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Spaghetti and noodles
Why is the developing country differentiation landscape so complex?

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Abstract

The plethora of country classifications that emerged since the star of the 1950s is a remarkable phenomena in the arena of development policymaking. In our sample of country classifications, consisting of classifications for 111 developing countries, the average number of classifications per country is 3.1 at the start of 2013. The developing country differentiation landscape is of staggering complexity. For instance, of the 49 countries categorised as Least Developed Countries (LDC), 17 are also Landlocked Developing Countries (LLDC), 30 are Low Income Countries (LIC), 18 are Lower-middle Income Countries (LMIC), 39 are Low Human Development (LHD), 6 are Middle Human Development (MHD), 31 are Highly Indebted Poor Countries (HIPC), and 24 are Fragile States (FS). Through literature review, document analysis and a case study that compares two of these categories, the article seeks to understand (i) why this hybrid complex structure developed, and (ii) what are the consequences of the "spaghetti bowl" of country classifications; considered to be detrimental to development and global governance. It investigates the main similarities and differences between selected categories of developing countries (created within the UN, including the Bretton Woods institutions), applying as an analytical lens the political economy of country differentiation to explore their rationale and purpose. Rather than creating predictability, rationality and transparency about rules and principles, and protecting states against the vagaries of large countries, the proliferation of classifications injects the global governance system with discretion, enabling the exercise of power over smaller and weaker states. Finally, in order to move this debate from observation and diagnosis to providing some direction to policymakers, policy changes that can contribute to a less problematic framework of developing country differentiation are proposed. Finally, in order to move this debate from observation and diagnosis to providing some direction to policymakers, policy changes that can contribute to a less problematic framework of developing country differentiation are proposed.

Keywords

UN, World Bank, developing country classification, special and differential treatment.

Acronyms

FS	Fragile States
G77	Group of 77
GDP	Gross Domestic Product
HIPC	Highly Indebted Poor Countries
IMF	International Monetary Fund
LDC	Least Developed Country
LLDC	Landlocked Developing Countries
LIC	Low Income Countries
LHD	Low Human Development
LMIC	Lower-middle Income Countries
MCDCs	Most Classified Developing Countries
MHD	Middle Human Development
NCDCs	Not Classified Developing Countries
OECD	Organization for Economic Cooperation and Development
UN	United Nations
UNCDP	United Nations Committee for Development Policy
UNCTAD	United Nations Conference for Trade and Development

Spaghetti and noodles
Why is the developing country differentiation landscape so complex? [1]

1 Introduction

Peak countries in the present landscape of developing country differentiation are the four MCDCs Afghanistan, Burundi, Central African Republic and Chad.[2] Afghanistan, for example, is a Fragile State (FS), a Heavily Indebted Poor Country (HIPC), a Land-Locked Developing Country (LLDC), a Least Developed Country (LDC), a Low-Income Country (LIC) and a Low Human Development Country (LHDC). In the lowlands of the landscape we find a group of 32 NCDCs.[3] Interestingly, the level of development does not always appear to be associated with the number of classifications: Equatorial Guinea is just a Middle Human Development LDC (2 classifications), but Bolivia and Zimbabwe that are not LDCs do appear in 4 other classifications. Indeed, the developing country differentiation landscape is of staggering complexity. Of the 49 countries categorised as LDCs by the start of 2013, 17 are also LLDCs, 30 are LICs, 18 are LMIC, 39 are LHD, 6 are MHD, 31 are HIPCs, and 24 are FS (the average number of other classifications in addition to being an LDC is 2.4). In our sample of country classifications that consists of classifications for 111 developing countries, at the start of 2013 the average number of classifications per country is 3.1. Commenting on this complexity Van Bergeijk and Van Marrewijk (2013: 1) remark:

> UNCTAD, the IMF and the World Bank seem to be involved in an intellectual competition to find ever-new acronyms to re-classify and re-group the developing world. The existence of CITs, CAFS, LDCs, LICs, LICUS, HIPCs, SIDs and SWVSEs testifies of the substantial amount of macro and political heterogeneity that is characteristic of what once was perceived to be a more or less coherent group of Third World countries.[4]

In this article we seek to understand (i) why this hybrid complex structure developed and (ii) the consequences of the “spaghetti bowl” of country classifications (see Figure 1). Actually, as will become clear, this is not only a spaghetti bowl, but a mix of noodles and spaghetti created by different cooks and with sometimes conflicting recipes.

To understand why all these country differentiation initiatives emerged we investigate the main similarities and differences between them, applying as an analytical lens the political economy of country differentiation (Fialho 2012) to explore the rationale and purpose of selected categories of developing countries created within the UN framework (including the Bretton Woods institutions).

The remainder of this article is structured as follows. Section 2 presents a discussion of selected categories of developing countries and contextualises these country differentiation efforts, providing a general picture of the developing country differentiation landscape and the special and differential treatment they entail. In order to understand the process of proliferation,

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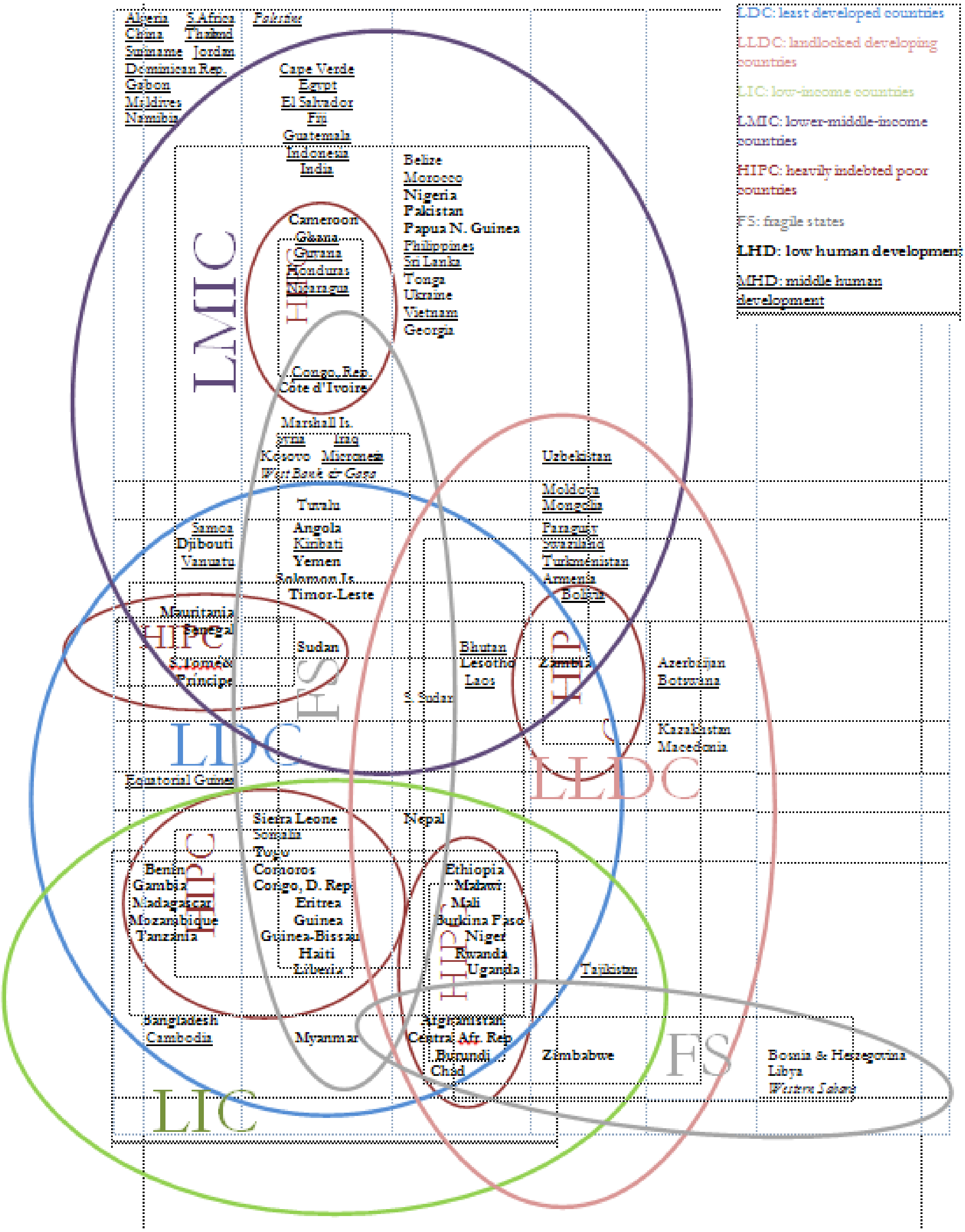
[1] Comments by Susan Newman and André Corsino Tolentino are gratefully acknowledged.

[2] MCDC stands for Most Classified Developing Countries.

[3] The NCDCs are the Not Classified Developing Countries that we define as the countries that are not the high income countries in the World Bank’s World Development Indicators and that also do not appear in the country classifications that we study in this article.

[4] The acronyms stand for Countries In Transition, Conflict Affected and Fragile States, Least Developed Countries, Low Income countries, Low Income Countries Under Stress, Heavily Indebted Poor Countries, Small Island Developing States and Structurally Weak, Vulnerable and Small Economies.

FIGURE 1
The "spaghetti bowl" of overlapping categories of developing countries



section 3 analyses the drivers of the main players: international organisations, developed countries, developing countries and their representatives. Section 4 provides a case study for two classifications (the landlocked developing countries and the small island developing states) that would *a priori* appear to be based on purely geographical characteristics. We investigate why the classifications show completely different dynamics in terms of the speed and extend of proliferation of the countries in the classification. Section 5 deals with some implications for developing countries and global governance and proposes policy changes.

2 An overview of multilateral initiatives

Starting in the 1950s several multilateral efforts, particularly within the UN system, have been implemented to cluster and differentiate developing countries according to common characteristics thought to delay or impede their development and economic growth. For the purpose of this inquiry, the selected categorisations include a total of nine different categories of developing countries considered within UN principal organs and agencies, and Bretton Woods' institutions, specifically:

- UN:
  - UN: Least Developed Countries (LDC)
  - UN: Landlocked Developing Countries (LLDC)
  - UN: Small Island Developing States (SIDS)
  - UNDP: the Human Development Index (LHDC and MHDC Human Development Countries)
- Bretton Woods:
  - World Bank: Income level categories (LIC and LMIC)
  - World Bank + IMF: Heavily Indebted Poor Countries (HIPC)
  - World Bank (+ OECD-DAC): Fragile States (FS)

Attached to these clusters/groups are different sets of special and differential treatment/benefits. Above all, country differentiation results in development-promoting benefits being assigned, in principle, to different categories of developing countries. Indeed, categorisation/classification of countries gains particular interest in the context of policy discussions on the transfer of real resources from richer (developed) to poorer (developing) countries because: 'Where resource transfers are involved countries have an economic interest in these definitions and therefore the definitions are much debated' (Nielsen, 2011: 4).

According to this rationale, over the years, developing countries have been placed in several and often overlapping categories. One consequence of the spaghetti and noodles bowl as depicted in Figure 1, is that it is often hard to understand which country gets (or is entitled to) what (and why). Table 1 numerically illustrates the extent of this overlap. It indicates how many of the countries in each of the selected categories also belong to other categories.

There is a proliferation of categories within multilateral organisations, indicating a tendency to create new categories of countries whenever new development or economic problems are identified.

TABLE 1
Matrix of selected developing countries' categories

	LDC	LLDC	LIC	LMIC	LHD	MHD	HIPC	FS
LDC	**49**	17	30	18	39	6	31	24
LLDC		**32**	15	11	14	12	13	5
LIC			**35**	0	28	3	26	16
LMIC				**57**	15	31	12	13
LHD					**46**	0	32	22
MHD						**47**	6	5
HIPC							**39**	18
FS								**36**

Source: Appendix

The UN is the mother of four important categories. In November 1971 the General Assembly first approved the list of what it considered 'hardcore'[5] Least Developed Countries (LDC) and through this category donors should provide special treatment to these countries, in terms of aid, trade and technical assistance (Fialho 2012). From the initial 25 LDCs identified in 1971, the category grew to a total of 51 countries as more countries became independent in the 1970s and the poor performance of other developing countries made them join the group in the 1980s and 1990s. Since 1994 membership fell to 48 LDCs following three graduation cases (Botswana (1994), Cape Verde (2008) and Maldives (2011)), rising again recently to 49 countries, following the inclusion of the Republic of South Sudan, in 2012 (UNCDP, 2012: 1). Two categorisations, apparently exclusively based on geographical factors and widely used, are the *landlocked developing countries* (LLDC) and the *small island developing states* (SIDS). We will take a closer look at the SIDS in Section 4 and investigate why it is difficult to come up with a consensus of which countries should be considered SIDS. Regarding the LLDCs, the application of the criteria to countries that 'lack territorial access to the sea' (UN 2011: 1), has been less problematic also due to the consensus view that high transportation and transit costs related to being landlocked hinder trade and investment and, thus, imposes economic burdens on these countries. This, in turn, contributes to increased poverty and adverse effects on development. In fact, among developing countries, LLDCs present some of the lowest growth rates and 'are heavily dependent on a very limited number of commodities for their exports' (G77, 2004). To assist in overcoming these handicaps, the Almaty Programme of Action, established in 2003, represents

[5] UN, *Resolution on Identification of the least developed among the developing countries*, 1971, at http://www.unitar.org/resource/sites/unitar.org.resource/files/document-pdf/GA-2767-XXVI.pdf, accessed 1 September 2010, p 52.

the response of the international community to address the special needs of LLDCs, suggesting/recommending special and differential treatment in their favour. A fourth category – very much inspired by the work of Mahbub ul Haq and Amartya Sen (see ul Haq 2003) – was launched in 1990 by the United Nations Development Program (UNDP), ranking countries according to their *human development index*: (i) low (LHD), (ii) medium (MHD), (iii) high (HHD) and (iv) very high human development (VHHD)[6]. According to UNDP, this method 'introduced a new way of measuring development by combining indicators of life expectancy, educational attainment and income into a composite human development index, the HDI',[7] introducing a new paradigm in terms of framing and definition of development, at the heart of which laid the notion of human capabilities (Jolly et al, 2004: 179). Unlike the other categories, it does not exactly recommend or advocate for the special and differential treatment of certain countries.

Within the Bretton Woods institutions, developing country differentiation has meant the creation of different groups of countries over the years. In the 1980s, the World Bank established a categorisation based exclusively on *income level*, as measured by per capita Gross National Income (GNI), which today comprises: (i) *low-income countries* (LIC), (ii) *lower-middle-income countries* (LMIC) (iii) *upper-middle-income countries* (UMIC), (iv) *high-income countries* (HIC), and (v*) high-income OECD members*.[8] (For the purpose of this article the focus will be exclusively on the bottom two categories: which congregate the world's 90 poorest countries). Essentially, these are 'analytical income categories … based on the Bank's operational lending categories (civil works preferences, IDA eligibility, etc.)'.[9] Accordingly:

> These operational guidelines were established based on the view that since poorer countries deserve better conditions from the Bank, comparative estimates of economic capacity needed to be established. GNI, a broad measure, was considered to be the best single indicator of economic capacity and progress; at the same time it was recognised that GNI does not, by itself, constitute or measure welfare or success in development. GNI per capita is therefore the Bank's main criterion of classifying countries.[10]

The *heavily indebted poor country* (HIPC) initiative, established in 1996, is a joint approach promoted by the International Monetary Fund (IMF) and the World Bank, aiming at 'ensuring that no poor country faces a debt burden it cannot manage'.[11] The majority of HIPCs are overly indebted low-income countries (according to the World Bank's income level categorisation) that can benefit from IMF and World Bank assistance to service and reduce their debt, ideally bringing it to a sustainable level. The HIPC initiative is

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[6] http://hdr.undp.org/en/statistics/
[7] http://hdr.undp.org/en/statistics/indices/hdi/
[8] http://data.worldbank.org/about/country-classifications/country-and-lending-groups
[9] http://data.worldbank.org/about/country-classifications/a-short-history
[10] http://data.worldbank.org/about/country-classifications/a-short-history

> open to the world's poorest countries … that: (i) are eligible only for highly concessional assistance such as from the World Bank's International Development Association (IDA) and the IMF's Poverty Reduction and Growth Facility …; (ii) face an unsustainable debt situation …; and (iii) have a proven track record in implementing strategies focused on reducing poverty and building the foundation for sustainable economic growth.[12]

By the start of 2013, 39 such countries[13] (most of them in Sub-Saharan Africa, see Appendix table A1) have been found eligible to receive special treatment (more specifically, debt relief) under the HIPC initiative.

Finally, another category of countries - this one still evolving towards a clearer definition - is the *fragile states group*,[14] which replaced the World Bank's concept of *low-income countries under stress* (LICUS).[15] State fragility is a categorising concept applied by the World Bank and the OECD-DAC. Both organisations define this concept by referring to 'low income and to the World Bank CPIA[16] rating, and they differ only by the CPIA threshold' (Guillaumont, 2009: 14). More specifically, fragile states are

> defined as having either: a) a composite World Bank, African Development Bank and Asian Development Bank Country Policy and Institutional Assessment rating of 3.2 or less; or b) the presence of a United Nations and/or regional peace-keeping or peace-building mission ..., with the exclusion of border monitoring operations, during the past three years.[17]

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11 http://www.imf.org/external/np/exr/facts/hipc.htm

12 http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTDEBTDEPT/0,,contentMDK:20259564~pagePK:64166689~piPK:64166646~theSitePK:469043,00.html#04

13 http://www.imf.org/external/np/exr/facts/hipc.htm and http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTDEBTDEPT/0,,contentMDK:20260049~menuPK:64166739~pagePK:64166689~piPK:64166646~theSitePK:469043,00.html

14 http://siteresources.worldbank.org/EXTLICUS/Resources/511777-1269623894864/FCSHarmonisedListFY13.pdf

15 Two criteria defined LICUS (considered to be countries with weak policies, institutions and governance): per capita income within IDA threshold and performance of 3.0 or less on both the overall Country Policy and Institutional Assessment (CPIA) rating and the CPIA rating for Public Sector Management and Institutions. Depending on these criteria, a LICUS country was classified in one of three subgroups: severe, core, or marginal. Marginal LICUS scored on the edge of what was considered LICUS and were identified only for monitoring purposes (http://www.worldbank.org/ieg/licus/licus06_map.html)

16 The Country Policy and Institutional Assessment (CPIA) rates countries according to sixteen criteria, grouped in four clusters: (i) economic management; (ii) structural policies; (iii) policies for social inclusion and equity; and (iv) public sector management and institutions (www.worldbank.org).

17 http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/STRATEGIES/EXTLICUS/0,,menuPK:511784~pagePK:64171540~piPK:64171528~theSitePK:511778,00.html

In addition, '[c]ountries are considered core fragile states if their CPIA is below 3.0 ... [and] marginal fragile states if their CPIA score is between 3.0 and 3.2'.[18] These are countries that 'face severe development challenges such as insecurity, weak governance, limited administrative capacity, chronic humanitarian crises, persistent social tensions, violence or the legacy of civil war'.[19] Among the 36 countries categorised as fragile states[20] by the start of 2013, the World Bank differentiates between four situations: (i) post-conflict countries, (ii) re-engaging and turnaround countries, (iii) deteriorating situations, and (iv) prolonged impasse.[21]

Typically the purpose of the differentiation is to provide some countries with a specific special and differential treatment and others not. Table 2 summarises the special and differential treatment entailed by each one of these categories. As observed before, countries are often in more than one category and then allocated the benefits allotted to all the categories they are included in. To return to an earlier example: Afghanistan is entitled to the benefits and differential treatment for LDCs and can also apply for the windows for Fragile States, HIPCs, LLDCs and LICs.[22]

3 Why does the proliferation occur?

So what drives the proliferation of categories? Why has the international provision of preferential treatment to developing countries become so complex and non-transparent? Differentiating among developing countries tends to be a rather political process, even if hidden in technicalities. A clear evidence of that is the impasse that, for years, has blocked international agreement on the creation of a consensual category of small islands developing states; a category that, given its distinct geographical characteristic, should, in theory, be one of the less problematic to establish. After all, to any lay person, an island is simply a piece of land surrounded by water. Yet, can, for example, Timor-Leste and Haiti be considered islands even though they share that piece of land surrounded by water with Indonesia and the Dominican Republic, respectively? On the other hand, what exactly constitutes *small* and *developing*? Who determines the frontiers of all these concepts and definitions, particularly in a context where, ultimately, there is (at least in principle) a pot of gold at the end of the rainbow (i.e., privileged access to special and differential treatment)?

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[18] http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/STRATEGIES/EXTLICUS/0,,contentMDK:22310165~menuPK:6432437~pagePK:64171531~piPK:64171507~theSitePK:511778,00.html

[19] http://www.oecd.org/dacfragilestates/

[20] http://siteresources.worldbank.org/EXTLICUS/Resources/511777-1269623894864/FCSHarmonisedListFY13.pdf

[21] http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/STRATEGIES/EXTLICUS/0,,contentMDK:22310165~menuPK:6432437~pagePK:64171531~piPK:64171507~theSitePK:511778,00.html

[22] Afghanistan is also a Low Human Development Country, but this does not give rise to benefits in terms of differential treatment.

TABLE 2
General overview of selected developing countries categories and their respective benefits

Categories	Benefits/Special and differential treatment
LDC	ODA: bilateral donors' commitment to allocate 0.15% of GNP as ODA to LDCs (according to the Brussels Declaration and Programme of Action)
	Several UN organisations target technical cooperation programmes to LDCs or earmark a proportion of their budgets for LDCs
	Preferential market access: Generalised System of Preferences (GSP - non-reciprocal) and Global System of Trade Preferences (GSTP - among developing countries, is a reciprocal scheme available for signatories)
	Special treatment regarding WTO obligations (for LDCs that are WTO member states) and WTO accession
	Trade-related capacity building: through the *Integrated Framework for Trade-related technical assistance to LDCs*; a multi-agency, multi-donor programme to assist LDCs in developing trade-related capacities
	Financial support: provided by the UN (and its organisations) for the participation of LDC representatives in annual sessions of the General Assembly and in other UN meetings
	Entitlement to 90% discount in LDC contributions to UN peacekeeping operations
	LDC contributions to the UN regular budget are capped at 0.01% of the total UN budget
LLDC	Almaty Programme of Action: establishes general guidelines/recommendations for the special and differential treatment of LLDCs in the areas of transit policy, infrastructure development, international trade and ODA
	EU-ACP Agreement: previews special treatment for ACP countries that are LLDCs
	Debt relief under HIPC initiative: previewed for LLDCs that are also HIPC
SIDS	World Bank's small island exception: provision of IDA resources to small islands whose per capita income is above the IDA eligibility cut-off but have no or very limited creditworthiness, which impedes their access to IBRD borrowing
	EU-ACP Agreement: previews special treatment for ACP countries that are also SIDS
LIC	Access to the World Bank's IDA concessional lending
	Several bilateral donors use the LIC classification to determine ODA allocation
	Regional and multilateral financial institutions often allocate concessionary financing to developing countries based on the LIC classification
LMIC	Some are considered *blend countries* and are eligible for both IDA concessional loans (due to their low per capita incomes) and non-concessional IBRD loans (because they are financially creditworthy)
HIPC	Debt relief under the HIPC mechanism
FS	Based on the OECD-DAC *Principles of Good International Engagement with Fragile States,*[23] the World Bank takes a differentiated approach to fragile states by adapting its interventions to specific challenges faced by these countries

Source: Compilation based on UN (2003, 2006), UNDESA (2004), OECD-DAC (http://www.oecd.org/dacfragilestates/)

[23] Provides 'a set of guidelines for actors involved in development co-operation, peacebuilding, statebuilding and security in fragile and conflict-affected states … These principles were established because fragile states require different responses than those applied in better performing countries'. http://www.oecd.org/dacfragilestates/

[23] Afghanistan is also a Low Human Development Country, but this does not give rise to benefits in terms of differential treatment.

In effect,

> Existing taxonomies suffer from lack of clarity with regard to how they distinguish among country groupings. The World Bank does not explain why the threshold between developed and developing countries is a per capita income level of US$6,000 in 1987-prices and the UNDP does not provide any rationale for why the ratio of developed and developing countries is one to three. As for the IMF's classification system, it is not clear what threshold is used (Nielsen, 2011: 41).

Nielsen (2011: 10) mentions that, for example, in 1960, at the time of the establishment of the World Bank's concessional financing entity (the International Development Association – IDA), the differentiation between donors and beneficiaries 'was a political exercise: a civilized understanding among sovereign countries about how to label each other'.

In order to understand the process of proliferation it is important to consider what is in it for the main players: the international organisations, the developed countries and the developing countries. Complicating the analysis is that it is actually not these nations and institutions, but rather their representatives (bureaucrats, diplomats, etc.) that bear the costs and benefits of proliferation. Therefore we will consider the representatives analytically as a fourth group of players. This approach builds on both longstanding and recent contributions from different perspectives on international economic relationships.

3.1 International organisations

It is important to realize at the start that differentiation of countries and classifications often are meant to serve a useful purpose. In general, for these organisations, these categories of developing countries work primarily (but not exclusively) as internal policy instruments. Firstly, classifications are used by the international organisations in order to increase their efficiency in policymaking and policy implementation. This is to be achieved by customisation of policy-prescriptions according to particular development issues/conditions (e.g., landlockness, indebtedness, islandness, fragility, etc.) and helped by in-depth knowledge of and specialisation in development issues faced by different groups of developing countries.[24] New problems create new tasks and in a number of cases that requires new instruments and may thus lead to new categorisations. Examples are the World Bank that systematises different income categories to facilitate its loan/grant allocation and the IMF/World Bank that institutionalised the HIPC initiative to assist the implementation of their debt relief programmes. Secondly, categories may provide valuable communication tools. UNDP, for example, created the human development ranking to help it advocate a more comprehensive type of development that went beyond per capita production. Yet another example is

[24] Of course the benefits of less costly group policymaking have to be balanced against the potential loss in individual/country-specific policymaking and assessment.

that the World Bank (and the OECD-DAC) define(s) fragile states to create awareness of policymakers when considering development prescriptions for these countries. Thirdly, categorisations may be a gateway to increased donor attention and funding (both by the public sector, by NGOs and by commercial parties). An example is the HIPC initiative that was complemented by the Inter-American Development Bank and where the IMF and World Bank reportedly use moral suasion to ensure voluntary creditor participation in the initiative.[25] It can be argued that the creation of a category may reflect an effort to normalise/depoliticise development support with the aim of stimulating a needs-based/recipient-focused type of assistance allocation, rather than an approach that is mostly responsive to donors' self-interests and/or motivations. A category can be helpful in advocating the prioritisation of assistance to certain countries and subjecting international organisations and donor countries to closer scrutiny in terms of international pledges/commitments made towards specific groups of developing countries. The LDC category is a clear example and its purpose is more sensitive than that sought by the other similar multilateral initiatives, because it pierces the realm of countries' sovereign decision on how to allocate development support measures.

However, the proliferation of categories may also be a reflection of wasteful competition between and within international organisations. Frey (2008; 338) observes that lower entry costs induce larger numbers of international organisations that provide the same or similar services and concludes that: "International organizations have an incentive to suppress competition by dividing up the field of activity according to regions and specific sub-types of activity" (Frey 2008: 339). Moreover, bureaucracies try to maximize their independence and one way to do this is by using discretionary rather than rule-based approaches (Vaubel 1996). Many of the categories reflect an ever increasing discretionary approach that undercuts or modifies criteria. Examples are the LDC category for which the criteria have been revised several times in order to 'prevent' countries from graduating and the World Bank's further differentiation of fragile states into four subcategories that illustrates both the practical difficulties of the umbrella 'fragile states' as well as the ever continuing quest for further categorisation.

At yet another level, the proliferation of overlapping categories can also be seen as a reflection of self-interested actors maximizing the likelihood of the organisation's (and therefore their own) survival amongst others by increasing its depth and scope (Schneider and Tobin 2011). The spaghetti bowl may thus reflect continued existence and decision-making power of certain bureaucratic structures that over the years: (i) have been purposely created just to manage these categories and, consequently, have gained in-depth knowledge of the development hurdles faced by these countries; and (ii) have based their mandates on diagnosing development/economic problems faced by these specific groups of countries and prescribing interventions for them. Indeed, it is not far-fetched for bureaucracies to consider their own survival ahead of any

[25] http://www.imf.org/external/np/exr/facts/hipc.htm

idealistic goal. In this line, the continued existence of the bureaucratic apparatus - and not the best interest of member states and their citizens - tends to become the primary unstated goal of the organisation. The principal-agent theory explains this distortion, postulating that International Organisations have 'vested interests which differ from the preferences of the voters and the voters cannot effectively control the international organization because they are rationally ignorant of most of its activities and/or lack the power to impose their will' (Vaudel, 2006: 126-127).

Additionally, evidence has shown that an

> elementary feature of bureaucracies is that they classify and organize information and knowledge. This classification process is bound up with power ... The ability to classify objects, to shift their very definition and identity, is one of bureaucracy's greatest sources of power ... Categorization and classification are a ubiquitous feature of bureaucratization that has potentially important implications for those being classified. To classify is to engage in an act of power (Barnett and Finnemore, 1999: 710-711).

3.2 Developed countries

It is by now a well-established stylized fact that the developed economies use development assistance as a tool to foster their own political and economic interests. The impact of geopolitical interests on developmental relationships has been studies at all levels of international development cooperation and been established for the UN, the World Bank, the Asian Development Bank and in bilateral development assistance (see for example: Kilby 2006, Boschini and Olofsgård 2007 and Dreher et al. 2009). Ultimately, international organisations are extensions (and, hence, serve the interests and values) of their most powerful member states (Abbott and Snidal 1998, Barnett and Finnemore 1999, Köchler 2006, Drezner 2009). Therefore, it is not uncommon for them to sponsor reforms and policies aimed, ultimately, at replicating values supported by the powerful onto less powerful societies (Tabb 2004). In this sense, the proliferation of these categories might very well serve as a conveyor belt for the widespread diffusion of Western-inspired reforms/interests through the provision of special and differential treatment that promotes certain Western-friendly development/economic practices. Likewise, the complexity resulting from this proliferation also works in the same direction. There are, indeed, 'powerful reasons to believe that regime complexity will enhance rather than limit the great powers' (Drezner, 2009: 68). Developed countries have an important role to play in curbing the tendency of international bureaucrats to further complicate the country differentiation landscape. After all, more differentiation means more committees, more meetings, more travel, more time and thus more costs that often have to be covered by developed countries. Indeed, the checks against bureaucratic waste have to come from the major principals (the dominant countries or the major contributors). By implication, lower voting power of the major principals may reduce the incentives and possibilities to provide that check and thereby increase bureaucratic inefficiency (Vaubel 1996: 209). Sometimes the mandate (that is, the delegation by the principals) may play havoc. Gutner (2012: 350-352) points out that the delegation of conflicting tasks (so-called antinomic delegation) will stimulate mission creep, that is: the growth of tasks, goals and often the mandate beyond levels that were originally envisaged. Blurring development and other goals (environment, peace-keeping, etc.) may thus stimulate bureaucratic proliferation processes.

3.3 Developing countries

In the past the major motive for developing countries to push for new categories would seem to consist of the efficiency and efficacy of lobbying due to greater ease of coordination with like-minded countries in order to better advance interests and/or claim benefits. (Or to put it more positively: a category creates an international setting where countries can learn about each other's shared interests and shared concerns). The existence of specific instances could then help to directly claim special and differential treatment.

The growing economic strength of developing countries since the 1990s adds other motivations. The sea change in their economic conditions over the past decade may provide a check to geopolitics and bureaucratic pathologies (see Humphrey and Michaelowa 2013 for the case of multilateral lending). Moreover, developing countries have become more self-confident and want to play a role in the system (Elsig 2011). It is completely rational that politicians and delegates from smaller countries may prefer to participate in (committees of) international organisations where they can exert influence rather than in those that are dominated by the world powers (Frey 2008: 340-1). Of course it is also possible that developing countries might seek this proliferation of categories lured by the possibility of having specific instances where to more directly claim preferential treatment. This takes into account the fact that one of the categories referred to earlier (small islands) is an initiative strongly backed by developing countries themselves.

3.4 Representatives

The management of country lists is an important activity of the bureaucrats employed by the international organisations. These tasks involve all aspects of their authority: rule-making, definition and creation of categories and the discourse in 'their' policy arena, creation and reshaping of incentives and/or interests and (political) organisation (Barnett and Finnemore 1999: 699). Indeed, the bureaucrats propose lists of countries to be offered differential treatment, determine the countries to be actually included on those lists and negotiate the benefits of differential treatment. In this regard, Haftel and Thompson (2006: 261) mention that 'some secretariats and commissions can initiate and recommend policies and thereby promote the goals of the organization, prerogatives that greatly enhance bureaucratic authority'.

Elsig (2010) distinguishes between the sovereign principals and the proximate principals that are the diplomats that work in the delegations of the contracting parties.[26] These diplomats do not only serve as negotiators, liaisons and translators of the social interests of their home country, but also have private interests. In particular, they will seek activities that give them visibility, legitimize their stay at the international organisation and further their career in general. Frey (2008: 339) identifies the same self-serving behaviour on the part of politicians and International Organisations' employees, and states that this is 'not necessarily made in bad faith. Persons already engaged in a particular international field are often convinced that they are the most knowledgeable and thus the most valuable actors'. Nonetheless, he also recognises the discretionary power of International Organisations, 'which bureaucracy tends to use for its own advantage' (Frey, 2008: 341).

4 Case Study: landlocked developing countries (LLDC) versus small island developing states (SIDS)

Our case study focuses on two classifications that would *a priori* appear to be based on purely geographical grounds but show different dynamics in terms of proliferation.

4.1 Observations

While the categorisation of LLDCs has been relatively straightforward and unambiguous,[27] the main difficulty with also including SIDS in Tables 1 and A1 is the fact that, unlike LLDCs and all the other categories referred to earlier, 'there is no clear definition for what constitutes an island-nation' (Schmidt, 2005: A 607). This has generated much confusion. According to Carolina (2013: 4)

> The existence of the "Small Island Development States" (the SIDS) was recognized in 1992 by the United Nations (the U.N.) and this group was defined as "low-lying coastal countries that share similar sustainable development challenges, including population, limited resources, susceptibility to natural disasters, vulnerability to external shocks, and extensive dependence on international trade." There exist an inconsistency between the definition of the SIDS and its acronym. As a consequence, non-islands economies as Belize, Suriname and Guyana, are awkwardly classified under the SIDS.

The category of LLDCS, by contrast, has been rather uncontroversial and the list of such countries consensually well-defined. Also, the growth and development challenges that these countries face has been recognized by the UN for many years. There is indeed record of such recognition as early as 1957

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26 Elsig studied the WTO, but his analysis is also relevant for other international organisations.

27 Considering that it is, after all, a geographical condition and, hence, countries are either landlocked or not.

in a UN General Assembly resolution calling for the 'full recognition to the needs of land-locked Member States in the matter of transit and trade and ... to accord them adequate facilities in terms of international law and practice' (UN, 1957: 13). To our knowledge, the only glimpse of a potential dispute with regard to the definition of the LLDC list is a reference found at UNCTAD's website, mentioning that the list is '*informally* accepted by UN member States' (emphasis added).[28] More importantly, the list has been stable from the start.[29]

In contrast, despite much international debate on SIDS over many years, there has been no consensus regarding this category of countries. In fact, there is report of the issue of islandness (and the development-hampering conditions it entails) being discussed in international *fora* as early as 40 years ago:

> The third session of UNCTAD, in 1972, decided that a panel of experts should identify and study the problems of island developing countries. UNCTAD IV, in 1976, encouraged the international community to envisage special measures in favour of these countries. In 1977, the UNCTAD secretariat established a Special Programme for Least Developed Countries, and Land-locked and Island Developing Countries, the first such institutional unit within the United Nations ... The main characteristics and problems of island developing countries were discussed in UNCTAD reports and raised in United Nations General Assembly resolutions, at regular intervals, between the late 1970s and the mid-1990s. ... The notion of "island developing countries" was abandoned by the United Nations in 1994, and gave way to a more focused denomination, that of small island developing States (SIDS) (Hein, 2004: 4-5)

So, according to Hein (2004: 8), 'it was only in 1994 that it became politically possible to exclude larger States from the range of island developing countries that were deemed in need of special attention'. However, to this day, this has still not been achieved. Actually, big islands (and non-islands) are still part of many different lists of SIDS.

The Alliance of Small Island States (AOSIS) – an *ad hoc* lobbying and negotiating group[30] that represents the interests of SIDS within the UN system – has a membership of 44 countries and territories (including non-self-governing islands). It is important to note that 'AOSIS members include Belize, Guinea-Bissau, Guyana, and Suriname, which are all coastal – although not technically island – nations' (Schmidt, 2005: A 607). In addition, Cuba, with a population of 11.3 million, is also a member of AOSIS (Schmidt, 2005: A 607). While, contrary to the examples of Belize, Guinea-Bissau, Guyana and Suriname, Cuba is undoubtedly an island, with a population of more than 11 million people it can hardly be considered a *small* one.

In addition to the AOSIS list of SIDS, which Encontre (2004) considers to be an essentially political list; there is also reference to an economic list of SIDS, an institutional list of SIDS, and the UNCTAD non-official list of SIDS.

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[28]http://unctad.org/en/Pages/ALDC/Landlocked%20Developing%20Countries/List-of-land-locked-developing-countries.aspx

[29] To our knowledge, the creation and consequent inclusion of South Sudan in this list 2011 is the only noteworthy change.

[30] Created in 1990 at the 2nd World Climate Conference.

In fact, a quick investigation reveals at least six different lists of SIDS (Table 3); ranging from 13 to 52 such countries by the start of 2013. These also include different lists of SIDS being considered within one single organisation: the UN; denoting proliferation within one single category and, most possibly, existence of organisational feuds/disputes.

TABLE 3
Six different lists of SIDS

	World Bank's small island exception (13)[31]	UNCTAD's unofficial list of SIDS (29)	UNDESA's (SIDSnet) list of SIDS (39)	AOSIS' members and observers (44)	UNESCO's list of SIDS (45)	UN-OHRLLS' list of SIDS (52)
Since:	1985	1994 (?)	1997	1991	2008	2001
American Samoa				X (observer)		X
Anguilla						X
Antigua and Barbuda		X	X	X	X	X
Aruba					X (associate member)	X
Bahamas		X	X	X	X	X
Barbados		X	X	X	X	X
Bahrain					X	
Belize			X	X	X	X
British Virgin Is.					X (associate member)	X
Cape Verde	X	X	X	X	X	X
Commonwealth of Northern Marianas						X
Comoros		X	X	X	X	X
Cook Is.			X	X	X	X
Cuba			X	X	X	X
Curuçao					X (associate member)	
Dominica	X	X	X	X	X	X
Dominican Rep.			X	X	X	X
Fiji		X	X	X	X	X
French Polynesia						X
Guam				X (observer)		X
Guinea-Bissau			X	X	X	X
Grenada	X	X	X	X	X	X
Guyana			X	X	X	X
Haiti			X	X	X	X
Jamaica		X	X	X	X	X
Kiribati	X	X	X	X	X	X
Maldives	X	X	X	X	X	X
Marshall Is.	X	X	X	X	X	X
Mauritius		X	X	X	X	X

[31] This list is periodically reviewed. The list on this table reflects the one considered in the October 2012 IDA16 Mod-term Review.

Micronesia	X	X	X	X	X	X
Montserrat						X
Nauru		X	X	X	X	X
Netherlands Antilles				X (observer)		X
New Caledonia						X
Niue			X.	X	X	X
Northern Mariana Is.						X
Palau		X	X	X	X	X
Papua New Guinea		X	X	X	X	X
Puerto Rico				X		X
Sint Maarten					X (associate member)	
St. Kitts and Nevis		X	X	X	X	X
St. Lucia	X	X	X	X	X	X
St. Vincent and the Grenadines	X	X	X	X	X	X
Samoa	X	X	X	X	X	X
S. Tomé and Príncipe		X	X	X	X	X
Seychelles		X	X	X	X	X
Singapore			X	X	X	X
Solomon Is.		X	X	X	X	X
Suriname			X	X	X	X
Timor-Leste		X	X	X	X	X
Tokelau					X (associate member)	
Tonga	X	X	X	X	X	X
Trinidad and Tobago		X	X	X	X	X
Tuvalu	X	X	X	X	X	X
US Virgin Is.				X (observer)		X
Vanuatu	X	X	X	X	X	X

Note: Non-independent territories/Non-UN members are in italics.
Source: Compilation based on Encontre (2004), UNDESA (http://www.sidsnet.org/country-profiles), AOSIS (http://aosis.info/members-and-observers/), UN Office of the High Representative for the LDC, LLDC and SIDS (UN-OHRLLS)(http://www.unohrlls.org/UserFiles/File/UN_SIDS_booklet_5x6-5_062811_web.pdf), World Bank (http://www.wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/10/24/000333038_20121024232535/Rendered/PDF/733630BR0IDA0R0Official0Use0Only090.pdf), UNESCO (http://www.unesco.org/new/en/natural-sciences/priority-areas/sids/about-unesco-and-sids/sids-list/), accessed 5 May 2013.

The more inclusive of these SIDS lists is the one advocated by the UN-Office of the High Representative for LDCs, LLDCs and SIDS (UN-OHRLLS), with 52 countries, including indisputably not-so-small islands and non-independent territories. The World Bank's list of SIDS is the less inclusive, while UNCTAD 'unofficial' list of SIDS excludes non-independent territories as well as bigger islands and coastal/continental countries considered by the UN-OHRLLS, UNDESA, UNESCO and AOSIS.

Additionally, in the analytical categorisation used in the 2012 LDC Report, UNCTAD differentiates island LDCs from other LDCs, grouping together eight African, Asian and Pacific island LDCs,[32] while leaving out Haiti and Madagascar because both are regarded as large islands (UNCTAD, 2012: xii). This exclusion is consistent with UNCTAD's unofficial list of SIDS. However, strangely enough, in the Report, Haiti, a Caribbean island, ends up grouped together with African LDCs, revealing a considerable degree of discretion and randomness in the framing of the analysis and thus in perceived and reported needs of island economies.

Paradoxically, the inability to reach consensus (or informal agreement) on a single internationally-(or even UN)-agreed list of SIDS has not stopped the multiplication of SIDS-specific bureaucratic structures within the UN. These are aimed, essentially, at managing these lists. In effect, besides the Special Programme for LDCs, LLDCs and Island Developing Countries established at UNCTAD in 1977, AOSIS established in 1991 and the UNESCO SIDS Platform established in 2008,

> A High Representative for the Least Developed Countries, Land-locked Developing Countries and Small Island Developing States was appointed in 2001, and the Department of Economic and Social Affairs has maintained a Small Island Developing States Unit (Hein, 2004: 8-9).

Oddly enough, despite the existence of a myriad of bureaucratic structures devoted to SIDS (and the additional fixed costs they entail), the UN has not been able to agree on SIDS-specific special and differential treatment to be unanimously advocated among its main funds and agencies, let alone among its member states. Ironically, apart from the World Bank's small island exception[33] and the EU-ACP Agreement[34] (which envisages special treatment for ACP countries that are SIDS), not much has been done within the UN to convert 'the recognition of SIDS-specific issues into (…) SIDS-specific concessions' (Encontre, 2004: 92). Thus, besides the World Bank's and the EU's support instruments, SIDS have been supported essentially through 'North-South arrangements such as those maintained by the European Union to benefit ACP countries, or by the United States in favour of specific regions involving island States (e.g. through the Caribbean Basin Initiative)' (Encontre, 2004: 92).

To sum it up, the UN has reproduced (i.e., has stimulated the proliferation of) bureaucratic structures dealing with SIDS (or at least has not impeded it), with little practical results in terms of: (i) reaching a consensual definition of SIDS and (ii) designing concrete special and differential treatment in their favour. In fact, some argue that politics has impeded agreement on an

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32 Comoros, Kiribati, Samoa, São Tomé and Príncipe, Solomon Islands, Timor-Leste, Tuvalu, Vanuatu

33 This exception, in effect since 1985, reflects the recognition, by the World Bank, that SIDS typically have to deal with higher transportation costs, fewer opportunities to pursue economies of scale and severe human capital constraints because of their small size and small populations. Thus, the small island economy exception permits the provision of IDA resources to small island economies, with per capita income above the operational cut-off for IDA eligibility.

34 Allows the implementation of specific measures benefiting landlocked and island ACP countries.

unequivocal definition of SIDS and the lack of an internationally agreed 'definition of the SIDS category has been the most fundamental reason for which countries that claimed to fall in that category were not able to gain special treatment on grounds of "small islandness"' (Encontre, 2004: 92).

Table 4 highlights the main differences between the LLDC and the SIDS categories.

TABLE 4
Comparing LLDC and SIDS: bringing out the facts

	Landlocked developing countries (LLDC)	Small island developing states (SIDS)
First discussed	1957	1972
Acceptance	informal	no
Consensus	yes	no
Initiative	UN	UN and developing countries
Number of lists	1	at least 6
Number of countries	32	ranging from 13 to 52
Number of countries not meeting the technical requirements	0	19 (These are either non-independent territories or coastal/non-island countries included in the six different SIDS lists considered. This number goes up if smallness (or lack thereof) is also taken into consideration)
Main policy documents	Almaty Programme of Action (2003) Almaty Declaration (2003) Roadmap for the implementation of the Almaty Programme of Action (2004)	Barbados Programme of Action/Programme of Action for the Sustainable Development of SIDS (1994) Mauritius Strategy for the further implementation of the Programme of Action for the Sustainable Development of SIDS (2005) Mauritius Declaration (2005)
Bureaucratic apparatus/Organizational structures	UN Office of the High Representative for the LDC, LLDC and SIDS UNCTAD's Special Programme for LDCs, LLDCs and Island Developing Countries	UN Office of the High Representative for the LDC, LLDC and SIDS UNCTAD's Special Programme for LDCs, LLDCs and Island Developing Countries UNDESA's SIDS Unit UNESCO's SIDS Platform/Section for Small Islands and Indigenous Knowledge AOSIS (no budget, nor secretariat; operates out of chairman's Mission to the UN)
Benefits/Special treatment/Support measures	EU-ACP Agreement: previews special treatment for ACP countries that are LLDCs Debt relief under HIPC initiative: previewed for LLDCs that are also HIPC	World Bank's small island exception: IDA resources to small islands whose per capita income is above the IDA eligibility cut-off but have no (or very limited) creditworthiness, which impedes access to IBRD borrowing EU-ACP Agreement: previews special treatment for ACP countries that are also SIDS US Caribbean Basin Initiative provides duty-free access to the US market for most goods from 17 SIDS[35] in the region

Source: Compilation based on UN (1957), Hein (2004), www.aosis.org, http://www.unesco.org/new/en/natural-sciences/priority-areas/sids/about-unesco-and-sids/unesco-sids-platform/http://www.ustr.gov/trade-topics/trade development/preference-programs/caribbean-basin-initiative-cbi (accessed May 3, 2013).

[35] Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, British Virgin Islands, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Panama, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago.

4.2 Preliminary conclusions

The key characteristics of this case study are as follows: contrary to the LLDC example, there has been (i) much debate on SIDS for many years, (ii) no consensual list of SIDS defined, (iii) many SIDS-specific bureaucratic structures created within the UN, (iv) special and differential treatment in favour of SIDS only coming from *other* organisations (e.g., World Bank and EU).

If we take the LLDC category as a benchmark, these observations indicate unproductive fragmentation of efforts and uncoordinated activities, denoting wasteful competition between and within organisations. This finding may have broader implications. For example the same sort of wasteful institutional fragmentation has been observed with respect to development assistance. For example in the case of the United States' 'more than 50 different bureaucratic units with overlapping responsibilities involved in giving foreign assistance', Frey (2008: 340) concludes that 'negative externalities produced by the efforts to help, as well as the large fixed set-up costs may well produce poorer results'. That conclusion also could be relevant for the many SIDS lists.

Looking specifically at the size of the six different lists of SIDS considered in this chapter, one important explanation for the considerably smaller World Bank category is that the five different SIDS lists at the UN have been created in a situation of conflicting tasks related to (i) development (UNCTAD, UNDESA, UNOHRLLS), (ii) environment (AOSIS), and (iii) education/science/culture (UNESCO), giving rise to mission creep; while the World Bank small islands exemption is straight forwardly related to only one aspect, that is: development finance.

Yet, looking beyond list size, what is it about SIDS that has generated all this bureaucratic activity around the category, but little practical results? Who gains from this impasse and confusing state of affairs? What is in it for International Organisations, developed countries, developing countries and their representatives?

Clearly, International Organisations and representatives (namely, bureaucrats employed by International Organisations and diplomats/representatives from both developed and developing countries) gain quite a lot. While the fuss goes on, it is not surprising that they are indeed able to safeguard vested interests by maintaining and securing jobs, networking possibilities, and consultancy opportunities. Until a clear definition is reached, the lists proliferate, as demonstrated, and there continues to be reason for more international debate, more studies, more counter-studies, more meetings, more expert advice, more travel and, ultimately, more costs (often borne by developed countries). The proliferation of different SIDS lists within one single organisation can, in fact, be a (i) reflection of self-interested actors maximizing the likelihood of particular departments' (and their own) survival and (ii) a concrete indication that bureaucratic motives are driving the process.

The inability of developing countries to effectively plan, decide and monitor their participation in these different SIDS categories illustrates a lag between the interests of (i) developed countries, OIs and bureaucrats and those of (ii) poorer/weaker countries or in the same vain between truly vulnerable SIDSs and countries that for other reasons may want to be in this category. It is indeed quite telling that the only example of a category of countries whose emergence was strongly motivated by developing countries themselves (i.e., SIDS), in sort of a bottom-up dynamics, has not been able to gain consensual recognition, despite having given rise to so many bureaucratic tentacles.

Additionally, fuelling an ever-more complex and endless SIDS differentiation exercise might also be in the interest of developed countries not so interested in according more special and differential treatment to yet another category of developing countries considered to be dealing with yet another "special situation". Hein (2004: 12) states that

> Skepticism remains about the legitimacy of SIDS as a category requiring special attention, and there has been reluctance in providing these countries with concrete forms of special treatment, although this is generally not said openly in international fora dealing with these questions.

Hence, supporting a complex situation (i.e., adding more spaghetti and noodles to the bowl), or not making a definite effort to clarify a confusing state of affairs (and agree on a single list of SIDS), can work as a tool to foster the interests of those in power positions, in detriment of smaller and weaker states. Hein's (2004: 13) qualification of 'a politely supportive, yet almost dismissive attitude' would seem to be on the spot.

5 How to deal with complexity?

We consider the spaghetti and noodles bowl to be detrimental to development and global governance. Firstly, the complexification of allocation/provision of special and differential treatment to developing countries makes it more difficult and costly to reap the benefits of special treatment since the proliferation brands more countries eligible for special treatment. This makes the treatment by definition less special (that is: more common and widespread) and thereby less valuable. Secondly, in the spaghetti and noodles bowl of too many overlapping categories of developing countries, specific development problems and/or countries can easily be overlooked. Thirdly, a developing country might be compelled to accept the implementation of a one-size-fits-all policy that is being proposed for one of the categories in which it has been placed (even if this would not be consistent with the policies for other classifications). Fourthly, a classification may provide a misleading assurance of easier access to special and differential treatment inducing costly lobbying activities. Finally, the intention of country classifications is to provide analytical clarity and rules that govern special treatment, but as observed by Drezner (2009: 67): 'Paradoxically, after a certain point institutional and legal proliferation can shift global governance structures from a Lockean world of binding rules to a Hobbesian world of plastic rules'. Other authors have challenged the need for the proliferation of categories on other grounds. Payne (2005: 40), for example, advocates for a new critical political economy of development that 'rejects the "exceptionalism" of a special category of countries deemed to be in particular need of development and endeavours [and] … recast[s] the whole question of development as a universal question, a "transnational problematic"'. In line with this view, Hettne (1995: 263) defines development as 'societal problem solving … [implying that] a society develops as it succeeds in dealing with predicaments of a structural nature, many of them emerging from the global context'. So, the burden of development should be placed on all, and not on specific groups of countries, making it 'a global and universal problem' (Hettne, 1995: 266), rather than a problem for selected groups of countries.

Rather than creating predictability, rationality and transparency about rules and principles and protecting states against the vagaries of large countries, the proliferation of classifications injects the global governance system with discretion, enabling the exercise of power over smaller and weaker states.

In light of all this and of the preceding analysis, the question that imposes itself and that will help to move this debate further; from observation and diagnosis of the situation to providing some direction to policymakers, is: How to make developing country differentiation less complex and, consequently, more efficient (or at least less imperfect)? Even though there is merit in Payne's call for a new critical political economy of development that discards the exceptionalism of special categories of countries deemed to be in need of certain development interventions (Payne, 2005: 40), it is not realistic to think that such an overhauling change in the current system of developing country differentiation would be immediately possible. Given the misalignment of interests discussed in the preceding analysis, changes in the current framework of developing country differentiation should be deep but gradual, so that they can be truly meaningful and long-lasting.

Hence, one needs to be pragmatic and accept the fact that these changes will have to be promoted from within an imperfect system. The following policy changes could be the first steps in contributing to a less problematic framework of developing country differentiation:

(i) discourage the proliferation of even more categories/classifications, to prevent further complexification
(ii) streamline/rationalise/reorganise existing categories of developing countries within the same organisation to reduce proliferation
(iii) extend the policy change proposed in (ii) through inter-organisational harmonisation/coordination efforts
(iv) (truly) depoliticise and adopt a strictly needs-based approach to country selection
(v) work towards less institutional fragmentation of efforts and more intra- and inter-organisational coordination
(vi) strive for less bureaucracy-motivated representatives (and, hence, adopt a tighter control of their performance), in order to minimise principal/agent mismatches
(vii) introduce more accountability measures targeted at IOs and their representatives

These changes would amount to fewer costs, more efficiency, less bureaucratisation, and more rationality and transparency in providing special treatment to developing countries and, ultimately, in global governance. Evidently, as with all major changes, there is the need to promote a broad debate on the importance of these policy measures and, most probably, compromise on some of them. By doing this, key stakeholders can contribute with the necessary goodwill and motivation towards the successful implementation of these policy changes. Indeed, this paper intends to be a first contribution in that direction.

Finally, this paper could be extended to also contribute with regard to two issues. Firstly, by proposing concrete options to streamline existing categories, in order to avoid the current duplication of efforts and reduce the overlap. Secondly, by discussing the trade-off between a less complex developing country differentiation landscape (and, hence, increased rationality and transparency) and the importance of delivering customised policies for specific conditions faced by developing countries (e.g., landlockness, indebtedness, islandness, state fragility, etc.). At first glance, it does seem that less proliferation of classifications and less discretion in global governance can indeed be achieved at the expense of policy adaptation to specific development conditions.

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Appendices

Table A1
Developing country categorisation/differentiation landscape (start of 2013)

	LDC	LLDC	LIC	LMIC	LHD	MHD	HIPC	FS
Number of countries	49	31	35	57	46	47	39	36
Afghanistan	X	X	X		X		X	X
Algeria						X		
Angola	X			X	X			X
Armenia		X		X				
Azerbaijan		X						
Bangladesh	X		X		X			
Belize				X				
Benin	X		X		X		X	
Bhutan	X	X		X		X		
Bolivia		X		X		X	X	
Bosnia and Herzegovina								X
Botswana		X				X		
Burkina Faso	X	X	X		X		X	
Burundi	X	X	X		X		X	X
Cape Verde				X		X		
Cambodia	X		X			X		
Cameroon				X	X		X	
Central African Rep.	X	X	X		X		X	X
Chad	X	X	X		X		X	X
China						X		
Comoros	X		X		X		X	X
Congo, Rep.				X		X	X	X
Congo, Dem. Rep.	X		X		X		X	X
Côte d'Ivoire				X	X		X	X
Djibouti	X			X	X			
Dominican Rep.						X		
Egypt				X		X		
El Salvador				X		X		
Equatorial Guinea	X					X		
Eritrea	X		X		X		X	X
Ethiopia	X	X	X		X		X	
Fiji				X		X		
Gabon						X		
Gambia	X		X		X		X	
Georgia				X				
Ghana				X		X	X	
Guatemala				X		X		
Guinea	X		X		X		X	X
Guinea-Bissau	X		X		X		X	X
Guyana				X		X	X	
Haiti	X		X		X		X	X

Honduras				X		X	X	
Indonesia				X		X		
India				X		X		
Iraq				X		X		X
Jordan						X		
Kazakhstan		X						
Kenya			X		X			
Kiribati	X			X		X		X
Korea, Dem. Rep.			X		N/A			
Kosovo				X	N/A			X
Kyrgyzstan		X	X			X		
Lao People's Dem. Rep.	X	X		X		X		
Lesotho	X	X		X	X			
Liberia	X		X		X		X	X
Libya								X
Macedonia		X			N/A			
Madagascar	X		X		X		X	
Malawi	X	X	X		X		X	
Maldives						X		
Mali	X	X	X		X		X	
Marshall Is.				X	N/A			X
Mauritania	X			X	X		X	
Micronesia				X		X		X
Moldova		X		X		X		
Mongolia		X		X		X		
Morocco				X		X		
Mozambique	X		X		X		X	
Myanmar	X		X		X			X
Namibia						X		
Nepal	X	X	X		X			X
Nicaragua				X		X	X	
Niger	X	X	X		X		X	
Nigeria				X	X			
Pakistan				X	X			
Palestinian Territory			N/A			X		
Papua New Guinea				X	X			
Paraguay		X		X		X		
Philippines				X		X		
Rwanda	X	X	X		X		X	
Samoa	X			X		X		
S. Tomé and Príncipe	X			X	X		X	
Senegal	X			X	X		X	
Sierra Leone	X		X		X		X	X
Solomon Is.	X			X	X			X
Somalia	X		X		N/A		X	X
South Africa						X		
South Sudan	X	X		X	N/A			X
Sri Lanka				X		X		
Suriname						X		

Swaziland		X		X		X			
Syria				X		X		X	
Sudan	X			X	X			X	X
Tajikistan		X	X			X			
Tanzania	X		X		X		X		
Thailand						X			
Timor-Leste	X			X	X				X
Togo	X		X		X		X	X	
Tonga				X					
Turkmenistan		X		X		X			
Tuvalu	X			X	N/A				X
Uganda	X	X	X		X		X		
Ukraine				X					
Uzbekistan		X		X		X			
Vanuatu	X			X		X			
Vietnam				X		X			
West Bank and Gaza				X	N/A				X
Western Sahara			N/A		N/A				X
Yemen	X			X	X				X
Zambia	X	X		X	X		X		
Zimbabwe		X	X		X				X

Sources: UN, World Bank, UNDP, IMF
Non-independent territories are in *italics*)