Countries (LDCs)

The United Nations classifies countries as ‘least developed’ on the basis of three criteria:

- **Income**—currently set at annual gross domestic product (GDP) below $900 per capita.
- **Quality of life**—including life expectancy at birth, per capita calorie intake, primary and secondary school enrolment rates and adult literacy.
- **Economic diversification**—based on the share of manufacturing in GDP, share of the labour force in industry, annual per capita commercial energy consumption and merchandise export concentration as indexed by the United Nations Conference on Trade and Development (UNCTAD).

In February 2001, the United Nations General Assembly added Senegal to the LDC category, too late for it to be reviewed in this report. The 48 LDCs considered in this report are listed below in the groupings used by UNCTAD.

**30 African LDCs and Haiti:**

Angola, Benin, Burkina Faso, Burundi, Central African Republic, Chad, Democratic Republic of Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Sierra Leone, Somalia, Sudan, Togo, Uganda, United Republic of Tanzania, Zambia and Haiti

**7 Asian LDCs and Yemen:**

Afghanistan, Bangladesh, Bhutan, Cambodia, Lao People’s Democratic Republic, Myanmar, Nepal and Yemen

**9 Island LDCs:**

Cape Verde, Comoros, Kiribati, Maldives, Samoa, Sao Tome and Principe, Solomon Islands, Tuvalu and Vanuatu
The decade of the 1990s returned a mixed score card for the Least Developed Countries (LDCs). Overall, the LDCs recorded only modest progress, but there were some encouraging experiences in social development and economic integration. The Third United Nations Conference on the Least Developed Countries to be held in May 2001 in Brussels presents an opportunity to review these experiences and agree on strategies to build on lessons learnt to accelerate the fight against poverty. These strategies must be centred on the realization of the rights of children.

Increased investment in children should occur in the context of administrative and legal reforms to support child-friendly initiatives, greater participation of people in social and economic activities and enhanced access of populations to the means of production and micro-credit.

Specific emphasis must be placed on educating girls. There is overwhelming evidence that educated girls grow up to make decisions that reduce poverty in their own lives and the lives of their children. Giving girls a head start will contribute to long-term economic growth and poverty reduction. If children represent the exit door from poverty, girls’ education is the key to that door.

The heavy external debt burden contributes significantly to the slow progress LDCs have made in ensuring children’s rights. Of the 41 heavily indebted poor countries (HIPC’s), 30 are in the LDC category. These countries often spend significantly less on basic social services than they do to service external debt. The United Nations General Assembly at its Millennium Summit spelled out a range of international development targets to be met by 2015.
Most LDCs are unlikely to meet those targets without additional financing for development, particularly through debt relief for HIPC s and financing provided on concessionary terms.

For the LDCs, investing in children is particularly pertinent because in 2000, 49 per cent of the population was below the age of 18 and their population growth rate is nearly double the world average. LDCs represent one tenth of the world’s population, but they account for about one fifth of the annual number of births: an estimated 24 million babies each year, most born to poor families. Reducing child poverty, therefore, is essential to beginning to reduce poverty.

A second reason to focus on children is that early childhood offers a critical opportunity to influence the intellectual, physical and emotional development of human beings. The detrimental effects of missing this one-time opportunity are often irreversible. For example, nutrition in utero and in early childhood is closely connected with brain development. The nutrition children receive in the early months and years determines to a large extent their cognitive skills and educational performance. Similarly, effects of disease in the early years can prevent children from reaching their full intellectual and physical potential.

The third argument in favour of investing in children is that poor children usually grow up to raise poor children of their own. When children start life with all the disadvantages of poor health, inadequate nutrition and low education, there are fewer opportunities for them to move out of poverty. When they start new families, their own poverty will manifest itself in the next generation. For example, malnourished women tend to have babies with low birthweight, and illiterate parents cannot assist their children with schoolwork.

A fourth reason why poverty reduction must begin with children is that they are powerless. A good indicator of a country’s level of development is the way it treats its most vulnerable members. Young children depend on adults to make decisions on their behalf and rarely have the means to challenge such decisions. They are most vulnerable to poverty and disproportionately pay the price of being poor. There is, therefore, a moral imperative for governments to reduce the burden borne by children.

A fifth and critical reason is that investing in children is not an option. The Convention on the Rights of the Child, ratified by 191 countries, obliges those governments to ensure that the children’s rights it specifies are fully met. These include the right to good health, nutrition, education and an adequate standard of living.

The task of ensuring that all children fully enjoy their rights appears daunting, but the world has the capacity to make it happen – thanks to unprecedented global prosperity at the end of the 20th century. What is required is a move from political rhetoric to resource mobilization and action for all children.
The experience of LDCs in the 1990s is mixed, with some countries showing progress in human development and others stagnating. A larger proportion of the population in LDCs lived in income poverty at the end of 2000 than in 1990. According to UNCTAD, income per capita is less than $1 per day for 44 per cent of people living in LDCs. Many others are not much better off. In total, 75 per cent of the population are struggling to survive on less than $2 per day.

The past decade also saw the disparity in infant mortality rates between LDCs and other developing countries widen from 2.1 to 2.3. In 1990, a baby born in an LDC had more than twice the risk of dying than an infant born in a developing country not identified as an LDC.

LDCs, which have under-five mortality rates (U5MRs) that are considerably higher than other countries, also made least progress in reducing these rates during the 1990s. At present, one in every six children born in the LDCs does not survive to his/her fifth birthday, as can be observed from Figure 1. The U5MR, which shows the probability of dying between birth and exactly five years of age per 1,000 live births, is influenced by the levels of parents’ education and literacy, by income and by access to basic social services, and it is one of the most sensitive indicators of overall development.

The higher risk for children in the LDCs is associated with lower immunization coverage (58 per cent vs. 76 per cent for DPT coverage); lower use of oral rehydration therapy (50 per cent vs. 65 per cent); a much lower percentage of births attended by trained health workers (28 per cent vs. 57 per cent); a considerably higher risk of malnutrition (40 per cent vs. 27 per cent); and fewer households consuming iodized salt (51 per cent vs. 75 per cent). (See Table 1.) Access to clean drinking water is also

![Figure 1: Comparative declines in under-5 mortality](image-url)
considerably lower in LDCs (61 per cent vs. 81 per cent), with rural households being at a much greater disadvantage than urban households (54 per cent vs. 80 per cent). The rural-urban disparity in water access in LDCs seems much larger than in non-LDCs (26 vs. 19 percentage points). Only in the coverage of vitamin A supplements are the LDCs better off than other developing countries (70 per cent vs. 36 per cent). (See Table 1.)

The average population growth rate in the LDCs is 2.5 per cent per year—nearly double that of the other developing countries, where the rate is 1.6. The number of births in LDCs increased by 15 per cent between 1990 and 2000, whereas the total number of babies born in other developing countries declined by about 5 per cent. In 1990, LDCs accounted for 18 per cent of the number of births in all developing countries; by 2000, they accounted for 21 per cent. Their share is projected to increase to 24 per cent by 2010.

The LDCs are among the countries with the lowest levels of literacy and primary school enrolment. Children in LDCs have markedly less access to education than those in other developing countries (net enrolment ratio of 58 compared to 85). Just over half—54 per cent—of girls in LDCs are enrolled in primary school, compared to 81 per cent for their counterparts in the other developing countries.

Table 1: Selected indicators on LDCs and other developing countries

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Year(s)</th>
<th>Least developed countries</th>
<th>Other developing countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPT coverage of infants (% 1-year-old children)</td>
<td>1997-2000</td>
<td>58</td>
<td>76</td>
</tr>
<tr>
<td>Oral rehydration therapy use (%)</td>
<td>1995-2000</td>
<td>50</td>
<td>65</td>
</tr>
<tr>
<td>Per cent of births attended by trained health personnel</td>
<td>1995-2000</td>
<td>28</td>
<td>57</td>
</tr>
<tr>
<td>Moderate and severe underweight (% children under 5)</td>
<td>1995-2000</td>
<td>40</td>
<td>27</td>
</tr>
<tr>
<td>Vitamin A supplementation coverage (% children under 5)</td>
<td>1998-2000</td>
<td>70</td>
<td>36</td>
</tr>
<tr>
<td>Per cent households consuming iodized salt</td>
<td>1995-2000</td>
<td>51</td>
<td>75</td>
</tr>
<tr>
<td>Access to improved drinking water sources (% 1999)</td>
<td>Rural</td>
<td>54</td>
<td>73</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>80</td>
<td>92</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>61</td>
<td>81</td>
</tr>
<tr>
<td>Population annual growth rate (%)</td>
<td>1990-99</td>
<td>2.5</td>
<td>1.6</td>
</tr>
<tr>
<td>Annual number of births (in thousands)</td>
<td>1990</td>
<td>20,896</td>
<td>97,288</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>24,022</td>
<td>92,247</td>
</tr>
<tr>
<td>Primary net enrolment ratio (1995-99)</td>
<td>Girls</td>
<td>54</td>
<td>81</td>
</tr>
<tr>
<td></td>
<td>Boys</td>
<td>63</td>
<td>88</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>58</td>
<td>85</td>
</tr>
<tr>
<td>Primary school entrants reaching grade 5 (%)</td>
<td>1995-1999</td>
<td>61</td>
<td>75</td>
</tr>
<tr>
<td>Adult female illiteracy (%)</td>
<td>1995-1999</td>
<td>56</td>
<td>31</td>
</tr>
<tr>
<td>GNP per capita (in US dollars)*</td>
<td>1990</td>
<td>220</td>
<td>995</td>
</tr>
<tr>
<td></td>
<td>1999</td>
<td>261</td>
<td>1,344</td>
</tr>
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*Average annual rate of growth for LDCs was 2.2 per cent and for other developing countries 3.4 per cent.

Although enrolment is improving in developing countries and LDCs, the gender gap is wider in the LDCs. The percentage of primary school age girls reaching grade five is only 61 for LDCs, compared to 75 for the other developing countries. Children in LDCs are also more likely to have an illiterate mother than are children in the other developing countries (56 per cent vs. 31 per cent).

However, there have been notable exceptions where political will and international partnership have led to gains. In Bangladesh, for example, all key social indicators have improved (see Box 1) and access to primary education in Malawi and Uganda has grown dramatically.

Slow progress on development issues in a number of LDCs is due to under-investment in children, the HIV/AIDS epidemic, instability and conflict. These challenges require ambitious yet realistic strategies to overcome them and ensure economic growth and the reduction of poverty.

**Economic trends**

As with social indicators, the average income gap between LDCs and other developing countries widened during the 1990s, from 4.5:1 in 1990 to 5.2:1 in 1999. Nevertheless, the 1990s were considerably better in this regard than the 1980s, a period which is often referred to as the ‘lost decade’ for development.

There are wide regional differences in the economic performance of LDCs. Bangladesh strongly influences the average for the LDCs because it accounts for one fifth of the group’s total population and one fourth of the group’s GDP. Excluding Bangladesh, the annual average growth rate in per capita income in the LDCs was only 0.4 per cent during the 1990s. The average for other developing countries was 3.6 per cent. As can be seen from Table 2, despite the ripple effects of the Asian financial crisis, LDCs in Asia recorded higher rates of growth than did their African and island counterparts. Per capita growth rates for the island LDCs slowed in the 1990s. For African LDCs, the 1990s represented a decade of negative growth: Of the 22 LDCs whose economies either stagnated or declined, 19 were in Africa. African LDCs remain among the poorest countries in the world.
Table 2: GNP growth among Least Developed Countries

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>All LDCs (48 countries)</td>
<td>-0.1</td>
<td>2.2</td>
</tr>
<tr>
<td>LDCs excluding Bangladesh (47 countries)</td>
<td>-0.9</td>
<td>0.4</td>
</tr>
<tr>
<td>African LDCs (30 countries) and Haiti</td>
<td>-1.1</td>
<td>-0.4</td>
</tr>
<tr>
<td>Asian LDCs (7 countries) and Yemen</td>
<td>1.7</td>
<td>2.9</td>
</tr>
<tr>
<td>Island LDCs (9 countries)</td>
<td>2.2</td>
<td>0.9</td>
</tr>
</tbody>
</table>


Regional averages mask wide differences between countries. For example, between 1990 and 1998, Equatorial Guinea had an annual average growth rate of 14.3 per cent—the highest among all LDCs. Of the 14 LDCs that sustained per capita growth rates of over 2 per cent per year during this period, seven were in Africa and another seven were in Asia. Economic growth in many of these countries was highly unstable, however, and showed wide swings from one year to the next.

**External assistance**

At the World Summit for Children in 1990, governments and donors committed themselves to ensuring that “programmes aimed at the achievement of goals for the survival, protection and development of children will have a priority when resources are allocated.” In the same year, at the Second United Nations Conference on Least Developed Countries, donors made commitments to increase their share of official development assistance (ODA) to LDCs. Five years later, at the World Summit for Social Development, countries again committed themselves to further efforts to reduce poverty.

Despite such commitments, ODA to LDCs declined from $11.3 billion in 1988/89, or 0.08 per cent of the combined GNP of donor countries, to $10.7 billion in 1999, or 0.05 per cent. The United Nations ODA target for LDCs is 0.15 per cent of the combined GNP of donor countries. The decline meant a 45 per cent drop in net external assistance in real per capita terms for LDCs. Significantly, it was mainly the richest donor countries that fell short of the target, pointing to a lack of commitment rather than a lack of resources.

Furthermore, during the first half of the 1990s, net bilateral ODA declined proportionally more for those countries in which the net primary enrolment rate was below 80, U5MR was above 100 per 1,000 live births and in which access to clean drinking water was below 60 per cent (see Figure 2). The LDCs, therefore, received a smaller piece of the shrinking ODA pie during the 1990s.

Aid accounts for a large portion of LDCs’ external resources (averaging 8 per cent of GNP, or six to eight times more than direct foreign investment in these countries). Even small decreases in ODA, therefore, can have a profound impact, particularly on resources for social development. Erratic aid flows and terms of
trade also make it particularly difficult to achieve macroeconomic stability in small, open low-income countries.

The LDCs also suffer internal inefficiencies in resource allocation. Spending on defence and debt servicing remains high, although LDCs can least afford to divert funds away from development. About 14 per cent of their national budgets are allocated to defence and 20-30 per cent to debt servicing. By contrast, allocations for health and education account for 5 per cent and 13 per cent, respectively.

**Widening gaps**

Income inequalities among countries widened between 1990 and 1999. Two thirds of the LDCs either fell behind when compared to other developing countries or experienced an absolute deterioration in their average income level. This aggravated the disadvantaged economic position of LDCs, whose current average per capita GNP is only one fifth of the average for all developing countries.

Similarly, the average rates of reduction in U5MR were slower for LDCs during the 1990s than for the other developing countries. Disparities in other indicators, including primary and secondary education and immunization, remain substantial between LDCs and other countries except in very few areas. For example, Bangladesh, Equatorial Guinea, Malawi, Samoa, Tuvalu, Uganda and Zambia currently have a net primary school enrolment ratio for girls of over 80 per cent. The average for other developing countries is 81 per cent.

Most analysts agree that income inequalities exacerbate poverty. Rapid economic growth, even when combined with increased social spending, may not
be enough to combat poverty in highly inequitable countries. Countries with high inequality may need twice as much growth as low-inequality countries to halve poverty by 2015. Thus, equitable growth must be addressed if LDCs are to achieve the poverty reduction target.

**HIV/AIDS**

Eleven LDCs experienced a reversal in average life expectancy in the 1990s primarily because of HIV/AIDS, although violent conflicts also contributed. African LDCs have been hit hardest. Average life expectancy in Malawi, for instance, has dropped from 48 years to 40 years since 1990. AIDS is now the leading cause of death for people aged 15-49 in Malawi, Tanzania, Uganda and Zambia. Some countries will lose a substantial proportion of their young and middle-aged...
adults – the most productive in the economy – often leaving behind children to grow up without parental support.

Although African LDCs currently have the highest HIV prevalence rate in the world, Caribbean and Asian countries are seeing rapid increases in infection rates. More than 5 per cent of adults in Haiti, for example, are living with the virus. In Cambodia and Myanmar, more than 2 per cent of 15- to 49-year-olds are infected. Such percentages could increase dramatically within a few years, as happened in sub-Saharan Africa during the 1980s and 1990s, unless measures are taken to contain the spread of the disease.

The data depict a grim future. The Joint United Nations Programme on HIV/AIDS (UNAIDS) estimates that in countries where 15 per cent or more of the adults are infected, at least 35 per cent of boys now aged 15 will die of AIDS. Not only is AIDS threatening to kill many children, it is also leaving in its wake millions of orphans – 13.2 million to date, worldwide. By the end of 1999, for example, an estimated 75,000 Haitian children had lost their mothers to AIDS. In Zambia an estimated 650,000 children under 15 were AIDS orphans. One study in Uganda found that AIDS orphans suffer from particularly high levels of malnutrition.

As the number of orphans increases, traditional family and community support systems become less effective. Already vulnerable due to the loss of their parents, AIDS orphans are increasingly left to fend for themselves in the face of discrimination because of the stigma still associated with the disease in many countries. Many of these children are forced to drop out of school and work to stay alive. As a result, countries with high levels of HIV/AIDS are seeing increases in child labour.

National economies are also affected. Although the economic impact of the HIV/AIDS epidemic is hard to gauge, mounting evidence suggests that the disease will lead to a significant drop in the growth of per capita income levels in LDCs.

HIV/AIDS and its related illnesses, such as tuberculosis and pneumonia, have overwhelmed health facilities. Routine health services like immunization have suffered. Polio has recently reappeared in Haiti, about five years after the Americas were formally certified polio-free.

Schools, too, are affected since AIDS is killing teachers. In the Central African Republic, for example, roughly the same number of teachers died in 1998 as those who retired. In Zambia, 1,300 teachers died of AIDS-related causes in the first 10 months of 1998, twice as many as during the previous year. Several LDCs that have seen their HIV-prevalence rate increase in the 1990s are at risk of failing to meet the target of basic education for all by 2015.

In Zambia, 1,300 teachers died of AIDS-related causes in the first 10 months of 1998, twice as many as during the previous year.
What do these stresses imply for the future? Poor countries will not meet the health and education needs of their populations. Schools will lose more teachers; health centres more nurses and doctors. Development will stagnate as a generation of children grows up alone, denied care and with little or no education. Levels of poverty will rise as economic growth slows and household incomes decline. Countries will lose revenue and savings will diminish as people try to meet increased health costs. Economies will lose a large portion of their most productive age group and will have to cope with diminished human resources.

But the future does not have to be so bleak if rapid and focused action is taken. Over the past decade, Uganda successfully implemented a strong HIV/AIDS prevention and education campaign, and the prevalence rate dropped from 14 per cent to 8 per cent. The number of new infections fell by 75 per cent. Evidence from other developing countries shows that the HIV-infection rate among people with primary and post-primary education started to decline in recent years, even if overall, the infection rate in many of these countries has continued to rise. Like Uganda, Zambia started a broad-based prevention campaign involving non-governmental organizations (NGOs), the government and religious leaders. Over the past six years, the number of pregnant girls aged 15 to 19 in Lusaka who are infected has dropped almost by half.

The LDCs and the international community must urgently address the many dimensions of the HIV/AIDS epidemic, including affordable access to early detection and treatment, while recognizing that prevention is the best strategy. This was exemplified by Uganda’s public information campaign’s choice of the slogan ‘abstinence, faithfulness and condoms’.

Conflict

Conflict in several LDCs has set progress back, destroying physical infrastructure, such as roads, bridges and buildings, as well as crops, water systems and the natural environment. Millions of people have been displaced, disrupting social and economic life. Worst of all, violent conflict is devastating to human lives – particularly to children.

Between 1990 and 1998, 20 of the 48 LDCs were affected by violent conflicts. All of the 10 countries with the highest rates of child mortality are categorized as LDCs and 7 of these are affected by armed conflict. Of the 40 countries with the highest numbers of people internally displaced by conflict, 16 are LDCs.

Over the past decade, 2 million children were killed in violent conflicts around the world and more than 6 million were seriously injured or permanently disabled. Civilian deaths account for about 90 per cent of all deaths in conflict. Globally, 20 million people were displaced during the decade. Between 1998 and

In 1999, the GNP per capita for LDCs was $261 compared to $1,344 for other developing countries.
2000, an estimated 1.7 million civilians died in conflicts in the eastern part of the Democratic Republic of Congo. One third of these were children under five.

Children are also affected in a different way. At any given time, about 300,000 children around the globe are being used as soldiers. Children were engaged in conflicts in at least six of the LDCs, forced to become either soldiers or sex slaves.

Along with the enormous economic cost of conflict come high social costs that persist for decades, as an entire generation of children suffers the consequences of poor health, inadequate schooling and the trauma of seeing their families and communities destroyed.

Countries will have to carry the burden of children who are desensitized to violence. This is particularly true in areas where there are child soldiers – children for whom violence is the normal way of addressing the ordinary challenges of life.

Rapid economic progress after conflict is not necessarily a reliable gauge for measuring social recovery. In Mozambique, for instance, the end of the civil war brought a 7 per cent annual growth in GNP per capita between 1993 and 1999. However, social recovery is proving to be considerably slower and more difficult. In Uganda, child malnutrition has reportedly increased in the 1990s despite sustained economic growth after the end of the civil war in the mid-1980s, suggesting that the benefits of growth are not always distributed equally.

In response to the rising number of violent conflicts, one of the fastest growing portions of the ODA allocations during the 1990s was emergency relief. Between 1993 and 1998, an average of 40 LDCs received emergency relief annually, for both natural and man-made disasters. This is considerably higher than the average of 32 LDCs a year that received emergency relief between 1983 and 1992. Regrettably, these funds were not always additional, but they often replaced external assistance.
Basic services: Foundation for poverty reduction

Stated political commitment must translate into financial resources, policy reform and operational programmes if children’s rights are to be realized and the inter-generational cycle of poverty broken. Of course, government action alone will not end poverty for children. However, by ensuring universal access to basic social services of good quality, governments can provide the foundation to ensure that all children get the best possible start in life. Ironically, although the first moments and months of life are the most important in a child’s development, most governments do not start investing in children until they are much older—when opportunities offered by the early years have been lost. It is time for this pattern to change.

Reaching the poor

An important concern for those fighting poverty is to ensure that resources reach poor and marginal groups. How can governments ensure that the poor receive at least an equitable share of the benefits of social services? Two factors play a role.

First, when investment is put into basic services, such as basic health care and primary education, the number of poor who benefit increases dramatically. As soon as investment is used to provide higher levels of service such as tertiary education, the number of poor who benefit plummets. Evidence from several developing countries—as shown in Figure 3—illustrates that subsidies for tertiary education benefit the rich 10 times more than they benefit the poor. The distribution of spending on primary education is much less inequitable.

The second factor is that the services need to be universally
available to benefit the poor. Partial coverage rarely helps the poor because the non-poor capture the benefits. Programmes that are narrowly targeted at the poor seldom reach the poorest of the poor. If they do, they may not be sustainable because the non-poor no longer have a stake in those services. As the coverage of broadly targeted programmes increases, poor people also begin to share in the benefits. Universal coverage of basic social services is one of the few ways to provide the majority of poor people with the fundamentals for a decent standard of living. Since children represent such a large and disproportionately poor group, resources focused specifically on them will have a profound impact on poverty as a whole.

**Education**

Education and poverty have an impact on each another. When households become impoverished, older children are often pulled out of school to supplement family income and pay for the school fees of younger siblings. A study conducted in Togo, for example, found that in roughly half of the households in which the breadwinner became unemployed, at least one child was withdrawn from school.

Education develops intellectual capacity and social skills, and children who complete at least four years of schooling—considered the minimum for achieving basic literacy and numeracy—are better equipped to move out of poverty. For example, levels of education correlate with income levels and with the ability to hold a job in the formal sector.

However, many LDCs are characterized by a marked gender disparity in education, which is higher than in other developing countries. Primary enrolment has increased faster for boys than girls in a number of LDCs, and many are falling further behind the rest of the developing world in reducing the gender gap.

**Box 2: Girls’ education**

UNICEF, through its global girls’ education programme, is leading efforts to make educational systems more gender-sensitive. In Chad, where net enrolment for girls in primary school is only 39 per cent, UNICEF is working in eight prefectures to improve girls’ enrolment. Between 1996 and 1998, the number of women teachers in the project schools rose from 36 to 787, an important factor in encouraging girls to stay in school. By 1999, the average enrolment ratio of girls in the first grade had risen to 60 per cent, and the drop-out rate had fallen from 28 per cent to 21 per cent over a two-year period.

The focus in Eritrea is on training women teachers. Twelve community feeder schools opened there in 1999 and have enrolled nearly 3,000 new pupils, 50 per cent of them girls.

Girls’ enrolment has also been rising in UNICEF-supported schools in Mali, where teacher training centres are improving teaching skills and upgrading the curriculum to raise the quality of schooling for girls.
Study after study has demonstrated that providing education for girls is one of the best strategies for breaking the hold of poverty. Educated girls have greater confidence to make decisions for themselves. They marry later in life and are more likely to space out their pregnancies. As a result, they tend to have fewer children and are more likely to seek medical attention for themselves and their children. They are better informed about good nutrition and child care. Women who were educated as girls are far more likely to enrol their own children in primary school. Educating children, particularly girls, is therefore a critical part of breaking the inter-generational cycle of poverty.

Babies of mothers with no formal education are at least twice as likely to die before age five than are babies of mothers with post-primary education.

A Zambian woman reads to her daughter about the importance of educating girls. Fewer girls in LDCs are getting opportunities to go to school despite studies confirming that educating girls is one of the best strategies for tackling poverty.
Evidence from several developing countries shows that U5MR declines with each additional level of education of the mother. Babies of mothers with no formal education are at least twice as likely to die before age five than are babies of mothers with post-primary education. For the LDCs especially – where children form such a large portion of the population – girls' education is critical to moving people out of poverty (see Box 2).

There are three important areas where more investment will have the greatest impact. First, user fees must be abolished as very poor people cannot afford even the smallest fees. When confronted with additional costs for books and uniforms, they are often unable to send their children to school. Second, more schools must be built. Fewer schools mean overcrowded classrooms and longer distances for children to walk to get to school. The farther away a school is, the less likely parents are to send their children. One study in Nepal found that every additional kilometre required to travel to school reduced the likelihood of attendance by 2.5 per cent. Distance is of particular relevance to young girls, whose parents may fear the risk of physical harm. Finally, increased investment will lead to improved quality of education. It is not an either/or situation; attention to the quality of education must go hand in hand with expanding enrolment. In most LDCs, teachers are underpaid and work in overcrowded classrooms with hardly any equipment. These conditions not only reduce the quality of teaching, but they make it very difficult for children to learn, forcing many of them to abandon school (see Box 3).
The past decade saw much progress in the areas of health and nutrition. The use of oral rehydration therapy (ORT) has reduced deaths from diarrhoeal dehydration; immunization coverage has increased; and the promotion of breastfeeding has improved child survival. There has been great success in campaigns to eradicate polio and eliminate deficiencies in micronutrients such as iodine and vitamin A. Yet levels of child malnutrition and maternal mortality remain high, and child mortality from AIDS-related causes is increasing and is projected to worsen in the countries most severely affected (see Figure 4).

In the late 1990s, governments in LDCs spent on average 5 per cent of their national budgets on all levels of health, including basic health care, although the range of spending differed from country to country. Zambia, for example, spent 13 per cent of its budget on health while other LDC governments spent considerably less than 5 per cent. The 20/20 Initiative, recommended by the Social Summit in 1995 for financing basic social services, calls on governments and donors to allocate 20 per cent of public expenditure and development aid, respectively, to basic services.

These low levels of expenditure on basic social services must be significantly increased or child deaths will remain high in LDCs. An average of 164 children
per 1,000 die before their fifth birthday in the LDCs. This works out to 1 child in 6, compared to 1 child in 14 in other developing countries and 1 in 167 in industrialized countries. In countries that have experienced conflict, such as Angola and Sierra Leone, about one child in three dies before reaching the age of five.

Almost 4 million children under the age of five die each year in the LDCs, most of them from preventable causes such as diarrhoeal dehydration, acute respiratory infections, malaria and vaccine-preventable diseases. Poverty contributes significantly to malnutrition, which is an underlying factor in half of the deaths of children under five in developing countries. Malnutrition weakens children and reduces their resistance to disease. About 40 per cent of children in the LDCs are underweight, and 45 per cent are stunted.

Through education, immunization and the provision of micronutrients, countries can reduce the number of child deaths and related illnesses. Sufficient intake of iodine by a pregnant woman can prevent mental impairment in her infant. Once the child is born, adequate iodine can prevent goitre. The 1990s have seen remarkable progress worldwide in iodizing salt, much of it in LDCs.

**Water and sanitation**

There was inadequate progress in the 1990s towards increasing access to clean drinking water and adequate sanitation—two elements essential for good health. It is difficult to measure levels of access, as the definitions for ‘adequate access’, ‘clean water’ and ‘adequate sanitation’ differ from country to country and also change over time. However, by any definition, lack of access to clean water and sanitation characterizes the lives of large sections of the population in most LDCs. On average, 39 per cent of people in LDCs currently do not have access to clean water, compared to an average of 19 per cent in the other developing countries. Even fewer people in the LDCs have access to adequate sanitation. Access to both is more restricted in rural areas than in urban centres.

Access to clean water and adequate sanitation is a crucial public health issue. In Malawi, for example, less than 50 per cent of the population has access to clean water.
clean drinking water. Not surprisingly, diarrhoea is one of the main causes of child mortality there. Similarly, a cholera outbreak in Madagascar in 1999 was exacerbated by low levels of sanitation.

Education plays a key role in the use of water and sanitation. When learned, basic principles such as washing hands and safe excreta disposal can greatly improve the health of a community. Educating women and girls is especially important since the responsibility for water collection, use and storage traditionally falls on them.
Protecting the vulnerable

Certain categories of children are particularly vulnerable and require special commitment for their protection. Two categories are especially relevant for LDCs: children who work and girls.

Child labourers

In impoverished households, many of the tasks traditionally carried out by one or both of the parents often fall onto the oldest children—particularly the girls who are often discriminated against by culture and customs. Although small amounts of chores and duties do not necessarily harm children, the levels of responsibility placed on children in poor families often lead to reduced or no education, exhaustion and poor health. It is difficult to gauge the number of child workers worldwide but it is estimated that approximately 250 million children under the age of 14 are working, half of whom work full time while the other half tries to combine work with education.

Income provided by children in LDCs accounts for as much as 20-25 per cent of family income and prevents their families from falling deeper into poverty. Yet, unless the rights of children are addressed, there is severe risk of their being exploited and denied their rights to education and a healthy childhood, with grave consequences for their countries.

Millions of children are doing hazardous work in mining, industry, agriculture and road construction, where they are frequently injured. Children are also often exploited sexually and an estimated one million are drawn into prostitution every year.

Domestic workers—who make up the largest group of child labourers, most of them girls—work long hours for almost no pay and are often undernourished.

Domestic workers—who make up the largest group of child labourers, most of them girls—are in a particularly difficult situation because they work out of sight in the privacy of people’s homes. The majority are between 12 and 17 years old, but many are much younger. The limited information available indicates that domestic workers are vulnerable to exploitation and abuse—physical and sexual. They work long hours for almost no pay and are often undernourished. Because domestic workers are isolated, they have very few resources with which to challenge abuse by their employers.
As appalling as child labour is, putting an instant stop to all of it is not a viable option in most LDCs as families rely on the income the children bring home. Attempts to stop children from working usually degrade their situation further unless better alternatives are provided. In Bangladesh, for example, external pressure forced garment factory owners to fire about 50,000 children—mostly girls under the age of 14. This move did not suddenly free the girls to go to school or improve their lives; rather it forced them into more dangerous jobs with less pay. For many children, working is not a choice, but the type of work can be. This is where governments can make a difference.

Governments can improve the protection of children. Laws to protect the physical, emotional and mental health of children must be created and enforced. Although it may be necessary for children to work, limits must be placed on the length of time they work and, just as important, on the type of work they do.

Governments must also ensure that working children receive basic education. Rigidly structured schools do not meet the needs of working children. The rural schools of the Bangladesh Rural Advancement Committee (BRAC) provide one example that fulfills the educational needs of working children. The schools meet for a couple of hours a day and arrange their schedule around the times when children can be released from their work. Over and above the basics of literacy and numeracy, the children learn practical skills to help them in their daily lives. No fee is charged and the schools have been remarkably successful.

**Girls**

Three interconnected factors contribute to the low status of girls and their vulnerability to poverty: cultural norms, discrimination and violence.

In many cultures, the birth of a son is a time of rejoicing, while the birth of a daughter inspires little celebration. In fact, female foeticide coupled with infanticide has dramatically reduced the number of girls in several countries. Girls are expected to do the bulk of household chores and raise younger siblings. Much of the household work is exhausting—such as carrying wood and fetching water—and all of it is unpaid. Boys, on the other hand, are expected to work only outside the home.

Consequently, girls may not be sent to school. Staying at home is frequently seen as preparing them for marriage, which is often at a very young age. They are taught to be submissive and obedient, making few decisions for themselves. As a result, girls and women are particularly vulnerable to exploitation.

The low cultural status of women leads to various forms of discrimination. Women are discriminated against in law. In many parts of the world, women cannot own property and their word in court has less value than that of a man. Thus, women tend to be poorer because they have fewer assets and little legal recourse. When her husband dies, a woman’s in-laws take the husband’s property.

The low status and absence of legal protections are among the factors that allow violence against women to continue at extraordinarily high levels. One
third of the women in the world have been beaten, coerced into sex or abused. Women and girls are especially vulnerable during conflicts. In many countries, including Cambodia, Liberia, Rwanda, Sierra Leone, Somalia and Uganda, rape has been used as a weapon by warring factions. In 1994, more than 15,000 girls and women were raped in Rwanda.

Poverty cannot be tackled unless women and girls enjoy from birth equal status with men. Women and girls make up the majority of the population in most countries and they also wield the most influence over their children’s development. If poverty reduction begins with children, it must also focus on their mothers. Practices that hurt women usually hurt their children as well. For example, women who do not have access to medical advice or care during pregnancy are far less likely to give birth to healthy babies. The low status of girls and women is a formidable obstacle to poverty reduction.
Debt relief

Article 4 of the Convention on the Rights of the Child stipulates that governments should “undertake all appropriate legislative, administrative, and other measures for the implementation of the rights recognized in the present Convention,” and with respect to economic, social and cultural rights, to “undertake such measures to the maximum extent of their available resources and, where needed, within the framework of international co-operation.”

But progress has been slow on the Social Summit recommendation that about 20 per cent of official development assistance (ODA) and 20 per cent of developing country national budgets be allocated to basic social services. Developing countries are spending on average 12–14 per cent of national budgets on basic social services, while the share of ODA allocated to basic social services barely reaches 11 per cent—although it varies from donor to donor. One of the principal reasons for the under-investment in children is the crippling debt burden.

By 1998, the LDCs owed $150.4 billion in external debt—roughly equivalent to their combined annual GNP. The debt was unequally distributed, with six countries accounting for half of it: Angola, Bangladesh, the Democratic Republic of Congo, Ethiopia, Mozambique and Sudan.

Debt servicing has a particularly severe impact on poor countries. In Chad, Mali, Mozambique and Niger, for example, over 20 per cent of government revenue goes to meet debt servicing obligations. The Governments of Malawi, Tanzania and Zambia spend over 30 per cent of their revenues on debt servicing, as shown in Figure 5. Even external aid is not spared the demands of debt. In the mid-1990s, an estimated 40 per cent of bilateral aid was used to repay multilateral debt.

Debt servicing is diverting much-needed resources away from investment in children and productive activities in poor countries. Of the 48 LDCs, 30 are classified as Heavily Indebted Poor Countries (HIPC’s). High debt servicing inevitably reduces expenditure on basic social services, with three results.

First, less government spending on basic social services means more costs for the households. In several HIPC’s, families must now pay user fees for primary education and basic health care that used to be free of charge. User fees for primary education exist in at least eight African LDCs: Burundi, Cape Verde, Central African Republic, Madagascar, Mali, Rwanda, Somalia and Zambia.

Although many families manage to scrape together the funds to meet these needs, the poorest can rarely afford them. For the poorest families, therefore, user fees mark the end of their access to basic social services. When user fees are removed, the number of poor who use these services rises. In Malawi, for
example, primary school enrolment increased by about 50 per cent when fees and uniforms were abolished in 1994.

The second effect of reduced government expenditure on basic social services is to undermine quality as schools become short-staffed and teachers are underpaid. Children lack access to books or pencils and are forced to learn in crowded classrooms with little equipment. Similarly, staff in hospitals find themselves having to work without vaccines, drugs or equipment, resulting in inadequate care.

The third effect is that human development stagnates and may even decline. In Mozambique, for example, debt servicing in 1997 took up about half of the central Government’s revenue. This worked out to roughly $7 per capita. The Government spent less than half of this – $3 per person – on health care. In that year, 160,000 children died before reaching the age of five. Figures for Tanzania were even more extreme. Debt servicing received nine times the expenditure on basic health care and four times the spending on primary education. One Tanzanian child in seven died before reaching the age of five and 2.4 million children were not in school. In Zambia, where debt servicing takes up one third of government revenue, health and education indicators deteriorated in the 1990s. Poverty and child mortality are rising, and the number of children in school is declining. Yet, even in the face of deteriorating social indicators, the debt continues to be serviced.

High debt servicing also jeopardizes macroeconomic stability, which is essential for broad-based economic growth, poverty reduction and social progress.

**The HIPC Initiative**

In response to mounting bilateral concerns and increasing global pressure from civil society groups about the debt crisis, the International Monetary Fund (IMF) and the World Bank launched the HIPC Initiative in 1996. The Initiative was a comprehensive attempt to solve the debt problem that for the first time involved all the creditors. Despite initial hopes, the implementation of the Initiative was extraordinarily slow and, by 1999, only Bolivia, Guyana, Mozambique and Uganda had qualified for small debt reductions.

At a Group of Seven leaders’ meeting in Cologne (Germany) in 1999, referred to as the Cologne Summit, the HIPC Initiative was reviewed to, *inter alia*, establish a stronger link with poverty reduction. Indeed, the communiqué from the Summit stated, “The central objective of this Initiative is to provide a greater focus on poverty reduction by releasing resources for investment in health, education and social needs.” The Enhanced HIPC Initiative was launched in late 1999.

Like its predecessor, the Enhanced HIPC Initiative has moved slowly. Although 22 countries had been confirmed as eligible for debt relief by the end of 2000, thus far only 12 have actually received debt relief. Of these 12, 7 were LDCs – Benin, Burkina Faso, Mali, Mauritania, Mozambique, Tanzania and Uganda.
Debt relief under the Enhanced HIPC is also insufficient. By defining debt sustainability solely in terms of debt-to-export ratios, the Initiative ignores the fact that governments are not responsible for exports; they benefit from export earnings only through taxation. Most export earnings go to the private sector, not to the national budget. Using export earnings to decide the scale of debt relief does not take into account the government’s fiscal capacity to serve the external debt and underplays the opportunity cost of debt servicing in terms of social development and poverty reduction. For instance, Mozambique’s debt repayments will be reduced to $73 million per year. Although this reduction of about 50 per cent looks impressive, Mozambique will still be spending more to service debt than it spends on both its basic health services and basic education.

Another concern is the challenge of delivering timely relief—which is desperately needed—since countries are first required to formulate comprehensive Poverty Reduction Strategy Papers (PRSPs) that can take two years or more to draw up. Some PRSPs have narrowly focused on macroeconomic stability, but as the past two decades have demonstrated, macroeconomic stability alone does not guarantee a reduction in poverty. Despite the stated concern with poverty, country performance continues to be judged on traditional macroeconomic criteria rather than on commitment, capacity and ability to reduce poverty. In order to broaden the focus of the PRSPs, various United Nations agencies, including UNICEF, are working with governments, the World Bank and the IMF to promote stakeholder participation and a stronger focus on social development.

A final concern is that creditors are slow in meeting their financial commitments to the HIPCs despite the encouraging statements made during the Cologne Summit. This is compounded by the fear that rather than contribute new money to debt relief, creditors will replace external assistance with debt relief. Indeed, six creditor countries have already switched over 10 per cent of their development cooperation budget to debt relief, and one has reallocated over 30 per cent.

It is still too early to assess the impact of the Enhanced HIPC Initiative but one thing is clear—it is more an issue of political commitment and determination than one of financial resources. UNCTAD estimates that to overcome the debt overhang in the LDCs, some $29.5 billion will be required. Although this appears large in absolute terms, it represents less than 0.15 per cent of the annual combined GNP of industrialized countries.

**Box 4: Uganda benefits from external debt relief**

Before receiving HIPC relief, Uganda established a Poverty Action Fund in 1998 to channel the budget savings from debt relief into priority social sector investments. By the end of 2000, the country was enrolling about 2 million additional children in primary school. The approach is important because it signals a high level of commitment to poverty reduction.
Children in LDCs remain among the most vulnerable in the world. Most indicators confirm that they face serious disadvantages in the realm of economic and social development. However, examples exist showing that it is possible to improve the coverage and quality of social services for children through firm political commitment and action, in partnership with domestic and international partners. The pay-off of interventions—ensuring long-term economic growth in the LDCs, achieving the social goals of the Millennium Declaration and realizing the rights of every child—makes investing in children excellent economic sense.

Viewed against the global flow of resources, comparatively modest amounts are needed to help turn the tide in favour of children in the LDCs. Yet, insufficient resources are availed for children in these countries. The budgets of LDCs are stretched past the breaking point in the effort to reduce poverty, address the HIV/AIDS epidemic and service external debt. Clearly, without an urgent and major increase in financing for development and far-reaching policy reforms, few LDCs are likely to meet the international development targets set for the year 2015.
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