

Expert group meeting
Lessons learned in building productive capacity in graduated and
graduating countries
Geneva, 30 November and 1 December 2016

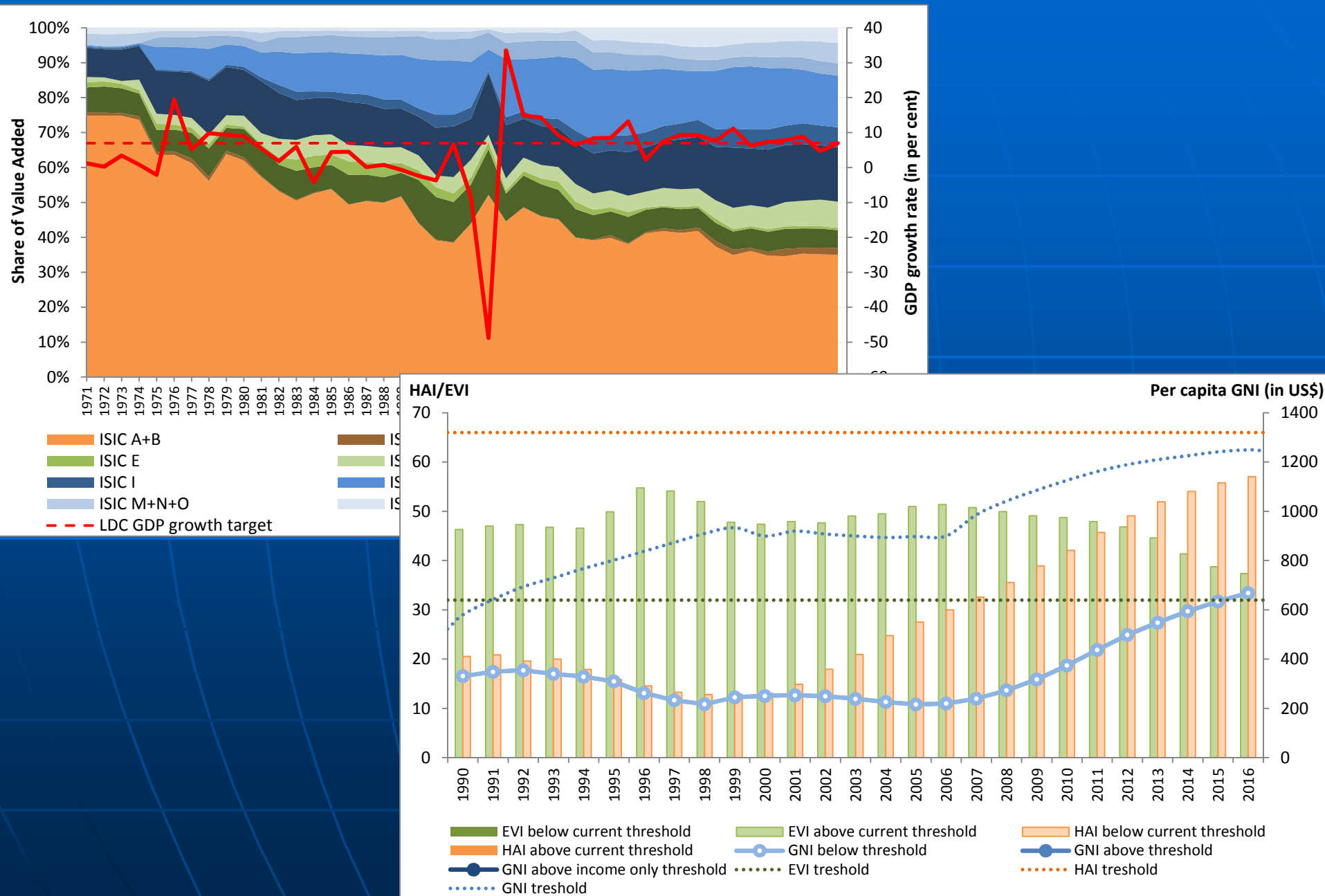
Session 5: Case studies part C

Matthias Bruckner
Committee for Development Policy Secretariat
New York, 30 November 2016

Countries with 'standard' development patterns

- LDC: **Bangladesh, Ethiopia, Rwanda**
- Non-LDCs: **Viet Nam, Ghana**
- Initial structural transformation successful
 - Agriculture is key (land rights, inputs)
 - Viet Nam and Bangladesh some manufacturing, Ethiopia emerging (?)
 - All five countries more diversified than others
- Continuing transformation and moving-up the value chain very difficult
 - Both for LDCs and non-LDCs

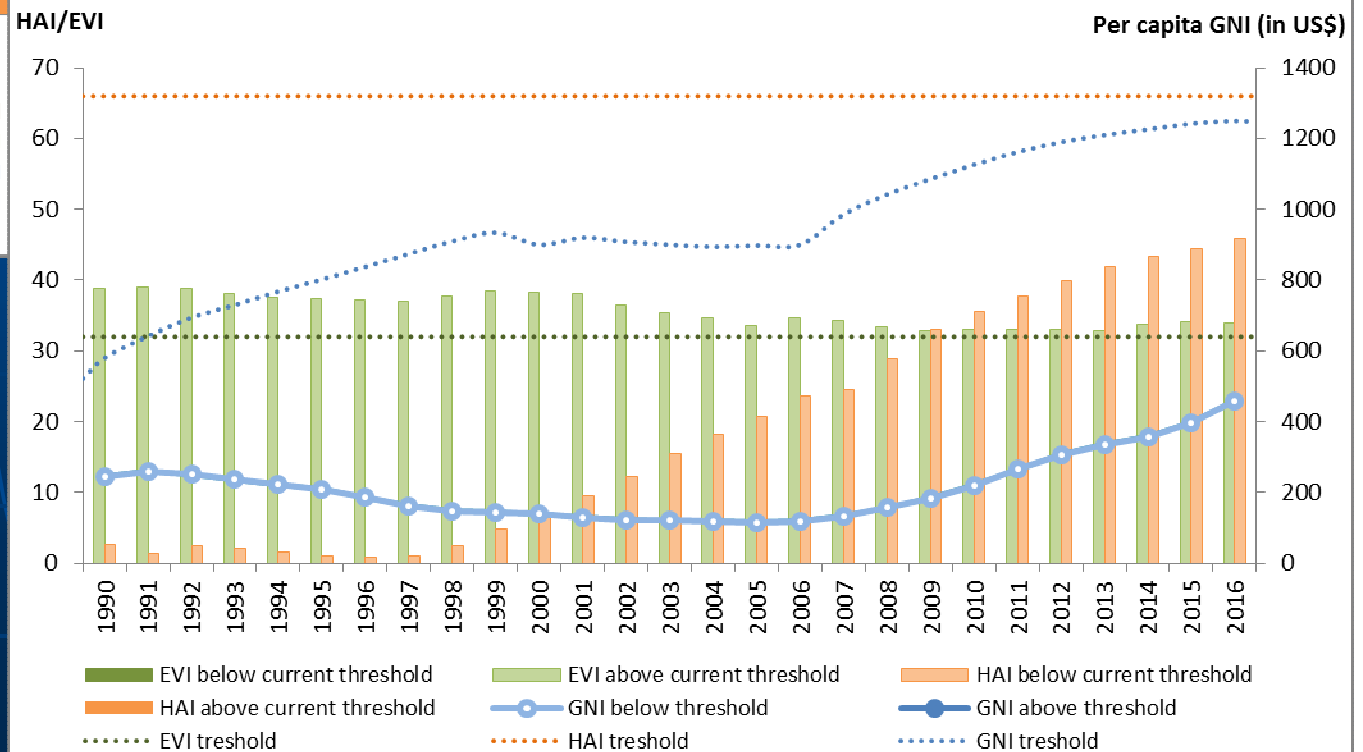
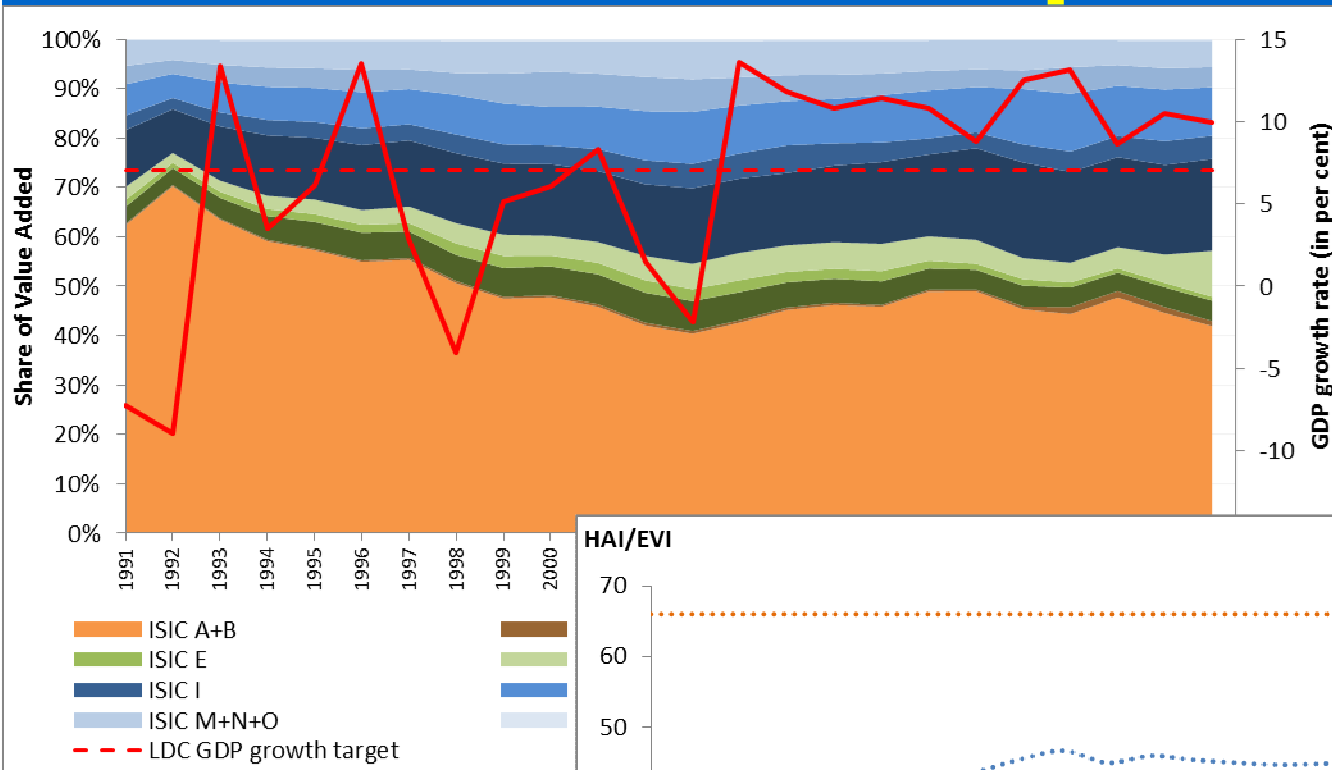
Rwanda



Rwanda

- Agriculture as priority
- Increase productivity of smallholders
 - Public investments in better inputs and practices
 - Priority crops selected by government
 - Land use consolidation: Joint farming by independent, who get public support
- Land tenure regularization
 - Secure land rights critical not only for agriculture, also social issue
 - Complete land registry
 - State owned, but very long term leases
 - No further subdivisions of land
 - Flexibility?
 - Success: Improved investment
 - Rural infrastructure remains constraint
 - Parallel market outside regulations

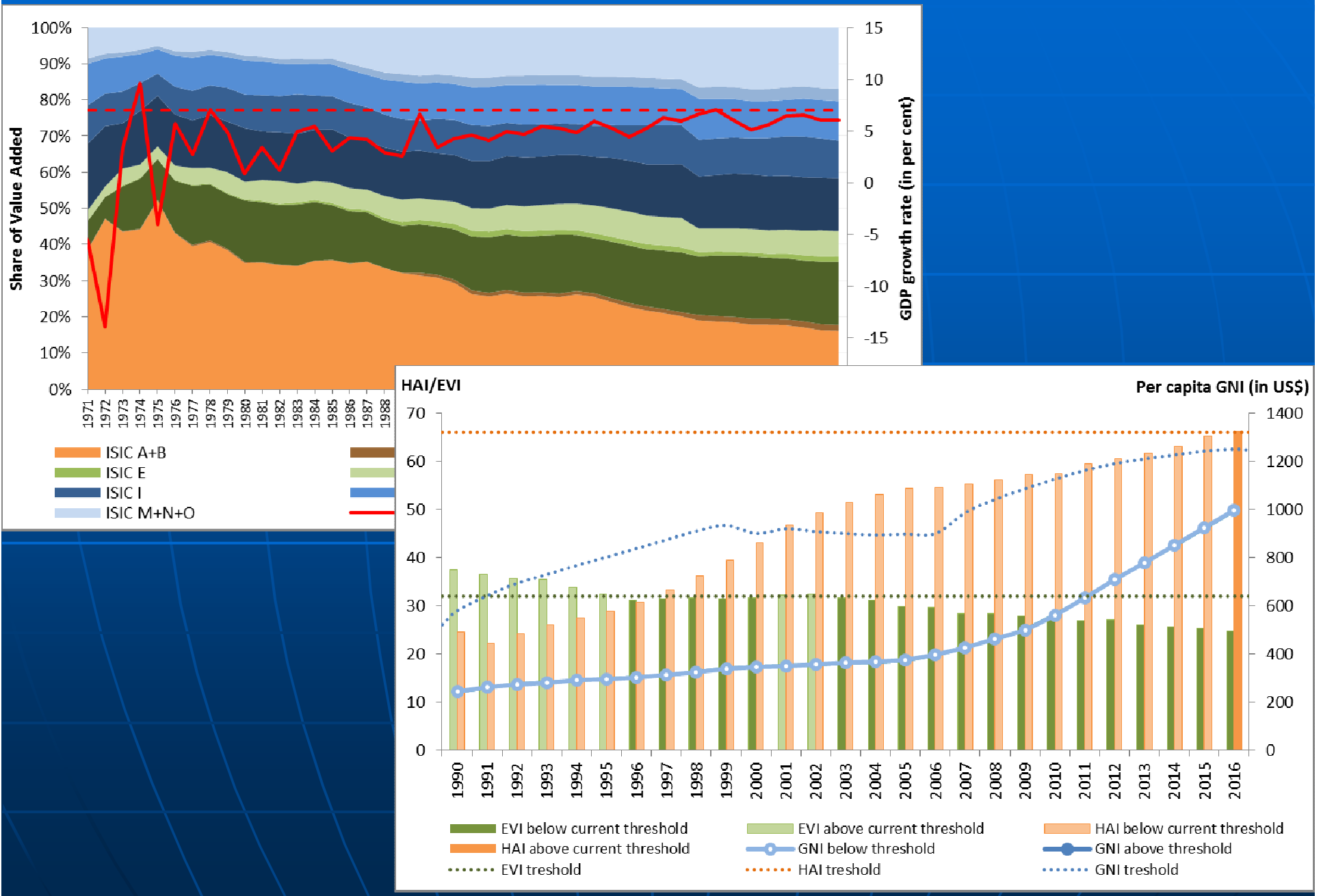
Ethiopia



Ethiopia

- State-led development model
 - Multitude of specific agencies
 - Public consultations; continuous learning
- 1990s: Agriculture-led industrialization
- 2000s: Growth and Transformation Plans
- Extension services main factor for agricultural productivity growth
 - Development agents trained in special centers
 - Various support institutions
- Massive infrastructure investments and public housing
 - Still bottlenecks
- Almost complete coverage of public health services
 - Health extension workers
- Several industrial policies
 - State controlled markets
 - Standard policies (investment incentives, tax holidays, duty free imports, public investment in target sectors)
 - Public private mechanisms for consultation and tech transfer
 - Success still to be seen

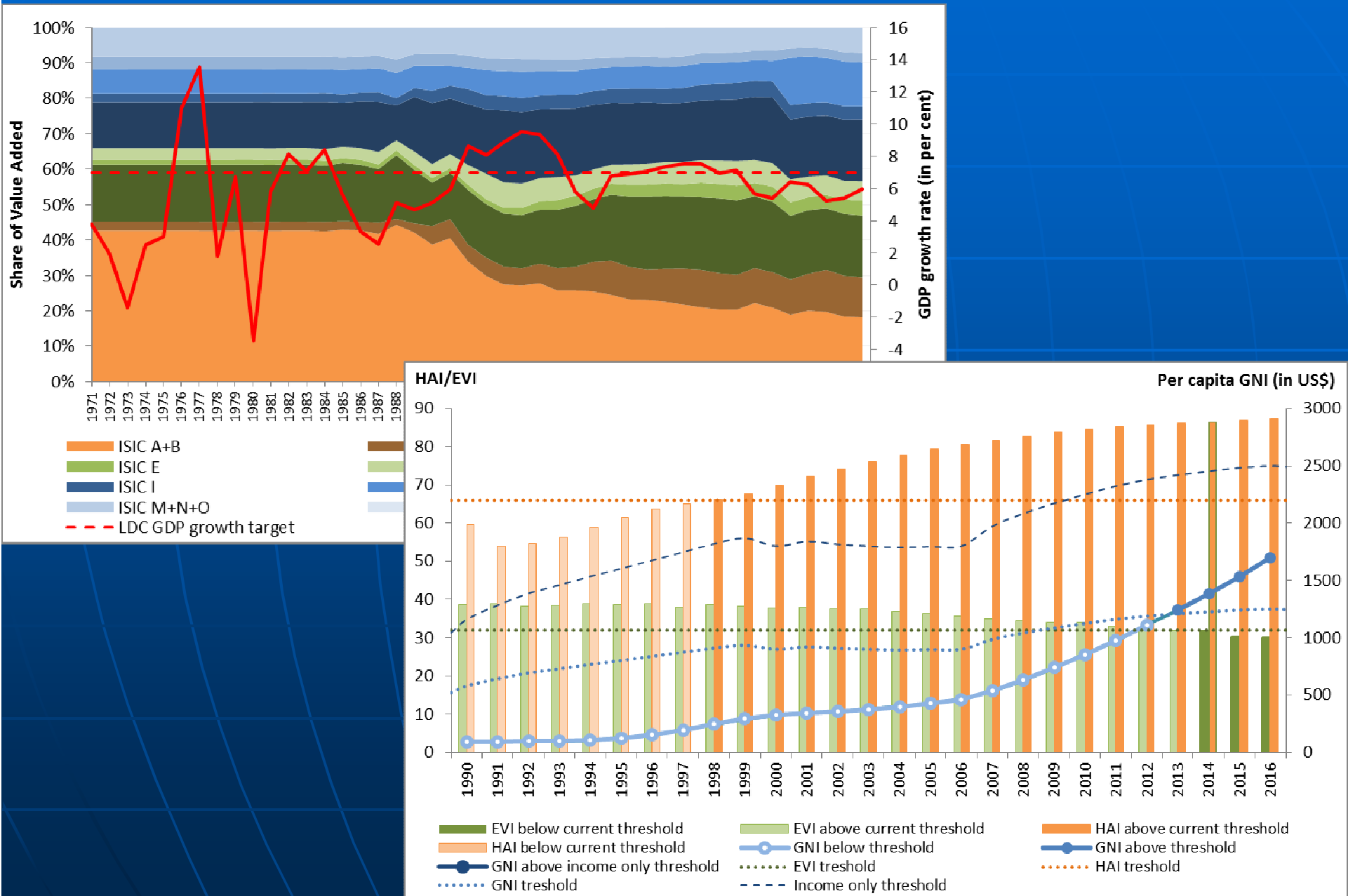
Bangladesh



Bangladesh

- Extreme development constraints upon independence
 - Significant progress
 - Close to meeting graduation criteria in 2018
- Significant manufacturing (17 % share in GDP)
 - Second largest exporter of garments
- International support (duty-free quota-free) key factor
 - Plus: other market characteristics (buyers market)
 - Existing basic capabilities and low wages
 - Industrial policies (bonded warehouse, subsidies,...)
 - Success not (yet?) replicated in other sectors
- Building human assets jointly by State and NGOs
 - Combine low cost solutions with public awareness campaigns
 - Female agency
 - Community approach; experimentation; rapid adoption of technologies
 - Population density and social homogeneity

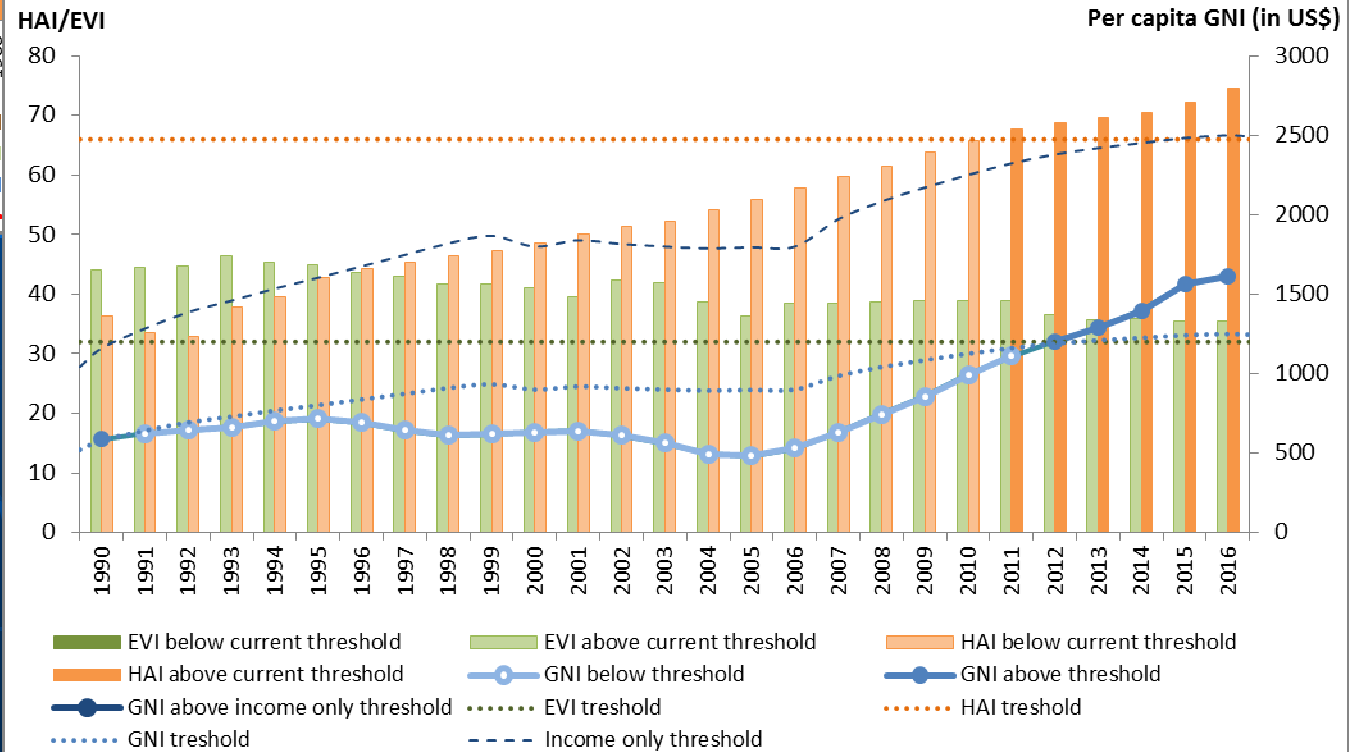
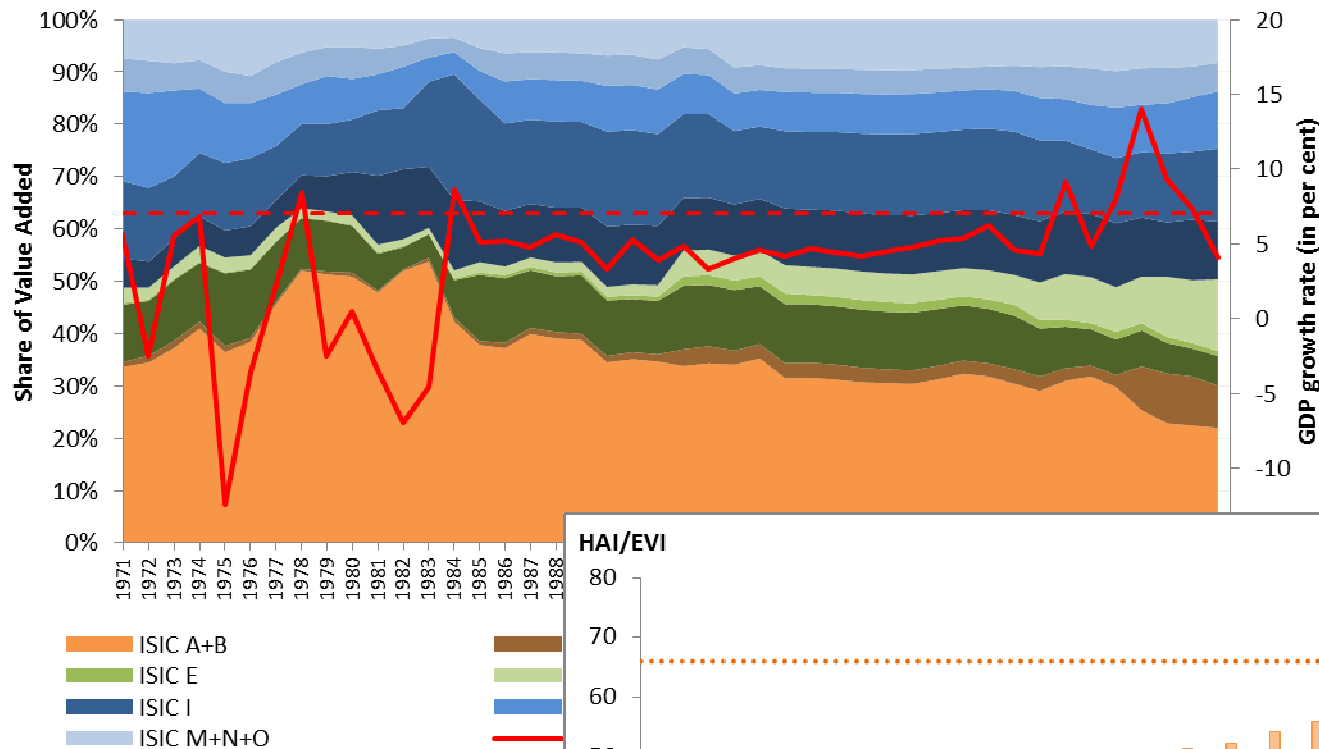
Viet Nam



Viet Nam

- Rapid growth due to economic reforms after 1986
 - Market economy with social orientation
 - Reform price system
 - Political and institutional reform lagging
 - Low transparency and accountability; lack of coordination; only limited civil society
 - Difficulty in continuing reforms
- Market reform in agriculture successful
 - Establishing land using rights; Market prices; Subsidizing inputs
 - Environmental challenges
 - State land ownership causes social problems
 - Farmers don't benefit from land use changes
- Active integration into global market anchored economic reform
 - Attracting FDI
 - Actively negotiating trade agreements
 - Established manufacturing (but share in GDP peaked <22 %)
 - Difficulty in moving up the value chain
 - Lack of R&D and innovation

Ghana



Ghana

- Strong economic growth in the 2000s
 - Agriculture still dominant
 - Inequality increasing
- Modern services grew after 'orthodox' market reforms and modern regulatory regimes
 - But sector creates only limited number of decent jobs
- Mining and (unsustainable) forestry main driver of GDP growth
 - Mining proceeds are not enough used to invest in other forms of capital → unsustainable (even weakly)
 - Timber extraction also unsustainable
- Infrastructure remains major bottleneck
 - Progress in roads, regress in rail
 - Electricity major constraints
 - Low water level reduce hydropower
 - Natural gas supply erratic
 - Sustainability and availability major concerns

Thank You

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