



# Guidelines for Development in Developing countries

A Master's Thesis submitted for the degree of "Master of Science"

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## **Affidavit**

### I, AHMED BUKDIR, hereby declare

- 1. that I am the sole author of the present Master's Thesis, "GUIDELINES FOR DEVELOPMENT IN DEVELOPING COUNTRIES", 67 pages, bound, and that I have not used any source or tool other than those referenced or any other illicit aid or tool, and
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#### **Abstract**

The sustainable development goals as listed by the United Nations provides guidelines for the countries to seek development for their countries with a perspective of sustainable growth but, not all nations can have a similar development plan. The developing economies and their internal dynamics are different from those of the developed countries. The report presented here points at the same and discusses the sustainable development goals in the context of developing nations. The commonly faced challenges of the developing countries in the form socio economic instability, cultural diversities, limited resources, and dominance of issues like corruption, poverty and over population are discussed in detail. How these characteristics typical of a developing economy cause hurdles in the planning of a growth of these nations are viewed from different lens. Further, these issues are explained through critical analysis of the present-day cases of some developing countries supported by relevant facts. With these understanding the paper attempts at highlighting those particular issues and gaps which developing countries need to prioritize and address in order to devise a sustainable plan for development. What are some important factors and vital areas which need pondering before making policies and reforms for bringing economic development are also highlighted. In this context, the emphasis is put on deciding the development indices and indicators of growth, developing a plan with an unbiased approach, an efficient implementation plan and monitoring system to track the trajectory of growth. How the role of experts of various domains and their insights can contribute in devising a suitable development plan of a country is also paid attention to. The report also discusses the vital elements which much be incorporated by the developing countries in crafting an ideal roadmap for development. The key points and take always of the report are summarized later.

**Keywords**: Sustainable development goals, Developing countries, developing economies, developing nations, development indices, policies, reforms.

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### 1. INTRODUCTION

In the past decade, the global development Index has changed and many developing countries have shown promise. However, on the ground level, extreme poverty, disturbing socioeconomic status is still a reality indicating that the development has been uneven.

Generally, developing countries have tried to follow the example set by the so-called developed nations and followed in their footsteps. This has not been a great course of action and time and again has resulted in failed initiatives.

In this paper, we will discuss the concept of development in context of developing nations and the challenges that hinder development.

Development can be understood as the improvement in economic performance, living standards, quality of human life (judged on values like implementation of human rights, socio-economic equality etc) and sustainability of the progress in a nation. The threshold at which a developing nations transitions into a developed nation, is a subject of perception and standards one chooses to abide by. Generally, it is the statistical criteria established by taking in account various socio-economic factors and development indicators.

### 1.1 Understanding Development in context of Developing Nations

How we choose to understand development is fundamental to differentiating between developing and developed nations. The most accepted definition of development in this context, comes from the United Nations' Development Program (UNDP) in form of the Human Development Report (HDI).

According to Human Development Report (HDR), development is "the expansion of people's freedoms and capabilities to lead lives that they value and have reason to value. It is about expanding choices. Freedoms and capabilities are a more expansive notion than basic needs."

In simpler words, people in developing nations aspire both to meet basic needs of life and lead a richer, more fulfilling, and dignified life.

One might notice that the definition in HDR views development as more diverse choices, this might not always represent the true well being of subjects. True well-being depends on many other factors like social relationships, living standards and a plethora of other factors.

Today, while some developing countries are progressing by leaps and bounds like China, Vietnam, India; many developing countries like Haiti, Rwanda, Sierra Leone are experiencing negative growth rate of real per capita income.

Another group of countries, the newly Industrialized countries (NICs), like South Korea, Singapore and Taiwan, lie amid the developing and developed countries. These nations grew rapidly in the 1960s and had a per capita income equal to almost half of that in developed nations.

As pointed out by HDR 2017, we have seen significant improvement in living standards, millions have been pulled out of extreme poverty, a higher number of children are in school now, people live longer now and the promise to human rights seems stronger than ever. The Millennium Declaration and Millennium Development Goals also propelled the development bandwagon forward by having the global commitment of ending human deprivation within fifteen years.

However, this growth has been uneven and we still have a large section of people who are deprived. While some nations have seen spectacular improvements, some countries, societies, classes have been bypassed by development.

Raising a metric as simple as per capita income may require a complete overhaul of the very fundamentals of an economy. Despite consistent efforts from their governments, several countries have not yet managed to start traversing the path of sustainable development, even in conjunction with aid from developed nations.

Development thus is a complex idea, we need to decide what exactly do we consider development, on a case to case basis. Using a standard definition might not be very inclusive and might further alienate any already recluse ethnicities and groups.

### 1.2 What kind of development should we aim for?

The sheer complexity of how development is interpreted and substantiated puts immense emphasis on the need of a focused and streamlined vision for implementation of development initiatives in a way that their impact can also be measured.

### 1.3 Sustainable development

Sustainable development may be defined as the fundamental principle for meeting human development goals at the same time sustaining the ability of natural systems to keep providing the natural resources and ecosystem services which drive the growth and progress of a society. Sustainable development is the ideal kind of development and that's what will be the major theme of this guide. Achieving development at the cost of our environment or by causing irreversible damage, will end up worsening conditions.

Especially in the raw-material rich developing nations, which are prone to non-judicious use of their resources at various points, Sustainable development gains an important place. To ensure judicious use and preservation of these valuable resources while ensuring development of the deprived, we will need to follow an ergonomic and all-inclusive approach to development.

Before we go ahead, there are some fundamentals that we need to keep in mind (as discussed in HDR- 2017):

- Universalism is the key to development and sustainable development for everyone is possible.
- There are masses still suffering from basic deprivations and will face substantial barriers while trying to overcome these deprivations.
- Human development for everyone calls for refocusing some analytical issues and assessment perspectives.
- Policy options exist and, if implemented, would contribute to achieving human development for everyone.
- A reformed global governance, with fairer multilateralism, would help attain human development for everyone.

### 1.4 Measuring development

We get a clear picture of difference created by our initiatives when we judge the status quo with respect to a previous state. However, this might not be a good indexing method as it will need immense adjustments of the previous state to make it relevant to today and vice versa.

Various development evaluation indices exist and the Human Development Index released by UNDP is among the most widely accepted indices.

This index takes into account the HDI, the Inequality-adjusted Human Development Index (IHDI), the Gender Development Index (GDI), the Gender Inequality Index (GII) and the

Multidimensional Poverty Index (MPI). The data used is as recent as possible and is accurate to the third decimal point.

For the purpose of comparison and study, the same index will be used and referred in the guide in combination with national indices as the context demands.

### 1.5 Scope of this Guide

In this guide, we will discuss, debate and explore various facets of development and the challenges that most developing nations face while deciding the goals to achieve, metrics to judge the performance and effectiveness of these goals, drafting effective policies and implementing them on the ground.

Developing nations generally have a diverse demographic as well which means multiple ethnicities and groups leading to multiple belief systems. These sometimes present unique challenges which many other countries might not face while working their way up the ladder. We will also discuss how to deal with such hindrances and possible preempt them.

In our **Chapter 2** (Deciding Development Goals), we will discuss how should the policy makers of a nation decide the development goals and milestones. The importance of a goal is decided by the severity of its necessity, the available options, pathways and resources to achieve this goal and the viability of practical implementation of relevant policies.

Socioeconomic factors, inequality issues, political hindrances and many other factors which might not meet the eye in the first glance affect the goals highly. Deciding goals themselves hence is an important and complex task.

In **chapter 3** (Selecting a Development Index), we will discuss various development indices and how they measure development. While most nations use the inequality-adjusted Human

Development Index by UNDP, many have also developed their parallel development indices to demarcate improvements as they happen.

There are many development indices available today, all of which claim to be genuine and true. A Development Index combines multiple statistics to present a fuller picture of human development. It's inputs could be a number of variables depending on what a nation considers most important at a point of time. Generally, per capita income, access to education, average age, infant and mother mortality rate, access to basic necessities of life, access to a dignified job, gender ratio, unemployment ratio, ease of doing business, support for science, innovation and new industries etc are included to achieve a number/rating that signifies the position of the nation on a predefined scale.

Deciding a development index for your nation is crucial because it will be the measure of how efficient the political machinery, the bureaucracy and other agencies have been in taking the nation forward. For example, Bhutan follows a development index that includes the gross national happiness as an important criteria. This is an innovative idea which is catching on considering that the satisfaction rating of even the most developed nations' citizens is an inconsistent number.

With all this, it is imperative that a nation's policymakers choose a suitable index. While a simple index might gloss over important issues, an index too complex might suffer by the sheer minisculinity of contributing factors. The bliss point is a hard note to touch but that is what we need to aim for.

**In Chapter 4** (Drafting Initiatives and Policies), we will discuss the complications arising when the policymakers are trying to draft policies in accordance with the predefined goals.

This could safely be called the most important stage in implementation of an initiative. All the important details from the end goal of the project, the policies and practices that will be followed, the applicable rules and regulations, the contributing parties, and target communities are decided at this stage.

This chapter discusses the basic rules that one needs to set to ensure fair play and correct appropriation of funds and responsibilities. Developing nations specifically are prone to bias, corruption and foul play. This is the stage where most scams play out and to ensure that no such thing happens, a strict protocol should be followed which makes the process transparent and reliable.

Apart from that, the chapter discusses why selecting the precise target audience and incorporating their special needs is important and how one can ensure this incorporation. Selecting an effective goal and efficient course of action is again important. One should ensure that even as the course of action is definite enough, it should also allow incorporation of new elements as and when the need rises. This would be an important feature because development doesn't deal with static components but dynamic ones which might undergo change at unforeseeable points.

Further, the chapter focuses on some pitfalls that most initiatives suffer from. These would be the errors in judgement one may make due to insufficient information or lack of expertise. We do not always have enough information about the various factors affecting a project and at times have to take risks. However, there are certain precautions and measures one can take to ensure minimization of risk and maximization of adaptability.

In combination with the challenges reformative initiatives face, these pitfalls create a slippery slope. It is therefore unavoidable to try and brace for as many possible adaptation during implementation during the drafting phase itself. Also, various government departments also get clearly demarcated roles which helps them refine their cooperation and speed up the implementation process.

**In Chapter 5** (Implementing Reforms), we will study the challenges that one faces while working on the ground to foster and promote development on the lines of pre-defined goals.

Economical considerations and political cooperation are vital to implementation of any policy. The sourcing of funds, their appropriation and final usage, cooperation among various organs of the ruling body and nexus between all the affected parties are important factors which contribute to how the initiative fares.

Regional factors like geographical location and topography, societal norms of the target community or group, nature of issue being tackled etc are among other factors which have been touched upon in context of implementation challenges.

Apart from the hurdles mentioned above, corruption, nepotism and bias are particularly strong determinants in policy-making and implementation process in developing nations. These not only hinder the best course of action, time and again corruption has led to sub-standard implementation and serious consequences therefrom.

The guide also discusses these issues in combination with aspirations of the target population and some real-life examples.

**In Chapter 6** (Challenges specific to Developing Nations), we discuss case studies which have brought to fore challenges that differentiate the current developing nations' development impediments from the ones faced by the developing nations of the past.

It had been a general trend for quite some time that developing nations tried to replicate the success of various western initiatives in their own territory. This has often led to inefficient and incompetent initiatives, high monetary overheads, dissatisfaction and frustration. After witnessing such landslide differences in performance of similar initiatives, experts carried out studies and discussed these inconsistencies.

While some of the failures could be attributed to poor execution of the plan, in general the issue was much more fundamental. Western societies and the era was much different than the developing nations today and their societies. Their requirements are different, their aspiration are different, their social values and ethical concepts are different.

What was needed was a customized initiative to these factors. While planning the initiatives, the policymakers and contributing parties should have accommodated the plans to their own agendas and national interests. Blind following of western models has slowed down progress in many nations.

What these nations should have done to prevent this loss and failure and what should be the damage control plan in case of unexpected issues are also major points of discussion as the chapter reads on.

Cases where change of approach or an unconventional take on a problem produced stellar results are also discussed. After this chapter, one gets a clear idea of why adapting the traditional modes and methods of reforms to current situations is so important.

**In Chapter 7** (An Ideal Road-map), we discuss a model plan for bringing about development without harming local communities and/or public resources.

It is almost impossible to frame the perfect plan for inducing developmental reforms in a nation. From reasons as obvious as the humongous scale, ever-changing economic variables and social aspirations, complex mesh of developmental issues to reasons like corruption, bias and misunderstood ideologies, it is easy to understand why planning is difficult.

We will discuss an adaptive way to incorporate as many as possible variables like funding and ensuring proper usage of funding, anti-corruption and anti-bias mechanisms to ensure fair decision making processes, ways to set up nexus between various contributing and affected parties of the project and so on.

The motive in this chapter is to establish a general outlook at the problem in a way that neutralizes if not eliminates all impediments and maximizes the effect of the initiative in a way that it fosters progress and improvement in the development indices.

This chapter also discusses model practices and ethics one should enforce in an effort of such nature and which to avoid at all costs. These suggestion should be adapted to a project as applicable however one should ensure transparency, open dialogue, scope for adaptation and inclusive decision making throughout the course of it.

In the end, **Chapter 8** (Summary), summarizes the guide and points out some important observations emerging through the course of the guide.

This unit takes into consideration a bird's eye view of all the stages discussed in earlier chapters and provides the reader with a cohesive and complete model for planning developmental activities.

While dealing with reformative initiatives or projects that seek to replace an existing system with a better, more efficient one, resistance from various quarters is nothing unexpected. While summarizing the suggested process for undertaking such sensitive projects, this chapter also discusses modal practices to handle such resistance in an amicable and peaceful way.

### 1.6 Insights into the Report

Having a focused vision of what needs to be done is half the work in itself. This guide has been developed keeping in sight the complete picture of development in developing countries while addressing the individual issues piece by piece. Like pieces of a puzzle fit in, these separate discussions come together to represent the vibrant scenario and befuddling challenges that an attempt at improvement of systems in developing countries faces.

The motive of this guide has been to present a one document solution to those who are naive to the subject and seek to achieve at least an informed opinion. When used efficiently, the guide contains important insights to help shape a viable and practical solution to various challenges plaguing development projects.

However, like any other guide, this guide also is subject to timely updates and corrections. The guide though, has been developed after due research and discussion, the author invites any value-adding suggestions one may have to offer.

### **Chapter 2 - Deciding goals for development**

This Chapter touches upon the definition and need of Sustainable Development Goals (SDGs). Further, the milestones, parameters and factors crucial for planning, executing the complex affair of SDG; especially with respect to developing countries are discussed.

### Sustainable development of a country

An unbalanced development plan for a country holds no long-term returns, rather; can be extremely fatal. Short term positive impacts are as big and great magnitude as it could be cannot compensate the irreparable damage caused due to short- sighted plans of developments. An outlook towards "Sustainable Development Plan "is imperative for countries.

The first step towards a sustainable development planning requires the understanding of how it should be defined. It is necessary to know the pillars of factors on which sustainable development of a country stands and depends. Sustainable development is defined as the process of development which involves usage of present resources for overall advancement but not at the cost of the future generations. Sustainable Development aims at growth and shared prosperity in an inclusive way as well as being environmentally sound, so that the needs of present generation is met by using resources in an optimal manner and at the same time is expected to support the needs and requirements of the future (Kates, Parris and Leiserowitz, 2005).

It points at recognizing the avenues of development of well-being of human beings with commitments that advancements take place within the ecological boundaries of the biosphere. The dimensions in respect to which these dimensions regarding sustainable development can be evaluated and assessed are United Nations Human Developments (HDI); indicating the

degree of development and Ecological Footprints; indicating the impact of human demands on the biosphere (Moran, et al, 2008). Three vital aspects which serve as the pillar of foundation to build a sustainable development plan includes social welfare and development, economic growth and advancements and environmental stewardship. This holds true across various sectors with focus driven towards agriculture, water and irrigation, energy sector and its usage, urban development and transportation facilities (World Bank 2018).

For most of the countries understanding the worth of sustainable developments is not a challenging affair to realize but to decide the goals in order to achieve this attracts complexities aplenty. Deciding where to focus more with respect to a country in order to achieve national growth varies from nation to nation (Moran, et al, 2008). All countries are different in their framework, socio-economic set-up, history and cultural background and hence; demands an approach towards development which lies in sync with all these ingrained aspects of a country.

But; United Nations have listed some basic goals to guide the countries by providing a roadmap in the form of Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs). The Millennium Development Goals points at a set of crucial elements which are to be considered as social priorities needed to be achieved worldwide (Sachs, 2012). The Millennium Development Goals as listed by The United Nation majorly aimed at poverty, education, gender discrimination and women empowerment, child mortality, maternal health, deadly diseases, environmental sustainability and global development. The diagram below briefs out the eight goals listed under Millennium Development plan (World Economic Forum 2015).

Figure : Millennium Development Goals (MDGs)

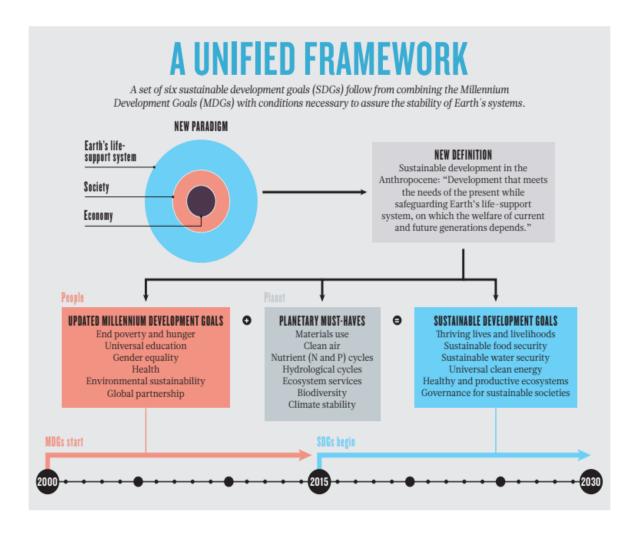


### **Source: World Economic Forum**

On the grounds of Millennium Development Goals, developing countries have been showing an impressive growth rate and graph (World Economic Forum. 2015). Although; the debates rose regarding the narrowed view of development that the Millennium Development goals present. As argued by David (2013) the efforts of United Nations need to involve the vision of the stability of the planet as well in the propaganda aiming the development of Human lives.

A simple rational put ahead is that the way of conduct and actions of Human today are affecting environment causing depletion of resources and hampering possibilities of growth. In return, human lives are suffering due to the unbalanced environment of which visible signs and effects are evident today. He further went ahead to suggest a unified framework which stands on three major points and those are environment, economy and society. The framework so suggested speaks of inculcating these key elements and hence; broadening the horizon of sustainable goals. The below figure narrates the inter-linkage between these three key points

as presented by David (2013) which argues it to be inculcated as the provisional target for 2030.



Adapted From: Sustainable Development Goals for people and planet, Disley-David (2013)

Many other experts share a similar view about defining Sustainable Development Goals for a nation. As stated by Harris (2000) this goes beyond saying that as per the current global scenario and for the sake of progressing ahead in a balanced manner a more prudent outlook is required. For the global development achieved today and to be sustained ahead in the future, efforts and usage of resources need to be streamlined accordingly, ensuring a balanced ecosystem first (Harris, 2000). This gave rise to the concept of Sustainable Development

Goals. The universal nature of the seventeen goals adopted makes it a one of its kind, setting it apart from any other scheme for development.

The goals are aimed at eradicating signs of poverty and hunger, promoting quality education and gender equality, good health, provision of sanitation and decent working standard, efforts towards life on land and below water, more responsible attitude towards energy consumption, and overall economic growth by seeking potential partnerships. The below figure presents the seventeen global goals under Sustainable Development Goals (World Economic Forum 2015).

# THE GLOBAL GOALS For Sustainable Development



Source: World Economic Forum

### **Deciding Goals for sustainable development of a country**

As stated, United Nations brings the SDGs efforts in fighting poverty and inequalities and to eradicate environmental issue by tackling the unfortunate erratic climate changes faced by the Millennium (United Nations 2018). The point to note here is that the Sustainable Development Goals although do provide a foundation for countries to plan their national growth and economic development but; what shall be the parameters to decide that differs from nation to

nation. This is what Waas and colleagues (2014) point at saying the sustainability demands for a focus on the most important areas and that calls for a decision-making strategy eventually directed differently as per the country.

Various aspects like demographics, geography, social, economic, political and technological play vital roles and with varying degree in different economies. This fact underlines the challenge of deciding goals for sustainable development for a nation. Achieving an acceptable standard or attaining a state where the disparity is minimized in all spheres globally is just a step ahead but at the more subjective level where each country needs to progress towards with a sustainable future demand, a more rigorous and detailed planning as well as implementation (Department of Economic and Social Affairs 2013).

Many authors and experts argue that a constant review on deciding the milestones and the indicators on the basis of which a nation can track its progress is necessary. Changes must be adopted and inculcated whenever it's the demand of the volatile state of the growth rate of an economy. This view is what Burford, Tamás and Harder (2016) support by strong arguments saying the an improvement in the complete design of the sustainable development planning is imperative and policymakers need to evaluate this depending on the social framework of the country. A well calculated and evaluated approach on the grounds of observations based on the conventional style of policy making, values, and national factors is needed.

Lee (1999) states that especially when it comes to a developing economy, the challenges are more widen up as such economies attract economic fragility more. They are usually exposed at a more vulnerable side as compared to a developed nation because the developing countries face additional internal issues as a result of poverty, a disparity in income distribution, corruption and stark differences in culture while moving from region to another within a nation. One example of a rapidly growing country but; with inherited differences in various

socioeconomic factors; is India (Department of Economic and Social Affairs 2013). Ellis (2000) discusses in details stating that when development related government strategies and policies bring a change in form of economic growth; often it comes accompanied with greater inequality in income. This leads to unbalanced and unfair social development, unequal access to other services like medical help and education. The discriminated and downtrodden section of a society; be it on the basis of gender, age, disability or ethnicity are usually not the ones where the progress reaches in a genuine manner. Hence; especially in developing countries where fragility, social vulnerability, and economic disparities are so dominant, planning and defining of sustainable development goals call for a holistic view on multiple societal concerns and issues as well as ingrained differences in various facets of the society.

### **Chapter 3 – Selecting a Development Index**

This Chapter discusses different indices that can be chosen for measuring the degree of development and advancement of a country. How and on which factors choice of an index usually depends is what will be discussed further in this chapter.

### Factors to consider regarding development index

There are multiple indices used by various nations modified to suit their developmental goals aligned with their demography. These multiple indices have also been improvised over time to reflect their exhaustiveness and comprehensive coverage. A developing country must understand its problems and challenges before it decides upon a development index for itself. For example, there are countries which do not have enough agricultural land. Most of their landmasses are either covered with snow or thick forests (Holm, 1969). For such an economy, it is important to include food security in its developmental agenda. There are countries which have problems with potable water.

The problem could either be seasonal or could be because of the lack of proper treatment of waste water which drains into its ponds, rivers, lakes and reservoirs (Haberl, 1999). Such countries must include environmental sustainability in its developmental goals which should be reflected in the development index it uses for itself. Some countries have reported being low on their health standards. The problems could be because of food items with low nutritional value. The child mortality rates are higher because of improper pre-natal and postnatal health care. Some countries are also known to be high on the list of infectious diseases (Brown and Solomons, 1991).

Some of the developing countries in the world have reported being at the bottom in terms of communal harmony and societal peace. Frequent uprisings and violent protests have

weakened the governance and stalled all the developmental projects. The social unrest has led to widespread unemployment, spiking inflation and unsafe localities (Nwaka, 2005). It should be a matter of grave concern for the authorities. Such economies must ensure that they have related parameters and criteria in their development index so that the government remains focused and prioritizes its developmental agenda.

Although all these are important issues and deserve to be at the top of the list, however the governments must not forget that merely addressing these problems and challenges will not ensure real development. The real development would entail that the returns of alleviating the challenges are equally distributed among the citizens of the country.

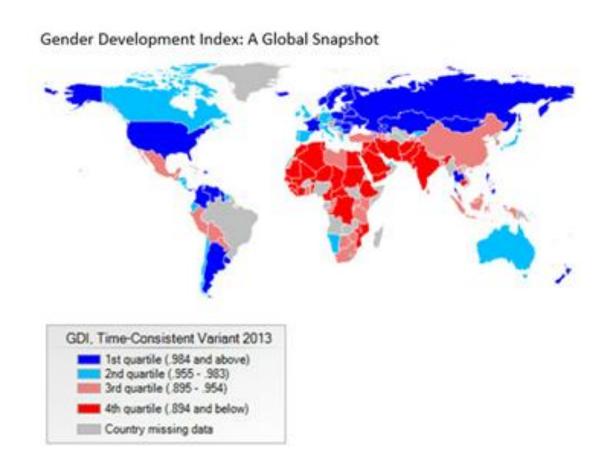
### **Major Development Indices**

There are four major developmental indices used by developing economies and governments across the world; Human Development Index (HDI), Inequality-adjusted Human Development Index (IHDI), Gender Inequality Index (GENDER INEQUALITY INDEX) and Multidimensional Poverty Index (MPI) (Human Development Reports, 2018). As a developing nation embarks upon the path of progress, there are some inconspicuous aspects of the economy which often remain untouched. The aspects such as the ever-widening income gap, lack of representation and participation of women and increasing poverty are overlooked. Human Development Index (HDI) primarily measures the health, education and standard of living of the citizens of a country. The HDI shows an average figure.

The problem with the HDI is that it doesn't act as a robust parameter to showcase the inclusive development of a developing nation. A developing nation while moving steadily on the path of development is mostly plagued by gender discrimination. HDI may show that the nation is enjoying a higher standard of living on account of increased per capita income but, it doesn't tell the difference in per capita incomes of different genders. As per the Gender

Development Index 2013 published by United Nations Development Index, most of the developing countries in the world either have higher levels of gender inequality or there is insufficient data to measure the gender equality.

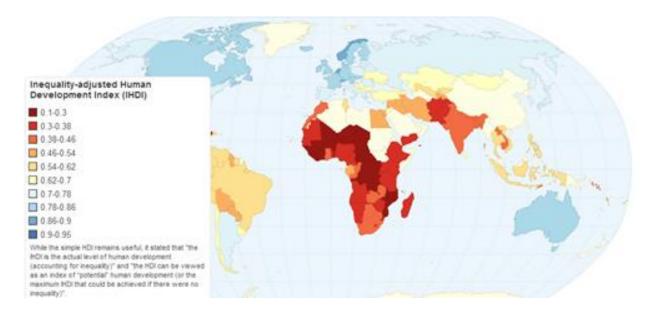
Therefore, Gender Inequality Index (GII) becomes a significant parameter. However, while GII remains focussed upon sending messages to ensure gender equality, it doesn't tell the whole picture. The yawning gap between the incomes of the richest and the poorest is another factor that must be accounted for when a nation is trying to become developed in real terms. The below figure reflects some insight regarding GII in terms of various countries of the world.



Source: United Nation Development Index 2015

Fortunately, we have a Multidimensional Poverty Index (MPI) to capture it but, instead of simplifying the challenges of capturing data and processing it to streamline its results with the objective of propelling a developing economy towards a developed economy, these multiple indices make the job much more difficult. The Inequality-adjusted Human Development Index (IHDI) provides a better compass to measure the development of a nation. It discounts the mean figure across various parameters across the entire population. If it is to be understood mathematically, IHDI is less than HDI.

The difference between HDI and IHDI represents the extent of inequality in the economy. Since it serves as a comprehensive scale of measurement, most of the developing nations in the world have deployed the IHDI tools to become a developed nation. The objective should be to minimize the gap between HDI and IHDI numbers. The IDHI is presented as a percentage of the HDI or in terms of a number from 0 to 1. The higher the percentage or the closer it is to 1, the better it is. That means that there is no inequality whatsoever. It is noteworthy that most of the developing nations lie in the lowest quartile of IHDI numbers. However, one of the constraints of IHDI is that it should have a common source for all its data. IHDI doesn't work if its data are taken from multiple sources. This does make the process a bit more time consuming and tedious albeit, more effective as well (Human Development Reports. 2018). The below figure present the world in terms of IHDI.



Source: United Nation Development Index

### **Standard of Living**

HDI basically accounts for health, education and lifestyle. IHDI is essentially the inequality-adjusted measurement of health, education and lifestyle. However, it is not difficult to understand that a human's life is not limited to just the three parameters mentioned above but, extends beyond these. Hence, the parameter lifestyle which stands for Standard of Living encompasses a plethora of factors which may not be exhaustive but, are close to being comprehensive (Latouche, 1992).

The factors which affect the standard of living are income levels, level of comfort, amount and quality of material possessions, employment opportunities, social equality & rate of poverty, affordable housing, working hours & leisure time per year, religious freedom and standards of safety. The standard of living must be thought of in terms of functions that humans perform and human capabilities (Sen, 1988). The list provides an assurance that even if these characteristics are taken care of in order to boost the IHDI rankings, the society would be much better off and the nation would have a much happier population.

### **Chapter 4 - Drafting Initiatives and Policies**

This chapter discusses in details the major concerns that lie ahead for the decision makers of a country which they need to concentrate on in the process of drafting initiatives and policies. Some pitfalls likely to happen, challenges that are very obvious for developing countries while drafting initiative, reforms and policies for development and the reasons behind the same are narrated further in the chapter.

### Major areas of concern

Although all nations have their own set of internal knots and concerns which require attention but; with respect to the developing countries and keeping the agenda Sustainable Development Goals in perspective it would not be difficult to understand that some challenges are common concerns. Albeit; these universally accepted major concerns are affecting the development of developing countries more as compared to developed spheres of the globe (World Economic Forum 2015). It is important to first eye on these aspects which require the foremost attention and then understand how and what challenges are actually underlined beneath in facing these challenges.; with respect to the developing countries.

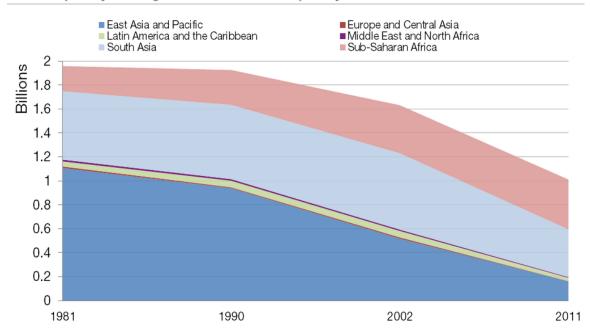
### **Poverty**

Poverty is one termite which is eating up the globe. The population is just one of the major reasons fuelling poverty in the world and this case too; is very evident in the case of the majority of the developing nations. Baulch and Hoddinott (2000) also speak about the same stating that the dynamics of poverty in developing countries is causing a great blow to the development plan of the nation. Although the population is just one of many interlinked reasons behind the same (Grindle, 2004). Most of the developing countries battle extreme poverty and economic disparity.

The below diagram highlights the shocking fact about the level of poverty in different parts of the world. Although gradually we are able to fight this situation, unfortunately we cannot be too exhilarating about the facts and figures looking at the rate of decrease in poverty level over past decades; as the pace has not been very impressive (World Economic Forum, 2011).

The number of people living in extreme poverty, 1981-2011





Source: World Economic Forum 2015

### Health and nutrition

With extreme poverty and population, along with inefficient technical expertise, poor infrastructure, lack of technology and absence of other advancement are also some of the typical characteristics of developing countries. It is disturbing to know that access to the modern supply of clean and clear water is still a challenge in many parts of the world, especially in developing and underdeveloped countries (Pandit and Kumar, 2015; Vörösmarty, et al, 2000). The below figure throws some light on this stating the proportion of the population of the world having access to the improved and hygienic sources of water.

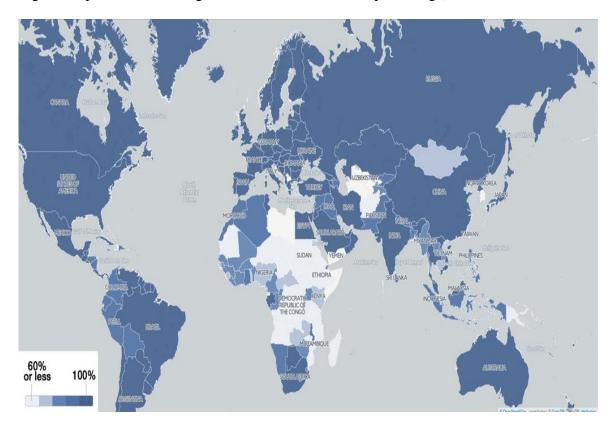


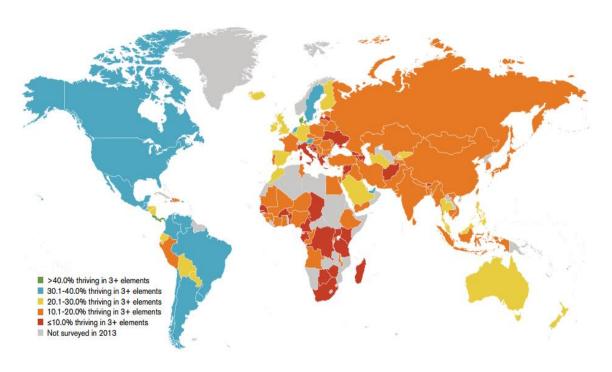
Figure: Population accessing modern sources of water (percentage)

Source: World Economic Forum 2015

Such data means the sheer incapability of some countries to ensure health and well-being of their own people. Montgomery and Elimelech (2007) points towards the critical aspect of it saying that this is indeed a very serious global concern. They further add that aspects like adequate nutrition, medical facilities, and a decent quality of food are some of many elements which are imperative to ensure healthy life of people of a country. The below figure represents the world throwing light on global health in term of countries.

### 2013 GLOBAL WELL-BEING

### BASED ON PERCENTAGE THRIVING IN THREE OR MORE ELEMENTS



Source: World Economic Forum 2013

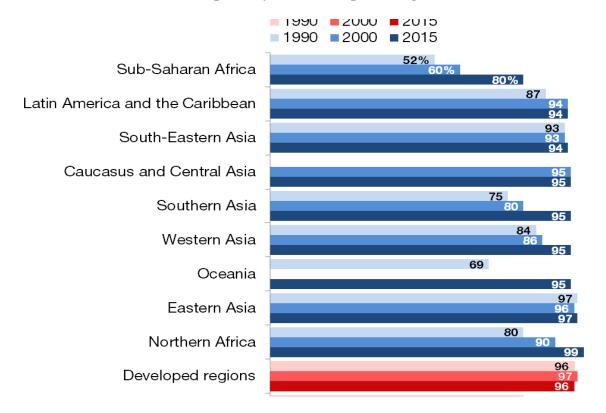
### **Education and literacy**

No reforms and policies for the development of a country can be self-sustainable if it does not meet the requirement of providing ample avenues of education. The developing countries put forward a very poor record of enrolment in education (World Economic Forum 2015). Gylfason (2001 say that this element cannot be ignored if a country wants to look ahead towards economic growth. Creating learning opportunities for developing nations is an unavoidable requirement also if they aspire to grow as it is a great obstacle in the path of development and at the same time is one of the greatest problems as well.

Planning to handle the poor standard of education and lack of accessibility to basic education for the majority of the population; require a planning that the developing nations especially need to put a lot of efforts into (Naudé, 2010). To explain the same, the below bar chart

showcases a comparison between the rate of enrolment in primary education as per the different parts of the world, both' developing and developed.





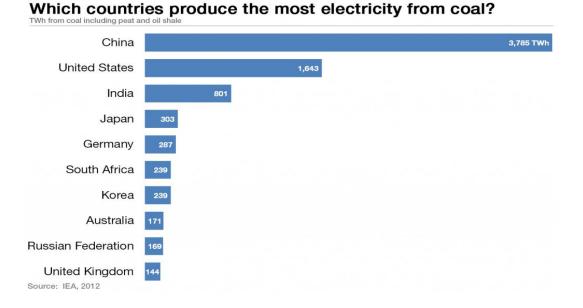
Source: World Economic Forum 2015

### Climate and environmental concern

Looking at the present scenario no wonder our researchers, scientist and expert across the world are showing their deep concern in the conservation of resources and environment. Schipper and Pelling (2006) talk about the risk and disaster that climate change can rage upon us in near future. Disturbing facts about the endangered species, depleting the ozone layer, rising sea level, global warming and many other aspects have been emphasized upon. A prudent and responsible use of resources is necessary not just from the perspective of conservation of the ecosystem but also for the international development and sustainable growth.

The present generation is facing troubles with access to clean and improved water sources and energy resources. Modern services of energy and modes of usage need to be adopted quickly and wisely. Relying on tradition resources should be one fact of the past by now but unfortunately developing countries are lagging behind in this approach (Kaygusuz,2012) The dependence of some these countries on coal even today in postmodern era will speak the story of the current situation. The below bar chart presents the data about the degree at which few nations depend on coal for electricity, highlighting the dependence.

Bar chart: Countries producing electricity from coal



Source: World Economic Forum 2015

### Challenges and complexities

To start with a detailed plan and agenda is merely the first step towards the dawn that a country expects to witness with Sustainable Development Goals. The policy- making, drafting various suitable initiatives, and to decide the course of an action plan which needs to be taken are complicated tasks and must be executed under experts supervision.

Experience and in-depth knowledge about the facets and complex model of a nation, understanding of the sustainable development goals and the agenda behind them, the foresight

and study of probable challenges which could be embedded in the whole process are imperative for the management and government of a country in order to ensure that policies so defined and actions so to be taken will do justice towards the development of their respective nation (Griggs, et al, 2013).

As discussed in the previous chapter (chapter 1) that the major pillars of Sustainable Development Goals are economic welfare and improvement, preservation of environment and eradication of poverty. For developing countries, the matter could be more demanding and complex as in these areas the developing nations faced the utmost challenges making the policy planning a difficult job for the decision makers. Below are highlighted some of the challenges of developing nations and the related complexities in facing the same.

# Challenges faced with monitoring the choice of Metrics

The foremost challenge faced is very basic but; vital. That is the decision to lock the correct measuring metrics for the Sustainable Development Goals. As discussed in the previous chapter (Chapter 3) there can be many parameters and indices which can be selected as individual metric or a set of those with respect to a country. The selection criteria and planning all depends and differ from nation to nation as stated earlier as well. The framework paved by Sustainable Development Goals as stated by United Nation needs to be understood with respect to the needs of a country. Parris and Kates, (2003) believe that once the agenda is understood the sub goals must be jotted down accordingly and suitable metric needs to be decided to keep those sub goals in perspective.

For developing countries, the analysis and efforts to decide the sub goals and prioritize them through the prudent study of what the nation needs the most; is itself a rigorous and difficult task. This is clearly because developing countries struggle at multiple levels in so many spheres in terms of social, political, and economic challenges. Hence; the decision to pick the

correct metric becomes effortful and also is more exposed to possibilities of shortfall due to entwined complexities (Cohen, 2006).

# Challenges faced with monitoring framework and tracking

Once the metrics is devised the next challenge is to devise the suitable monitoring framework. Deciding the indicators to track and monitor the execution also has the similar share of challenges. The tracking and insights related to the progress as expected to be reported by the analysts and data collectors will result into a faulty affair is the essential parameter, data and indicators are not in place as a part of establishing the adequately designed monitoring framework and mechanism.

The data needs to be gathered first for formulating the indicators as a consolidated entity (Kates, Parris, and Leiserowitz, 2005). Here also; the developing nations face internal battles against various challenges as the fragmented biodiversity poses a big hindrance. In these nations, the information often gathered are not adequate and sufficient because of lack of basic acumen as expected out of the workforce involved.

# Challenges faced with infrastructure and capabilities

Along with the above said problems, which are very basic in nature but; are of the great hindrance in the process; there is one more to add to the list, that is the lack of infrastructure and manpower capabilities. Paprock (2006) states that the infrastructure available with the developing countries are not advanced and thus; are not of must support to ensure a speedy and efficient mechanism to be put in place.

The administration and the policy-makers need to rely on the present institutions which are not very capable as per the mark. Lack of fully equipped and efficient infrastructure, obsolete technology, poor networking system, operational framework, database management system and ill-trained manpower are some traits of developing and underdeveloped countries (Heeks,

2002). These are some very first but; ardent problems that policy-makers struggle in order to devise the right course of actions.

# Challenges faced due to economic conditions

Developing nations grapple through economic fragility and thus the factors like poverty and income disparity are dominant in the society. The national economy suffers due to these. The rate of improvement with such areas in developing nations despite prudent planning and execution are often observed to be very slow due to magnitude and high degree of these concerns. Great poverty and disparity are not matter of yesterday in the context of developing nations and hence demand a longer period for improvements. This situation persists as it is deeply rooted in the society and hence; making it one major area of attention and concern (Cohen, 2006).

#### Challenges faced due to corruption

Last decade has shown some substantial growth in the expertise of measuring the magnitude of corruption. With such emerging potential came into light the shocking fact of rampant corruption in developing countries. The magnitude and expand of corruption in these nations have penetrated all spheres of work and daily lives. Olken and Pande (2012) reveals some baffling data solely pointing that the growing corruption and its hazardous impacts are evident not just for the advancement and growth in these particular nations but; is argued to hamper badly the motive of international goals of world development.

A tabulated set of data presented below is just a study of few countries but brings to light the disturbing fact about degree of corruption in developing nations.

Table: magnitude of corruption

Paper	Country	Context	Strategy for Assessing Corruption	Corruption estimate	Corruption Estimate (in percent)
Estimates of bribery	3			I:	
Svensson (2003)	Uganda	Bribes firms pay	Survey evidence	Firms pay bribes of US\$88 per worker	8% of costs
Olken and Barron (2009)	Indonesia	Bribes truck drivers pay to police on their routes	Direct observation: Enumerators accompanied truck drivers on their regular routes, dressed as truck drivers' assistants and observed illegal payments	Truck drivers pay bribes averaging US\$0.50 to US\$1 per payment	13% of cost of a trip
McMillan and Zoido (2004)	Peru	Bribes the secret police paid to judges, politicians, and media to support the Fujimori	Direct observation: After fall of Fujimori regime, videotapes and bribe receipts became public	Politicians received bribes of \$3,000 - \$50,000 per month. Media received bribes as much as \$1.5 million per month	N/A

Source: Adapted from-Corruption in developing countries (Olken . and Pande , 2012)

Paper	Country	Context	Strategy for Assessing Corruption	Corruption estimate	Corruption Estimate (in percent)
		regime		for one television station's support.	
Sequeira, Djankov (2010)	South Africa  Mozambique	Bribe payments to port and border post officials	Direct observation: Enumerators shadowed clearing agents in ports to collect information on bribe payments	Bribes amounted to 14% and 4% respectively of the total shipping costs for container passing through Mozambique and South Africa.	14% of shipping costs (Moz.) 4% of shipping costs (S. Africa)
Estimates of graft				•	
Reinikka and Svensson (2004)	Uganda	Graft in public spending of educational funds intended to cover school's nonwage payments	Estimate by subtraction: PETS compared the amount of grant sent down from the central government to the amount received by schools.	Schools received on average only 13 percent of the grants	87% of funds

Paper	Country	Context	Strategy for Assessing Corruption	Corruption estimate	Corruption Estimate (in percent)	
Olken (2007)	Indonesia	Graft in the building of rural roads funded through a national government program	Estimate by subtraction: Compared the official amount spent on the road to an independent engineering estimate of what the road actually cost to build.	"Missing expenditures" – the difference between what the village claimed the road cost and what the engineers estimated it actually cost – averaged about 24% of the total cost of the road.	24% of cost of the road	
Olken (2006)	Indonesia	Theft of rice from a program that distributed subsidized rice	Estimate by subtraction: compare administrative data to a generally administered household survey.	At least 18% of the program's rice disappeared before reaching households.	18% of program expenditures	
Hsieh and Moretti(2006)	Iraq	Bribes from the under-pricing of oil in Iraq's Oil For Food	Estimates by subtraction: gap between the selling price of Iraqi oil to the Oil for Food	Iraq collected \$1.3 billion in bribes from under-pricing oil, or 2 percent of	2% of oil revenues	

Source: Adapted from-Corruption in developing countries (Olken . and Pande , 2012)

# Challenges due to socio-cultural complexity and poor education

The developing countries pose additional widespread socio-economic challenges. Many developing nations have diverse ethnicities, cultural groups and communities within the national boundaries that they create a visible social divide. Caste system and power distant are some inherent characteristics of few developing countries. Many particular sect and groups face extreme poverty, social disdain or sometimes both, making it difficult to put efforts for an overall development of the society and national economy.

The divide in terms of social attitude and practices make the situation very fragile and vulnerable to misbalances that may arise due to internal friction, unrest or clash. All these factors add to the chagrin of building up an apt plan of development which could be

adequately focused towards the improvement of particular areas of concern amidst so much of disparity and social divide. Corruption, unfair and biased social attitude add to the challenge of execution and fair implementation of schemes, policies and plans (Woolcock and Narayan, 2000).

The social divide as discussed is instrumental in lack of adaptability of a society. The resistant attitude towards adoption of new reforms and policies slows down the progress and hinders efficaciousness of results. The poor standard of education, restricted access to education and a high degree of illiteracy is yet again some common traits of developing nations (Buchmann, and Hannum, 2001). These factors further limit the scope of execution and acceptance of reforms.

Clearly, tackling the dominant societal gap and disparity becomes a matter of great challenge which involves complexities and requires prudent and careful planning. Hence; with such hindrances to overcome, implementation of Sustainable development Goals through right initiatives and planning is a challenging and demanding job.

# Challenges with respect to climate change policies an energy conservation

Sustainable Development Goals are focussed on one of the important aspects and that is to adapt to a globally accepted responsibly attitude towards the environment as previously discussed (Chapter 1). Although; the alarming signs of climate change and danger that it threatened with for the coming generation is not dependent on the economic health of a nation, but; it is argued that developing countries are more exposed here as well.

As per many experts like Beg and colleagues, this is stated that the population of the developing countries are more vulnerable, poorly equipped with skills and knowledge and already face the prevalent socio-economic challenges. Swart, Robinson and Cohen (2003) say that there is lack of understanding and vision towards the climate change and importance of

environment conservation make the least likely to have embraced the climate change policies.

As a result of this the nation as a whole in terms of its development suffer.

Lu and colleagues say that even today the obvious connection between the climate change policies and sustainable growth is not accepted and understood among the developing countries sheer because of their restricted and naive outlook. The linkage between these policies and growth is what have been advocated by experts and researchers over a very long period of time. An opinion belonging to the same stream is what Kaygusuz (2012) states; pointing that alternative energy sources, resources and modern services of energy are still not accessible to a large mass of people in developing countries.

The data that projection of people still dependent on biomass and its traditional usage is going to rise to 2.8 billion by 2030, is just one simple fact to reflect the above stated (Kaygusuz, 2012). To attain a sustainable pace of growth such kind changes in attitude, a degree of adaptability and accessibility of energy resources is a necessary change that should be in motion today in developing nations around the world (Stern, 2008).

# **Chapter 5 – Implementing Reforms**

This chapter talks about the reforms for developing countries and the process involved in their implementations. Further; with detail discussions about various factors like social, economic, political considerations and the building forces; the challenges and complexities in the implementation of reforms are highlighted. A briefcase of India and China throws some more light on the same.

# **Reforms in developing nations**

The developing nations keep coming up with various economic and political policies in order to improve their growth rates. The new legislation, amendments and regulations serve as part of the implementation tools. However, the foremost responsibility of the governments is to address any social upheaval or potential unrest simmering beneath the surface so that the advantages of the reforms are not short-lived but, grow into an umbrella nurturing generations (Grindle and Thomas, 1991). Likewise, there are several challenges which a public institution such as governments in a developing country faces when it tries to reform the economy and the society. But, there are countries in the developing world which have shown determination and strong socio-political will to take their nations on the path of economic prosperity through economic reforms. India and China, the two of the largest developing economies have stood out (Saxenian, 2005).

# **Challenges in Implementing Reforms**

There are numerous challenges faced by developing countries. The governments need to understand that the reforms should be based on high-quality data and consistent evidence. Since the developing nations are plagued with multiple issues, they need to prioritize the reforms depending upon their respective outcomes. The governments also need to identify the beneficiaries and therefore, understand who or which group should be prioritized. The reforms must also be aligned with the law of the land and the informal systems must not act as a hindrance to the implementation of developmental reforms.

The cultural aspects of the country must also be accounted for while deciding upon the implementation of reforms as a cultural setback may cause an adverse impact. The countries should follow the old saying, "precaution is better than cure". Often, the countries also realize that the drivers for the change are absent and reforms remain implemented on the paper but, not in spirit. Another challenge is to set up a grievance redressal system which can voice the

opinions of those who had to bear the brunt of the reforms and policies of the government which did not make their lives happier. This does not sound like a very prudent thing on the part of the governments in developing nations but, it does mean that the system is honest and really wants its people to have better lives and sustainable happiness. Besides, the developing countries also need to ensure that it showcases political commitments, manipulate informal norms for the benefit of the reforms, widens the clientele and ensures inclusivity & gender sensitiveness to build capacities to act as driver and forces of change (GSDRC. 2018).

#### **Political Will**

Reform fatigue is one of the reasons why developing nations witness wavered political commitments along with absence or shortage of financial incentives. Lack of political commitment to carry out the implementation of reforms has been one of the most common reasons for reform failures in developing nations (Scott, 2011). Political commitments are predominantly assessed using the following parameters – external or internal agent of change, the role of domestic players in decision making and benefit distribution, stakeholder consolation, resource allocation, long-term planning and knowledge documentation (Brinkerhoff, 2010).

# **Manoeuvring Informal Norms**

The informal norms are said to be both good and bad for an economy. In some cases, the informal norms supplement the developmental reforms whereas there are examples wherein the informal norms have proved to be counter-productive. Usually, a developing nation focussed on reforming the society for better bans hunting wild animals which have anyway been mandated by the World Wildlife Fund (WWF) also but, the informal cultural and

religious norms dictate animal sacrifices to be pristine and mandatory ritual during offering prayers to deities.

Without putting restrictions on such practices, the country cannot make effective animal protection laws. Similarly, the implicit informal norms must be done away with before implementing the reforms otherwise, clashes would prove to be mutually deteriorating (Collier, 2000; Platteau, 2000).

# **Widening Clientele**

Governments, often, provide material benefits to those who tend to support the political party it belongs to. The nexus thus, formed between the government and its clientele start affecting the decisions and policies of the government. The developing countries have, on so many occasions, witnessed a situation called policy paralysis.

The reforms are unable to be implemented because such clientele grows bigger in power and starts affirming its presence by making unreasonable demands. It is very important that the government becomes more pragmatic and forces the institutions of its clientele to shut down. This way, the governments of the developing nations would make everyone its client and broaden the beneficiary base (Collier, 2000).

# **Inclusivity**

The socio-political and socio-economic reforms in developing nations have been more populist than being more pragmatic and ethical. The most disadvantaged section of the society, say, a poor tribal widow does not get anything out of such reforms which look good on paper but, are absent in reality. Inclusivity means that everyone living within the territorial regime of the country should receive benefits emanating from the reformist measures.

Inclusivity is one of the routes through which the governments can ensure that its clientele is not restricted to those who voted for them. A reform must be inherently inclusive or at least its implementation should include everyone (Woolcock, 2001).

#### **Gender Sensitiveness**

A widespread form of gender inequality and an absence of sensitization toward gender-neutrality is extremely common in developing nations. Most of the reforms and policies, the governments come up with are not designed considering the aspect of gender inequality. The female gender, which is considered to be the weaker link, in patriarchal societies is often under-represented in workplaces and legislative. Therefore, the reforms and policies do not include feminist guidelines. The implementation, per se, does not have any issue in absence of gender-neutral guidelines but, such implementations are not long-term solutions and hence, do not prove to be either efficient or effective (Seguino, 2000).

# **Building Forces**

In order to implement reforms, the government has to ensure that the task of capacity building is carried out at all the possible levels; individual, organizational and institutional. However, in order to ensure the effective capacity building, it should also be ensured that the three levels interact with other. The interaction has to be complementary. For the purpose of implementation of reforms, developing countries move ahead riding on institutional changes. But, the institutions can only drive changes once it has the support of the organizations which eventually have the individuals working together. The human resources as part of the capacity building have to be supplemented by training manuals and required equipment.

The nature of aforementioned challenges can be easily grouped under one or more of the following; political, economic and social. The reforms can only be implemented if there is a convergence among the socio-political and socio-economic factors. Therefore, it becomes important for public institutions such as governments and public sector units in the developing countries to take cognizance of the relevant issues and challenges.

# **Political Considerations**

The political considerations must be embedded in the design of the reforms. It is advisable to highlight and act upon the political challenges at an early stage to effect an implementation of the reforms. The change management which is a subset of implementing reforms also calls for coalition formation; a group which comprises of key stakeholders, both internal and external.

The coalition always acts as an enforcing factor and drives the change by removing the hurdles. Such groups can comprise of governments, bureaucrats, public partners etc. As a matter of fact, the governments also bring the opposition on board with other formal and informal institutions which are party to the reformation.

#### **Economic Considerations**

The reforms also face challenges as these are scrutinized; whether the policies would be able to boost the national economy by creating jobs, increasing production, curbing inflation and enhancing the overall standard of lives of the common mass. One of the economic considerations, in order to have a more fruitful reform in place, is to get rid of protectionism. A developing country should focus on opening up its market by allowing the foreign players to manufacture and sell.

However, the foreign investments are feared to drive away the local producers and smaller businesses. Hence, the governments in the developing world have to take every precaution necessary to ensure that the one set of policies aimed at boosting the overall economy doesn't become a setback for the other side of the same market – smaller players. The reform should be able to put a mechanism in place which provides jobs to people. This does not have to be a direct impact as not all reforms are directly aimed at boosting the manufacturing or service sectors (Schumpeter and Backhaus, 2003).

#### **Social Considerations**

The social factors in the developing countries do need to be improved on the back of reforms and public policies. However, it has been seen that the social assistance programmes as part of the reformist measures have also helped other reforms to be implemented rather smoothly. In the developing countries, the social security net that has remained fragmented need to be consolidated. The citizens should have convenient and mandatory access to basic education, health facilities, housing and basic infrastructure including roads and potable water facilities. The reforms also demand that the society should not feel the added pressure to abide by the new rules and regulations as per the latest guidelines.

The social fabric should be made to feel free to exercise their right to choose and right to express. However, in cases where the reforms need to be enforced for building a better world with higher morality and ethical values, there should be proper retribution mechanism in place for the offenders. The absence of penalizing the guilty would encourage others to take similar course of action rendering the effects of the reforms to be ineffective (Woolcock, 2001)

Besides, political, economic and social consideration of implementing reforms, there is a host of other challenges which developing countries face while managing change. One of those issues is related to funding and financing the projects. Most of the developing nations are suffering from fiscal deficits. Every year, in their annual budget announcements, they set a target which they mostly fail to achieve. Therefore, as an alternative, some of the governments

have been partnering with private players to finish the projects to cater to the requirements of effecting the reforms.

The Public-Private-Partnership (PPP) model is very common in developing countries. The model provides the required the finances and once the project is complete, the profits are shared among the stakeholders in proportionate amounts. Other sets of challenges include factors related to the topography, cultural beliefs, corruption and nepotism. Some of the reforms and government policies cannot be implemented due to physical limitations. The governments in such cases can explore the available technological options and partner with other countries (developed or developing) to leverage their advancements in the fields of science and technology.

The obstacles pertaining to cultural beliefs can only be done away with moral suasion. In the developing countries in Asia, the people are emotionally bound to their cultures and have strong faith in their customs and practices. Reforms which threaten the popular cultural beliefs gather unpopular sentiments and eventually remain dormant. A political strategy to form groups and coalitions with key stakeholders may ensure that the affected group is taken into confidence before implementing the reforms (McKinnon, 2010).

There is, however another problem; the menace of corruption. The challenge with alleviating corruption is that it has become a part of the system which cannot be removed. The only option is to replace the system which is not pragmatic. The governments have tried to legislate stringent rules to curb corruption but, it has ceased to stop. The challenges related to nepotism are mostly seen in the governmental machinery wherein the political leaders do not have to follow meritocracy but, adopt populist measures to be able to persuade people to vote for them. Challenges related to corruption and nepotism can only be removed in the longer term. The governments in the developing countries have been trying to use education and social

awareness programs and campaigns to create a more aware and more responsible demography (Mo, 2001).

#### Cases of India and China

A couple of the countries in the world namely, India and China have become examples of successful cases in implementing reforms as these countries through their remarkable policies and political will have moved ahead in terms of economic growth (Saxenian, 2005). On one hand, where China has been trying to move to a mixed economy, India on the other hand, has tried to make use of better taxation regime.

China has realized the importance of mixed economy in the contemporary global scenario. The country has traditionally been a command economy and the population, both individuals and corporates have shown an intention to move toward a mixed economy regime. The Chinese collapse hence is not a point of concern but, a phase in its transformation. The government has been able to handle the political and economic considerations in a professional manner. Some of the reforms which the country has carried out are in the public sectors, banking sector and social liberty (The Balance, 2018). On the other hand, India which has managed to develop manifold in the last 5 years has also shown an unmatched inclination toward reforming its policies.

The country has passed the most awaited Goods and Services Tax (GST) and reformed the taxation regime to make it more progressive in nature. The indirect taxes have slated into slabs to cater to the needs of the needy and middle class. The country has also managed to open its doors by allowing further foreign direct investments. Such reforms have helped India to move up in the Ease of Doing Business rankings (The Modi Government's Reform Program: A Scorecard. 2018). The world is learning lessons from India and China as these have

strengthened the case of BRICS (Brazil, Russia, India, China and South Africa) and ASEAN (Association of South East Asian Nations) economies (Saxenian, 2005).

#### **Chapter 6 Challenges specific to Developing Nations**

This chapter covers in detail the difficulties that developing nations face in their course of action towards progress. The discussion regarding how and what makes a country categorized as a developing nation, their major concerns hindering in the path of development and their specific challenges; come further where it is narrated through case studies of some of developing nations.

# **Developing nations**

As discussed in previous chapters development planning in developing and under developing countries involves challenges aplenty. Each country demands a different approach and initiatives to be drafted for the advancement of its economy. The areas of concerns are although; similar among the majority of these nations; if at all; but the degree and type of problems may differ. Hence; policy maker puts so much effort in understanding the basic nature of the national ecosystem and nature of the specific country first to narrow down on the most crucial aspects of the economy which required to be on the of the priority list.

Accordingly; policies are drafted. Though; what makes a country categorized as developing country and their usual challenges have already been touched briefly in previous chapters but; to discuss the same in details first it is vital to have an overview of the developing countries of the world in particular.

Cohen (2006) says that a developing nation can be defined on parameter more than one and often differ as per different institutions. The measurement of the development level and standard of economic growth of country defined by United Nations follow some specific conventions which are related to the contours on which Sustainable Development Goals are proposed (United Nations 2018). The World Bank makes use of little different factors as a basis of categorizing a country as developed, developing or under developing. GNI; Gross

National Income per capita along with some more factors are major parameters for the same (The World Bank 2016).

Gross National Income consists of domestic as well as foreign output that the residents of a country claim. This includes the incomes that the foreign residents in a country earn but excludes the income so earned by the non-residents in the domestic economy (Macdonald, 2010). Although; the experts keep revising the threshold and definition as per the changing dynamics of the world (Nielsen, 2011). To give a better understanding of the same the below table reflects the changing format of income analytics that the World Bank uses as one of the deciding factors.

**Table: Income Thresholds (World Bank)** 

	1976	1982	1987	2009
	(In current dollars)			
Low income 1/	250	410	480	995
Lower middle income 1/		1,670	1,940	3,945
High income 2/			6,000	12,195
World per capita GNI (Atlas method)	1,562	2,486	3,179	8,741
	(Percent change)			
Low income 1/		64	17	107
Lower middle income 1/			16	103
High income 2/				103
World per capita GNI (Atlas method)		59	28	175
(In per	cent of world per capita GNI)			
Low income 1/	16	16	15	11
Lower middle income 1/		67	61	45
High income 2/			189	140

Source: Adapted from "Classifications of Countries Based on Their Level of Development: How it is done and How it could be done" (Nielsen, 2011)

Other institutions like IMF; International Monetary Fund and UNDP; United Nations Development programme also have their set of determining parameter and classification mechanism tor categorizing a country in terms of development level. These guidelines as per the different institutes differ in their mandates and categorization system because their approach follows different views and perspectives.

For example; according to International Monetary Fund Myanmar is the fasted growing country showing accelerated economic growth but; other institutions differ a little with their relative calculation. The below map presents the picture of the world in terms of GDP which is one major parameter from the perspective of IMF (World Economic Forum 2016).

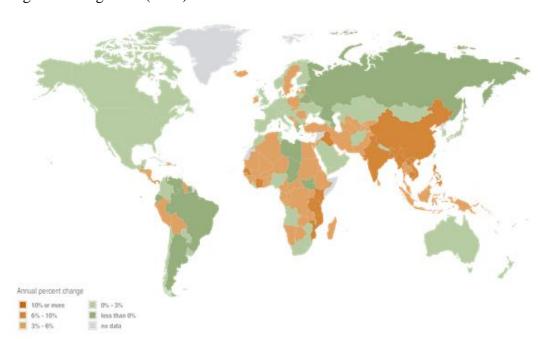


Figure: GDP growth (2016)

Source: World Economic Forum 2016

With differences as evident, it is also stated in studies that the same time he also further adds and emphasizes that an inspection related to current methodologies of these institutes do also reflect some similarities as well (Nielsen, 2011). The below table gives an idea about this through a brief comparison between the analytical approach and selection of parameters of the World Bank, UNDP, and IMF.

Table: Comparison between classification system for the countries( IMF, UNDP, World Bank)

	IMF	UNDP	World Bank
Name of 'developed countries'	Advanced countries	Developed countries	High-income countries
Name of 'developing countries'	Emerging and developing countries	Developing countries	Low- and middle- income countries
Development threshold	Not explicit	75 percentile in the HDI distribution	US\$6,000 GNI per capita in 1987-prices
Type of development threshold	Most likely absolute	Relative	Absolute
Share of countries 'developed' in 1990	13 percent	25 percent	16 percent
Share of countries 'developed' in 2010	17 percent	25 percent	26 percent
Subcategories of 'developing countries'	(1) Low-income developing countries and (2) Emerging and other developing countries		(1) Low-income countries and (2) Middle-income countries

(Source: Nielsen, 2011)

On the classification criteria are in place, the developing countries are listed. Some commonly recognized developing nations of the world are as following (The United Nations, 2018).

Table: List of developing countries

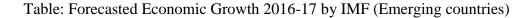
Africa		Asia	Latin America and the Caribbear
North Africa	Southern Africa	East Asia	Caribbean
Algeria Egypt Libyab Mauritania Morocco Sudan Tunisia Central Africa Cameroon Central African Republic Chad	Angola Botswana Lesotho Malawi Mauritius Mozambique Namibia South Africa Zambia Zimbabwe West Africa	Brunei Darussalam China Hong Kong SAR* Indonesia Malaysia Myanmar Papua New Guinea Philippines Republic of Korea Singapore Taiwan Province of China Thailand	Barbados Cuba Dominican Republic Guyana Haiti Jamaica Trinidad and Tobago Mexico and Central Am Costa Rica El Salvador Guatemala
Congo Equatorial Guinea	Benin Burkina Faso	Viet Nam South Asia	Honduras Mexico Nicaragua Panama South America Argentina Bolivia (Plurinational State of) Brazil Chile Colombia Ecuador
Gabon Sao Tome and Prinicipe	Cabo Verde Côte d'Ivoire	Bangladesh India	
East Africa  Burundi  Comoros  Democratic Republic  of the Congo  Djibouti  Eritrea  Ethiopia	Ghana Guinea Guinea-Bissau Liberia Mali Niger Nigeria	Iran (Islamic Republic of) Nepal Pakistan Sri Lanka Western Asia Bahrain	
Kenya Senegal Kenya Sierra Leone Madagascar Togo  Somalia Uganda United Republic of Tanzania		Iraq Israel Jordan Kuwait Lebanon Oman Qatar Saudi Arabia Syrian Arab Repuplic Turkey United Arab Emirates	Paraguay Peru Uruguay Venezuela (Bolivarian Republic of)

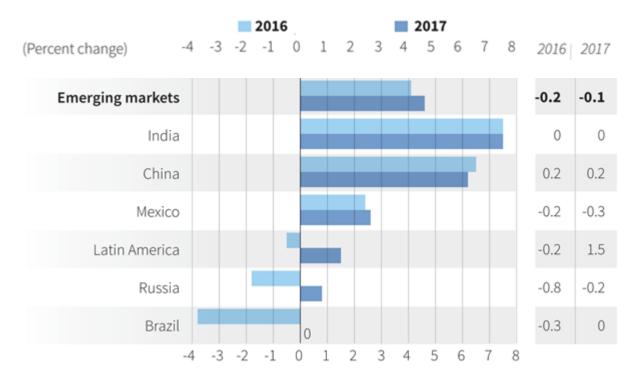
Source: The United Nations 2018

# Case study of developing countries

Reports suggest that some developing countries are showing a commendable rate of growth as compared to others. There are some which are excelling with their plans of economic advancement despite internal challenges and making a mark on the global podium with

passing years whereas; there are others with similar plan and agenda but are lagging behind considerably. The below bar chart reflects the growth in terms of some emerging economies (World Economic Forum 2016).





Source: World Economic Forum 2016

Through some case studies particularly focus on few developing countries it is attempted to study the challenges specific to these countries. Related insights have been drawn through these case studies which are instrumental to analysis the dos and don'ts for a developing country with respect to sustainable growth and development.

#### China

China is a country that boasts of having the third largest military in the world and justifies its position as a second largest economy. But; as per the level of the development and economic advancement is concerned it fails to lock its position as a developed nation; rather fall under the list of developing countries. Albeit; it enjoys a status of one of the fasted growing

economies of the world. As the largest developing nation, it has been showing excellent progress towards the direction as paved by Sustainable Development Goals aimed at 2030 (China Daily 2018).

The commitment of Chinese government and administration towards the goals has yielded positive returns. As per the required focus, the efforts of China are driven towards attaining a successful status of Chinese enterprises overseas; seeking global partnership and constant attempts at improving the domestic set up at multilateral spheres with a more open and flexible outlook. The economic reforms so adopted are dedicated towards the aim to uplift the nations as well as the well-being of the Chinese people.

The growing income level that standard of living of the society testifies the same. With a firm belief in shared progress and prosperity, the Chinese government has been drafting policies and initiatives to facilitate such global partnerships and assignments (The State Council the People's Republic Of China 2016).

# **Specific Challenges**

The differentiated approach of China on the common grounds of sustainable Development goals as proposed becomes even more worth praising when the attention shifts to the challenges that it faces as a country while but yet; struggles to find its way through policies and reforms defying societal hindrances. With more advancement and demand of skilled workforce has been rising where China is continuously struggling with it a small portion of the young population.

Infant mortality rate and gender inequality are some other lock-outs of Chinese socio-cultural dynamics which hinders the progress of the nation towards a modern outlook. To add to this lies the internal resistance and limited degree of acceptance exhibited by the society which is

deeply ingrained. Along with these GDP of China remains low as against the expectation and targets (Jiang and Ellinger, 2003).

#### India

India is land of diversity with its democratic government popularly stated to be as" of the people; by the people; for the people". As per the roadmap presented by the Sustainable Development Goals; India stay committed at economic development with a major focus on infrastructure, to uplift the poor, gender equality, empowerment of socially downtrodden and conservation of the environment (Voluntary National Report India-The United Nations 2017. The government of India commits to tackling these fundamental concerns of the nation through specialized forums for making reforms and policies especially addressing poverty, inequality and climatic concerns. The continued involvement in global engagements, partnerships, policies for trade and domestic improvement, facilitating education and job opportunities are some efforts as taken by India to deal with its challenges (NDTV 2018).

# **Specific Challenges**

As the biggest democracy of the world, it showcases vividness and a substantial degree of diversity in its culture, ethnicities, language, religion, beliefs and practices. The nature of governance, political dynamics and societal set up varies at large within short geographical boundaries posing a challenge of huge magnitude to bind the country as one and collectively progress ahead. Democratic rule and the usual vocal conduct of the people add layers to that challenge. Corruption is rampant and dents the implementation of reforms largely.

The inherited caste system in the Indian culture is dominant in the national attitude and widens the social divide even further. The poverty and income disparity adds to the power distance. The rifts between various sections of the society is of great concern and thus; adoption of any policy and its execution needs to be in sync and harmony with all these socio-cultural aspects in order to avoid any internal unrest and extreme clashes (Agarwal, 2003).

#### Mexico

Mexico is a developing country but it beats all other developing nations in terms of standard of living, life metrics and economic standard. With such facts to support it definitely enjoys the position of an advanced economy but does not qualify enough to be called a developed nation yet, although is increasingly progressing in that direction.

It launched National Council to look particularly in developing strategies and policies for the sustainable growth b understanding the challenges and expected hurdles. Some important aspects taken under foremost consideration is the sanitation, health and medical services in Mexico. With long-term commitment and a vision towards national well-being Mexico has been showing fast-paced development in recent past overcoming difficulties and challenges gradually (The Lancet Global Health 2016).

# **Specific Challenges**

Despite an impressive economy Mexico still is not considered as a developed economy because it lags in some vital areas like health and sanitation. The child mortality rate is a high and poor provision of medical services are some major concerns. The society ace great challenge with a large part of the society still having poor access to clean water and hygienic surroundings.

On the top of this poverty makes the conditions even more challenging and troublesome. The efforts of advancement are largely revolving around these grounds as they pose burdens the policy-makers with their intensity of seriousness (Moreno-Brid and Ros, 2009).

#### **Chapter 7- An Ideal Road-map**

This chapter talks about the best possible way to achieve the roadmap of progress for developing nations. The truth is there cannot be an ideal plan possible to frame but; some major factors with respect to developing nations especially can help in achieving an optimum plan; if not the ideal one. The chapter further discusses how to include those factors in developing policies and reforms for a country.

#### The Roadmap Ahead

The idea to frame an ideal plan for the development of any economy or anything in general; is actually not a realistic approach. No plan does not matter how much detailed, researched and prudently analysed it may be; will always have to go through multiple glitches in the execution. The scope and possibilities of such glitches, hindrances, and hurdles are all so obvious when we talk in reference to something as complex and of magnificent scale; as a whole country.

Challenges come in various forms and in multiple layers. The socio-cultural belief; value system, age-old practices, traditions, the basis national attitude, history, political framework and economic structure all play a vital role in elevating the degree of complexities involved. Also; what adds to the struggle in the planning of an ideal road map of development is not just the humongous scale and intricacies of the society that we speak of in case of an entire nation but; also one very complex entity in itself; and that is "People".

A plan, policy, or any form of change have to encounter the delicate human psychology and mind-set at the planning level, in execution and in terms of acceptance by the society. Human biases and some degree; small or huge; of internal clashes in the form of differences in opinions are bound to creep in. Human behaviour and feelings govern lives and social establishment (Leigh and Blakely, 2016).

In this case when the scope of pitfalls are highlighted and evident; what least can be done is to keep the effort in planning a development scheme as immune as possible; from all these elements. Although, the factors to be considered will surely differ as the context of a country will vary but; certain basic steps and key aspects to be kept in perspective can help in coming up with a much chiselled and streamlined road-map.

It can add to the efforts and hardship involved in drafting a sustainable growth plan but; it is surely worth the pain for a country a lot stay at stake. Hence; some major factors and ways towards prudent planning must be kept in perspective.

# Crucial factors for the development of a country

The world is evolving and so must the countries in order to cope with the rapidly changing dynamics of the world (Lefebvre, 2000) Transaction Publishers. Before a country looks forward to what can catapult the growth of a country; there are certain basic elements which a country cannot ignore if it is committed towards it people and the future of the nations. Some such fundamental and vital notions to be kept in view with respect to a country are listed below.

# **Security**

Security and safety is probably the very first demand of a civilized society. A country cannot even think of any further agenda of growth and improvement if it fails at ensuring a safe and secure life for its citizens. No other effort towards any kind of advancement will fetch returns in the long run if a country cannot provide a safe society to live in and interact with.

Safety and security concerns of a country are not just limited to its own citizens but also to the expatriates, tourists and foreign individuals and agencies. It is the responsibility of the administrations to maintain an unbiased judiciary, responsible legal system, and effective law

and order within its boundaries. Crime and corruption at all levels need to be checked (Ginneken, 2003).

# **Tackling poverty**

Poverty is a not only a dark spot on the face of a country but also is a major concern. This reflects the incapability of the government in keeping up with its basic commitment to its people and that is to provide a decent standard of living to all. Globally, poverty is a growing concern today which demands a collaborative and responsible efforts from nations across the world.

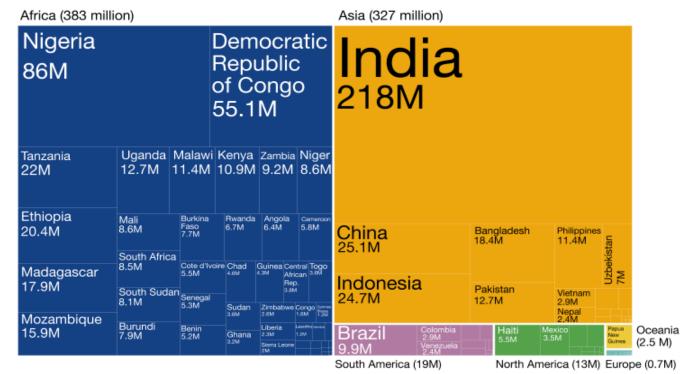
Global poverty has been encountered by dedicated efforts but still it is not an impressive fact as developing countries still struggle with extreme poverty. The below data as presented in the figure throws some light on this (Our World In data 2017).

Figure: Global Poverty data

# Globally there are 746 million people in extreme poverty (in 2013) Extreme poverty is defined as living with less than \$1.90/day.



This is measured in international dollars (i.e. price differences between countries are taken into account).

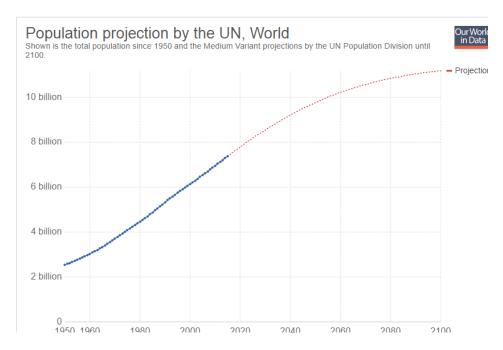


Source: Our world in data 2017

#### **Growing Population**

An uncontrolled population is a threat to a country which depletes resources and dents the growth of a nation badly. Keeping a check on the growing population and educating people in this regard is important for the governments. The exploding rate of world population is alarming and a poses a huge challenge in the development of the world (Coale and Hoover, 2015). The threat of the growing population is evident from the future projection as presented in the below graph.

**Graph: Global population projection by United Nations** 



Source: Our world in Data 2017

Here also, developing nation are extremely vulnerable and exposed to misbalanced status. The lack of good standard of education and some deep-rooted cultural beliefs are major reasons behind the same (Our World in Data 2018). A map below presents the contrasting facts between developing and developed nations in regard to population growth rate.

**Graph: Population growth rate of the countries** 



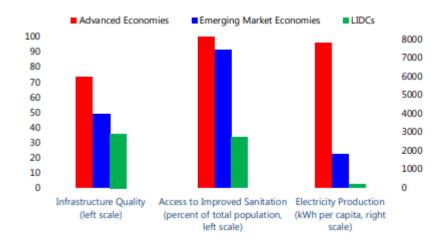
Source: Global Citizen 2016

# **Inadequate Infrastructure**

With the plans of advancement in mind, the infrastructure needs to backup them. The infrastructure includes all digital as well as offline arrangement. Technological expertise, logistic, skilled labor and manpower are basic requirements. With inefficient budget and lack of funding the developing countries lag behind in setting up an adequate standard of infrastructure to support the reforms and policies headed towards advancement.

The quality of infrastructure and perception, both; largely varies in developing countries as compared to the developed countries (International Monetary fund 2015). A graph below reflect the same in terms of some chosen infrastructure indicators

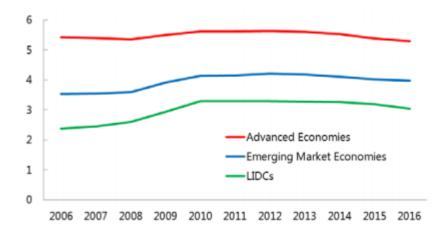
Graph: Infrastructure Indicators (comparison)



Source: International Monetary Fund 2015

Similarly, the below graph reflects the perceived definition of quality of infrastructure of developing nations in contrast with that in developed economies (International Monetary Fund 2015)

Graph: Perception of Infrastructure (comparison)



Source: International Monetary Fund 2015

#### Climate concerns and environment

In the hustle of busy lives and crowded world of today, we as humans have been ignoring our planet for a very long time. Although; in recent time the erratic climatic changes and depletion of resources have dragged our attention towards the critical situation; much of the unrepairable damage has already been done. No further irresponsible attitude towards the environment can the world of today afford if we really want to look ahead in our future with hopes of sustainable growth trajectory. Nations are putting efforts and contributing in this regard.

Here, the developing countries are more likely to get impacted by the hazards of climatic changes. The low standard of education and high rate of illiteracy in these countries make it difficult for a nation to make its citizens realize about the growing concern regarding the environment. Educating them is a challenge. Also; facing any unfortunate natural calamity with the large population to support with limited resources is way more challenging in reality than what it sounds (Griggs, et al, 2013). Hence; in today's world, concerns related to climate and ecosystem is as crucial as any other factor in the quest to plan an ideal roadmap.

# Steps towards an ideal road-map

Keeping these some vital areas in mind the decision makers must try to inculcate the sustainable development goals specifically designed for the respective nation. Further ahead; some basic steps and elements of cautions to pay attention to will help in making the execution and planning of initiatives both; a much efficient affair if not the ideal one. Some of the planning factors and efforts required to put in the execution setup are discussed further.

# **Strategic Planning**

The first step is planning but a strategic outlook is imperative. For this is required experts and specialized officials with expertise in their respective domain. Scholars hailing from different spheres of knowledge, spheres related and needed to consider for a national development growth must be included in the decision making to make it more comprehensive and detailed. Government and the policy makers must be consulted by a bench of such advisory.

A structures stepwise planning with clear objectives, aim, timeline and resource allocation structure need to be implanted in strategy building and drafting of the initiative before starting with the putting policies in practice.

With these elements of strategic planning to keep in perspective, equally important is to be ready with the contingency plan. An analysis of any adopted policy from all dimensions is required to be ready with the probable risks and challenges which might appear (Robèrt, et al, 2002).

#### **Modern methodology**

Battles of the new world cannot be fought with weapons of the era gone by. The countries must understand how important and necessary it is for them to equip themselves with modern technology and advanced infrastructure. Database management system, skilled manpower, potent economic survey and studies of researchers are needs to supply correct data to the

decision makers. Inadequate or wrong data will lead to the inefficient mechanism in place and thus; all efforts will go in vain (Hopwood, Mellor and O'Brien, 2005).

# **Check on corruption**

No planning and execution is expected to result in paving a path to progress if it is exposed to the blows of the corruption. Corruption is ingrained in a society with its deep roots present in different layers. With active and capable legal system and judiciary, a country must try to attain a corruption free set-up (Rose-Ackerman and Palifka, 2016; Getz, and Volkema, 2001) Often culture plays a crucial role in achieving such a system. A focus to educate people them through initiatives and programs developed in a manner that they draw a strong association with the value system of a country leaves deep mental imprints (Park, 2003).

Ethics need to have to be preached as a lesson but; to be used as a tool which must motivate people to conduct themselves in a fair way. An understanding of the connection between culture, corruption, ethics and its impacts on economy demand a cautious handling (Seleim and Bontis, 2009).

#### **Chapter 8- Summary**

The report presented here discussed the growth planning of developing countries in detailed perspective, touching multiple related aspects. The developing countries thrive for economic improvement struggling with limited resources and scope. The various socio-cultural factors, history, national attitude, lack of facilities, prevalent inadequacies in resources allocation and insufficient funds are some major concerns.

Amidst theses the planning and execution of policies aimed at the national growth become challenging. What adds to the chagrin and trouble are some characteristics typical of a developing and under developing economies. Those are extreme poverty, exploding population, the degraded standard of health and nutrition, a high degree of corruption, poor sanitation, and lack of access to proper medical facilities and services.

In order to help with the focused approach that the countries need to have towards their development, The United Nations have led a framework to follow in terms of Sustainable Development Goals. The seventeen goals so propose to address the major global rising concerns which need immediate attention and consolidate efforts of all the countries. The three pillars of the foundation of Sustainable Development Goals are to eradicate poverty, economic development of countries and responsibility towards climatic concerns. The countries are expected to fabricate their internal policies on the contours of the same.

Although; depending on the internal conditions, capabilities and nature of a nation the respective government needs to formulate policies and frame initiatives to achieve the ultimate agenda of sustainable growth.

The challenges are not limited to only factors related to a national structure of a country but also lies ahead in the planning of the goals. Some major difficulties are to decide the right parameter to consider for defining the amusing metrics, developing the apt monitoring system and be able to cope up with the required capabilities needed in order to tackle these situations. Once the planning and decision making are efficiently carried on, the task does not end there. A prudent plan for implementation is the next step of great importance. Here again, the nature of a country plays a dominant role. With respect to this; potent implementation plan needs to be put in place.

The planning methodologies for the economic growth differs from nation to nation. Also, the points of concern to be consideration varies as per the country since it solely depends on the kind of challenge a country faces the most. Along with these; it is an undeniable fact that the obstacles and hindrances are bound to fall in the way of execution and planning of reforms and policies.

A country needs to understand the various intricacies involved in order to be prepared to tackle the challenges in its path. Some common and similar challenging situations as faced by almost all developing countries. Some of the major ones are poverty, corruption, social safety and security concerns, rigidness in practices and tradition, poor education, low standard of living, a high degree of power distance in the society and poor health and well-being of people.

With such evident concerns of substantial seriousness, a country needs to put its best plan forward to ensure the sustainable growth trajectory. The contribution of scholars and experts in the policymaking must be encouraged by the government. Strategic planning demands a deep understanding of various facets where researchers and experts hailing from all spheres and domains are crucial. Many cautious and responsible steps have to be meticulously planned to prevent the country from falling prey to vulnerabilities. Concerns aplenty are viable threats

to the development of a nation which needs to be identified and handled with the right course of action before the cripple the economy of a nation.

All said and done; one fact remains as flat as a bare truth that in even with utmost care and prudence an ideal roadmap cannot be assured. Although; it is imperative for a nation to be alert and agile in developing the best possible plan for sustainable development and growth, is not the ideal one.

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