The special problems or obstacles to economic development of developing countries.

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Economic growth and economic development are the two main or basic terms which should be understood by us before we discuss about the special problems or obstacles to economic development in developing countries. Economic growth is a sustainable increase in a nation's long run productive potential or capacity .Growth comes from an expansion of both the quantity and quality of factor inputs reflected in higher productivity and the growth-enhancing effects of innovation. For developing countries, sustained economic growth is crucial for reducing extreme poverty and improving basic living standards. For eg. -last year a boy has 4.5 inches height now he has 5.2inches height so the difference in his height is nothing but growth in his height . Now if we want to speak about his development we simply don't speak about his growth but we speak about that and along with this we speak about other factors about him .and those are who he behaved in the past , now how he is behaving in a good manner or what type of food he consumed in the past and now he is consuming what type of food ,this is called a development. Development is a comparative analysis but which is qualitative in nature along with growth and other factors. There are different types of economies with a concept of development and those are low income economies-those countries which are still in under development phase, middle income economies- these are the countries which started the developing stage and are going through the developing state and after some years depending upon the speed they are developing they are going to reach development stage, high income economies- those countries which are completely developed. Then a question arises that, is it possible to have economic growth without development? So, yes it is possible because it can happen that in developing state we can have high GDP but there lacks the high living standard, employment, etc.

Now let us study about the characteristics of developing countries and some of them are-low standard of living, low levels of productivity, low levels of saving, high population growth, primary sector dominance(agriculture), incomplete markets, high unemployment or underemployment, low economic power on the international stage.

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There are various issues in economic development of developing countries, some of them are discussed below. Less Developed Countries (LSD) often have difficulty developing because of deficits in the factors of production. Natural resources are not spread equally throughout the globe. Only 10% of the earth's land is arable or suitable for farming. Poor farmland, a lack of rainfall and few mineral resources have created problems for some LCD's. Sometimes an LCD will have abundant natural resources, but will lack the technology or capital to develop then into goods. A lack of physical capital, the human-made resources used to create goods and services, is a problem of LCD's. A lack of physical capital perpetuates subsistence agriculture, which, in turn, prevents the industrialisation. Some countries turn to foreign nations for investment capital, but this comes with its own set of problems. A lack of human capital, the skills and knowledge gained through education and experience, is also a problem for LCD's seeking to develop economically. An industrialised economy must have individuals with the skills to operate modern technology and the manage business and governments. A lack of human capital, or failure to invest in human capital, discourages other countries from investing in LCD's. Health and nutrition are also important factors in the development of LCD's. Inadequate nutrition or malnutrition causes large number of people to have physical and mental issues, lowering their productivity in the nation's economy. Many countries suffer from epidemic diseases due to climate change. This lowers the average life expectancy. When a society has a lower life expectancy, it is difficult to establish and maintain the governmental and educational institutions necessary for a high level of development. Education and training are critical to moving LCD's into the developed world. Low literacy rates, which are common because of subsistence agriculture, keep LCD's from developing economically. Individuals who do manage to acquire an education often leave to make more money in industrialised nations (the "brain drain"). Immigration policies in developed nations encourage the "brain drain". Many will only take the most skilled and educated applicants. There is also a serious inequality in the education of women in many Low Developed Countries, effectively depriving the economy of half its human capital. Frequently women in these countries have children at an early age. Cultures in some LCD's limit job opportunities to women. Women are paid lower wages. Some cultures devalue women and do not develop their potential. The colonial histories of many LCD's often impede their economic development. While they were colonies, these countries were forced to give up their natural resources to industrialised European rulers. Europe turned them into manufactured goods which they sold back to them. This has caused historical resentment of European –style government and institutions, making economic progress difficult. After

World War II, many nations overthrew colonial rule, but were under developed because of their many years under the rule of western nations. After their colonial periods, many LCD's adopted centrally-planned economies in order to industrialise more rapidly. While this worked in the short-term, long-term economy was hindered. Political corruption is a major issue in the development of LCD's. Many of their political leaders have authoritarian powers and keep much of the nation's wealth to themselves or political elites. Efforts at land reform in Central America, for instance, have been hindered by corruption and illegitimate governments that took powers by force. Mbutu Sese Seko plundered the treasury of Zaire, improvising his people. Political instability is a problem in the economic development of LCD's. Africa is plagued by civil wars, as rival ethnic groups in former colonies fight for power. The countries, that they inherited were created by the colonists and do not reflect the many tribal identities. 800,000 Rwandans died in the civil war that took place between the rival Hutu and Tutsi tribes. In Latin America, many of the countries are run by authoritarian governments supported by the U.S. This has led to communist uprisings and political instability in many of them. Economic development is difficult in such an environment. Because of their difficult histories, both in seeking to develop and in trying to provide the necessities of life for their peoples, LCD's have taken on serious levels of debt to foreign nations. The strength of the U.S. dollar has, at different times, made it difficult for LCD's to pay back their loans in their own currencies. Debt to the U.S. and European countries has been a barrier to economic development in Latin America. Some countries, unable to pay back their debts, have "have nationalised" foreign owned businesses. This has led to a reluctance of foreign businesses to invest there. Lesser developed nations are suffering from the most climate change. Drought, rising sea levels and devasting storms are impacting them, setting back their efforts to advance economically. Health and nutrition are also important factors in the development of LCD's. Inadequate nutrition, or malnutrition, causes large numbers of people to have physical and mental issues, lowering their productivity in the nation's economy.

There are many special problems or obstacles also which hamper to the economic development of the developing countries and these are –

- **Increase in the population**- It is also affecting the economic development of the less developed countries. The populations of less developed countries sharply increases. Population explosion is a phase of development when a country experiences very high birth rates and declining death rates. As a result, the difference between birth rate and death rate is very high. Most of the less developed countries are facing many problems in the path of their economic development. The mostly countries in Asia and Africa, the rate of population growth between 2% to 3% which affects the economic growth and this is the big hurdle for the developing countries.

- **Unemployment-** Developing countries has this problem for many and many years, that is unemployment, which causes low level of income and low level oh income ultimately causes poverty.
- **Lack of infrastructure -** Just because developing countries do not have much income to spend on infrastructure that is why they lack behind as compared to other parts of the world.
- **Too much expenditure on agricultural income-** Developing countries always rely on agricultural sector. They do not rely on secondary or tertiary sector, thus it creates a great burden on agricultural farmers. Growth of the agricultural sector is generally relatively lower than that of the industrial sector as there are natural restrictions on output and price elasticity of domestic demand and exports is lower. Agricultural sector can develop better if technology and capital are cheap and easy to access but in such countries pace of industrialisation and capital formation is lower and hence the agricultural sector faces scarcity of physical and financial capital.
- **Backward Technology**-Is also one of the main reasons due to which developing and underdeveloped countries could not achieve the goal of economic development. Developing countries find it difficult to adapt new technologies, thus it create a great relation between their country and their economy. It is basically the research of the new methods and the new technologies. Technologies results in the making of new and fruitful use of natural resources. Directly linked to low productivity levels in countries like India, Pakistan, Myanmar, Malaysia, etc. The less development countries are neither able to purchase new and modern technologies nor able to adopt latest technology. The developing countries are having large number of labours but there is lacking of capital resources. So developing countries technology is backward and due to the backwardness of technology the developing countries production system also fails.
- **General poverty and low income-** It arises due to lower level of production. Lower level of production does not generate more income and it facilitates poverty which is a basic step in economic development of developing country.

- **Education**- Education is one of the basic tool of the economic development. Much progress is achieved in those countries where the rate of literacy is high. Education plays a very important role in various fields such as development of resources, increases efficiency of labour, helps the person to be more creative and gives new ideas. Lack of education hampers the development of the country and lead to an increase in more number of illetrates.
- **Women empowerment-** There are any countries in the world which are not in favour of women empowerment and their education which leads to the backwardness of the countries and hampers the economic development of developing countries. Those countries whose women are kept on back stage they lacking behind in many fields and sectors.
- **Misuse of natural resources or scarcity of natural resources-** Misuse or under utilisation of natural resources cause a great barrier in economic development of developing country. Scarcity of natural resources Resource scarcity may arise due to natural factors or high population burden. Population growth rate must be in accordance with the country's capacity to produce goods to provide for the welfare of her rising population. Otherwise, population becomes a burden upon resources.
- **Limited productive capacity-** Low income countries often have limited productive capacity meaning that they have limited land, skilled labour and capital resources to boost growth and provide enough goods and services to satisfy basic wants and needs. *The main reasons for their limited productive capacity are;* The volume of resources including natural resources, labour and capital resources like roads, railways, other infrastructure are insufficient leading to reduced production. The level of productivity or efficiency per workers is too low due to low skill levels. *The problem of limited productive capacity are;* Labour Resources- Low level of education and high illiteracy rates. Children often work full time making it harder to attend school. Rapid population leads to insufficient resources to cater for the population. Capital Resources- A lack of saving leads to inadequate investment. The lack of savings for investment is a reasons so many poor countries remain poor and is also the reason rich countries are able to invest in new capital and expand their capacity. Land Resource- Many developing nations are former colonies of Europe and were originally established for the extraction of natural resources. Many developing countries have large multinational mining companies extracting resources. Others have dedicated

lands for cash crops exported to other countries rather than being consumed by locals. Due to higher profits for selling cash crops resources have moved out of producing food for locals into high intensity mono-cultures for cash crops. This can lead to increase hunge , increase inequality between farmers and non-farmers and higher cost of living for non-farmers.

- **Political inconstancy** is also big hurdle for the developing countries of their economic development. Most of the developed countries and less developed countries are confront this problem of the political inconstancy which results from the regular change in the government, corruption and also disturbed the internal law and rules. Such type of political inconstancy causes uncertainty about the future steps and it affects the economic growth or development of the less developed countries. Moreover, the corrupt administration in these developing countries outcome the huge leakage of public fund which is given to them for developmental activities.

It has been rightly observed that economic development "is not just a matter of having plenty of money nor is it purely an economic phenomenon. [2]It embraces all aspects of social behavior, the establishment of law and order, scrupulousness in business dealing, including dealings with the revenue authorities, relationship between the family literacy, and familiarity with mechanical gadgets and so on.[3]

Thereby concluding the topic with a view that these problems or obstacles plays a major role in hampering the economic development of the developing nations and if the countries want to develop themselves and make them economically strong then they have to overcome all these problems within the limited time period and by preserving the non-renewable resources or other resources which are going to extinct or on the urge of being extinct.

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