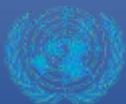




Accelerating MICs' progress towards sustainable development

Cornelia Kaldewei, EAPD-DESA



**United
Nations**

Department of Economic and Social Affairs

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What are middle-income countries (MICs)?

- **World Bank GNI per capita thresholds (as of 1 July 2024):**

Low income	Lower-middle income	Upper-middle income	High income
≤\$1,145	\$1,146 – \$4,515	\$4,516 – \$14,005	≥\$14,005

Source: <https://blogs.worldbank.org/en/opendata/world-bank-country-classifications-by-income-level-for-2024-2025>

- **105 countries currently classified as MICs:**
 - 51 lower-middle, 54 upper-middle
 - 21 LDCs, 20 LLDCs, 26 SIDS
 - HDI: 10 “very high”, 46 “high”, 38 “medium”, 10 “low”
 - Together: 35% of global GDP; 73% of population; 59% of extreme poor (\$2.15)



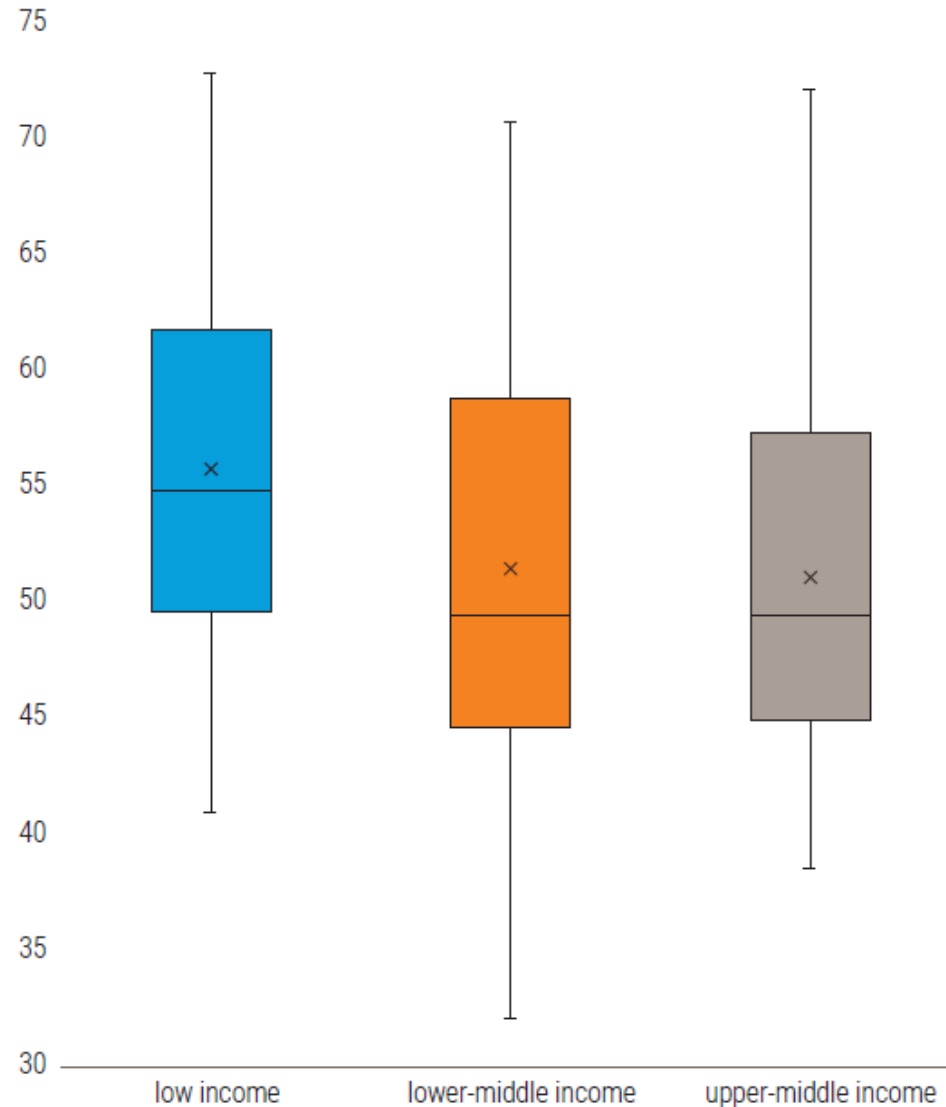
Heterogeneity across development indicators

Indicator	Lower-middle income			Upper-middle income			High-income	Low-income
	Minimum	Average	Maximum	Minimum	Average	Maximum	Average	Average
Investment (% of GDP)	1.2	24.5	55.5	12.1	22.3	38.7	22.3	20.3
R&D spending (% of GDP)	0.0	0.3	1.0	0.0	0.5	2.4	1.5	0.2
FDI net inflows (% of GDP)	-12.3	2.4	23.4	-5.7	3.6	14.6	5.0	5.2
Export Concentration Index	0.13	0.37	0.81	0.06	0.35	0.91	0.31	0.44
Human Development Index	0.47	0.62	0.78	0.61	0.75	0.86	0.89	0.47
Multidimensional Poverty (% of population)	0.4	25.9	66.8	0.1	4.7	40.9	1.5	61.5
Gini Index of Income Inequality	27.8	38.0	54.6	24.4	38.2	63.0	32.7	38.4
Gender Inequality Index	0.24	0.47	0.68	0.10	0.32	0.56	0.13	0.59
Greenhouse gas emissions (kt of CO2 equivalent)	89	131,410	3,200,821	22	392,480	12,942,868	266,533	37,555
Multidimensional Vulnerability Index	32.1	51.8	72.2	39.3	50.4	70.8	54.5	57.6

Source: World Bank, WDI; UNDP, Multidimensional Poverty Index, HDR; UNCTADstat; UN High-Level Panel on the Development of a Multidimensional Vulnerability Index

Measuring vulnerability

Multidimensional Vulnerability Index

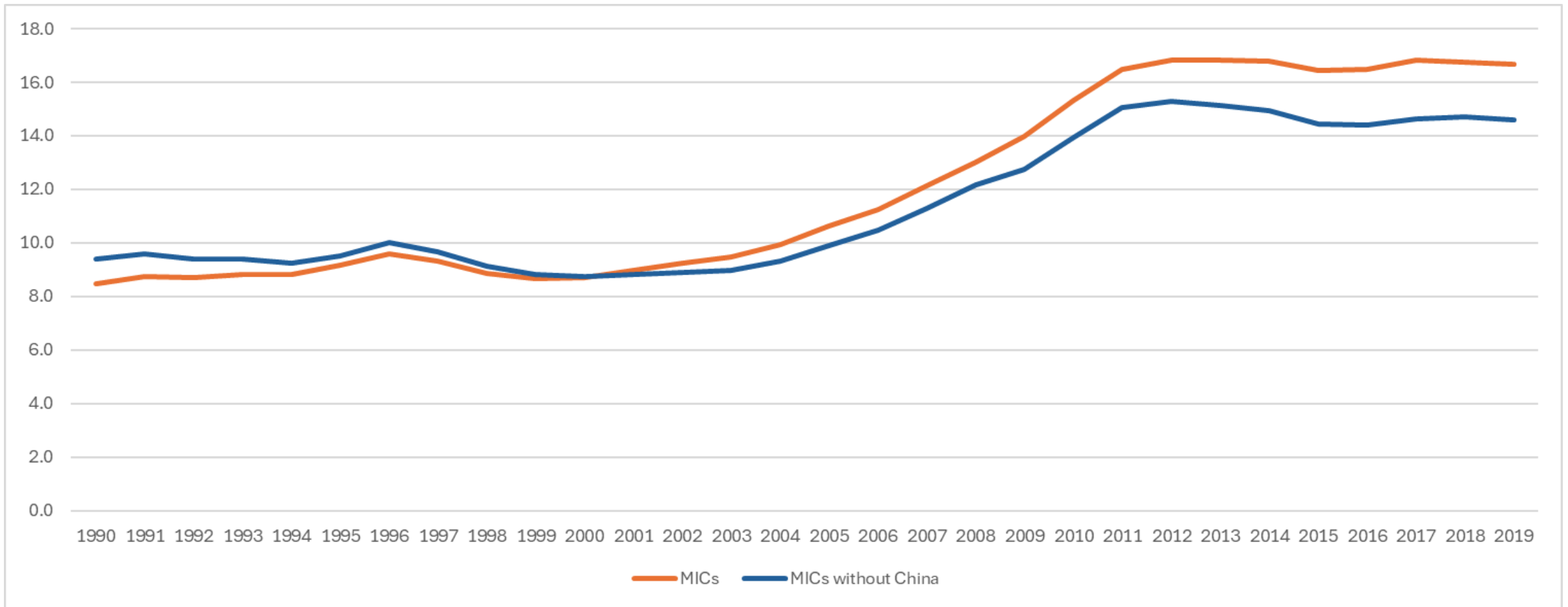


- **Two-tiered structure:**
 - **Structural vulnerability to external shocks**
 - **Lack of resilience**
- **Weak correlation between MVI and income**
- **Voluntary use**
 - **For domestic policymaking**
 - **For international cooperation**
- **Living tool, complement to existing metrics**

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Some catching up but slowing momentum

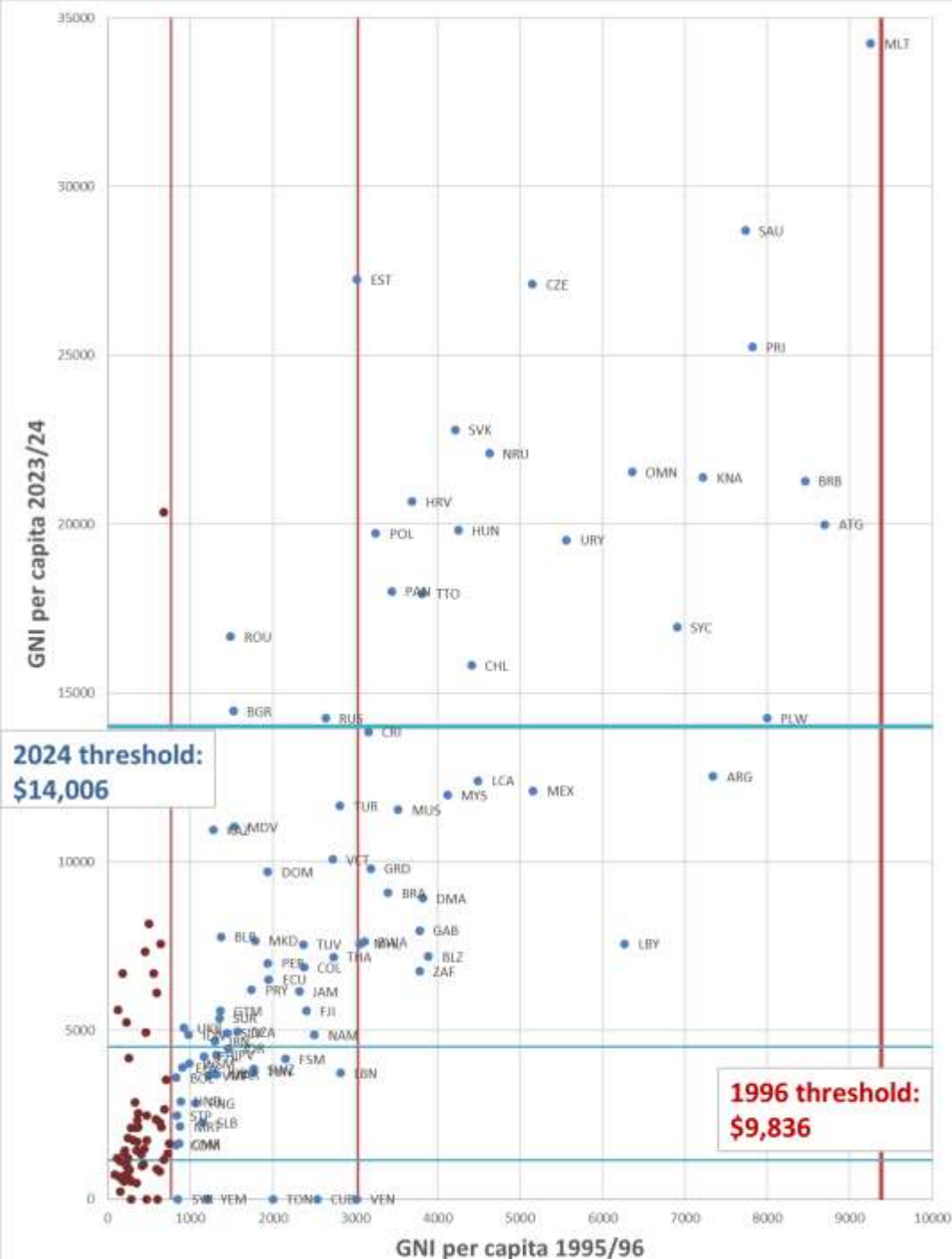
GDP per capita of middle-income countries relative to USA, 2017 constant PPP (percentage)



Stuck in the middle?

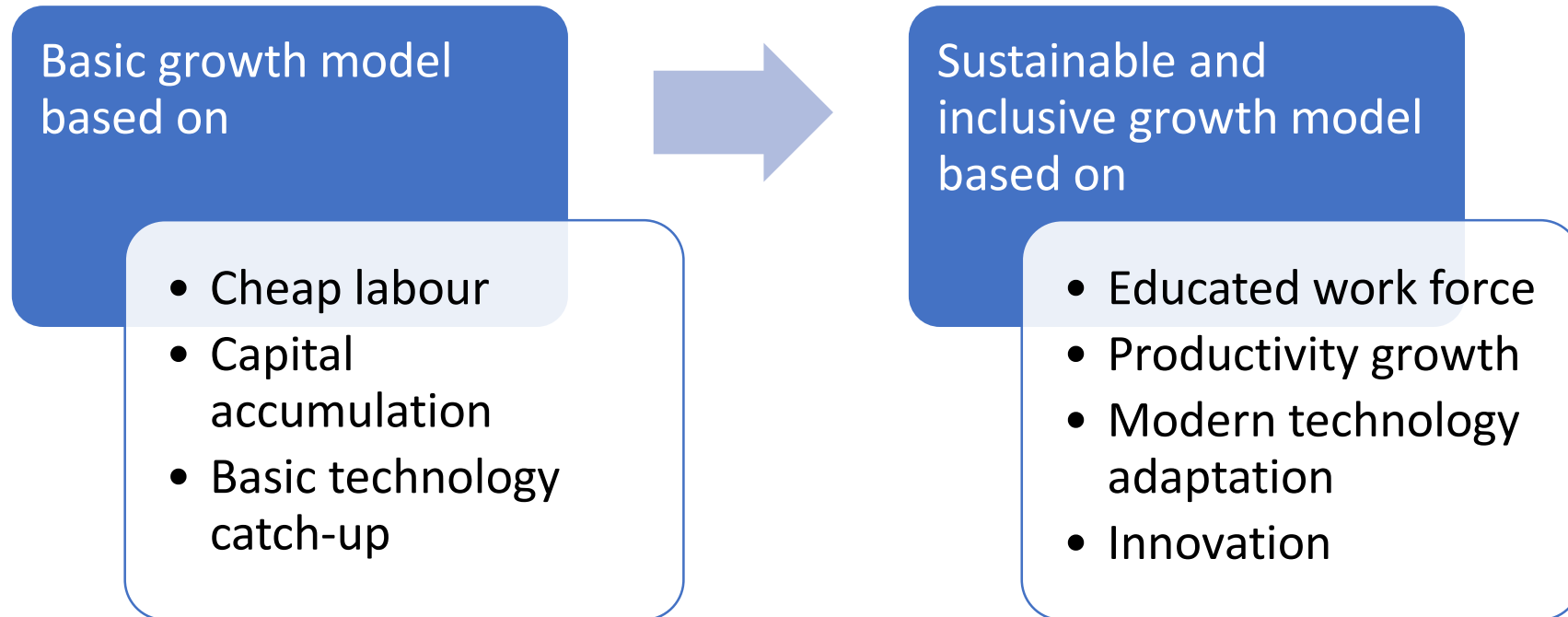
Few countries transitioned from MIC to HIC during 1996–2024

- 28 countries changed from MIC to HIC
 - Eastern Europe, SIDS, few others
 - Transitioning back-and-forth: 9 countries
- 39 countries changed from LIC to MIC
- 1 country from LIC to HIC



What is holding back sustained and sustainable growth?

- **Difficulty switching growth models:**



See also *World Development Report 2024: The Middle-Income Trap*.

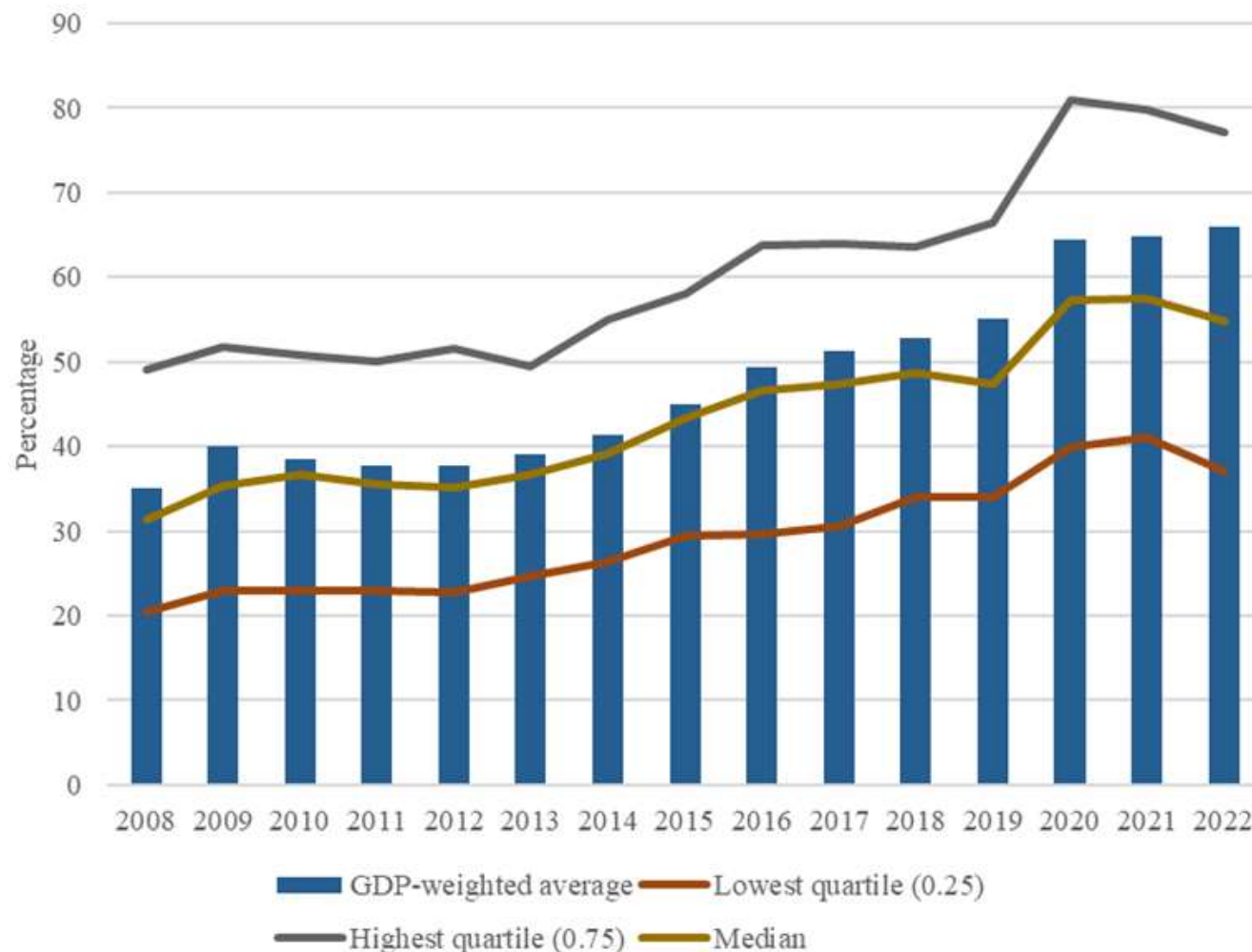
- **Need for infrastructure (physical and digital), education, policies, institutions**



What is holding back sustained and sustainable growth?

- Lack of fiscal space:

Public debt-to-GDP ratio of MICs, 2008–2022



- Increased debt burdens
- Higher debt service payments
- External financing issues
- Limited access to concessional finance

What is holding back sustained and sustainable growth?

- **Challenging external environment:**

- Trade, rapid technological change, geopolitical tensions, green transition
- Vulnerability to shocks and crises

- **Need for:**

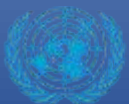
- Enabling international environment
- International support, South-South cooperation
- Data, incl. measures that go beyond GDP, MVI (*PfF Action 53 and 49 (f)*)
 - For domestic policy decisions
 - For international development cooperation



Thank you!



<https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/PB155.pdf>



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