

PART III: COUNTRY DEVELOPMENT EXPERIENCE AND ISSUES

The *World Development Report, 1978* concentrated on the development issues facing the Low Income nations of Asia and Sub-Saharan Africa. The next two chapters of the present report dwell mainly on development perspectives and priorities in Middle Income countries. The term Middle Income encompasses a set of nations with very different socioeconomic conditions, resources, development potential and problems: the policy concerns of Liberia are inevitably very different from those of Brazil or Yugoslavia. To better reflect this underlying diversity in the discussion of development experience and priorities, three broad types of Middle Income countries have been distinguished.

The first group of countries includes some 16 "semi-industrialized" nations in which manufacturing accounts for a relatively large share of production and merchandise exports. The present Middle Income status of most of these countries is not greatly dependent on the exploitation of natural resources. The other two groups, jointly referred to as primary producing countries, owe their present income levels in large measure to the utilization of minerals or agricultural land, and manufacturing activity

plays a much less important part in their economies. They share many features and problems with Low Income countries; most of the "mineral economies" would not be in the Middle Income category but for their mineral wealth, while the "predominantly agricultural countries" have, as their name suggests, arrived in the Middle Income ranks by specializing in agricultural production.

A few points need to be emphasized with respect to these distinctions. First, the groups are far from mutually exclusive; certain countries could be classified in more than one group. Second, not all Middle Income countries can be comfortably accommodated within these three groups and, conversely, some countries which are not treated as Middle Income in this analysis could be appropriately included. The capital surplus oil exporting nations, for example, share many of the development concerns of other mineral-dominated countries. Finally, while countries within a group have much in common, the diversity among them should not be underestimated. Despite these qualifications, however, the chosen grouping focuses on common issues and helps to enrich the discussion of country development policy.