

## Developing Nations

An excellent way to understand the problems facing **Developing Nations** is to examine and understand two simple definitions.

**A Developing Nation** is a nation in which the process of industrialization is not yet complete<sup>1</sup>

**A Developed Nation** is a nation with all the facilities needed for the advanced production of manufactured goods<sup>2</sup>

One way to identify if a country is developed or developing is to measure what its total economy produces – its **G.D.P.** or **Gross Domestic Product** and its **per capita income** (income per person). Countries that have a high production and incomes are often known as **developed nations**. Nations that are trying to make more effective use of their resources are called **developing nations**. These countries used to be called **Third World** nations. The majority of these developing nations are located in Africa, Asia, and Latin America.

The major problems faced by developing nations are often similar. In addition, most of these countries must overcome similar obstacles.<sup>3</sup>

### Workforce

These countries often lack a skilled workforce. A majority of the population are peasant farmers who work without modern machinery and techniques. Many are unable to read or write.

### Need for Capital Investment

Developing countries often lack adequate roads, bridges, communications systems, urban centers, and manufacturing facilities. They need capital investment to develop a more modern economy.

### Foreign Competition

It is very difficult for developing countries to compete against developed countries on the world market. They cannot manufacture goods as cheaply because they lack the workforce, technology, and capital investment.

### Population Growth

In developing nations, birth rates are often high, because families traditionally had a large number of children to help with farming and housework.

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<sup>1</sup> Beck, Roger B, Black, et al. *World History, Patterns of Interaction*; Boston: McDougal Littell, p. 1018

<sup>2</sup> Beck, Roger B, Black, et al. *World History, Patterns of Interaction*; Boston: McDougal Littell, p. 1018

<sup>3</sup> Killoran, Zimmer, Jarrett. *Mastering Global History*; New York: Jarrett Publishing, pgs. 251-252

There are several different strategies or ways that a developing nation can overcome some of these problems. However, in order to be successful, the nation must also have a strong, capable and willing central government.<sup>4</sup> I have also included under each section, the problems faced by such plans. These too are common to most developing nations.

### **Central Planning**

**Strategies:** Many developing countries adopted single-party states and central planning to hasten economic development. The central government nationalized industries, putting them under government and not private control, built infrastructure such as dams, roads, factories, and built new schools and universities.

**Problems:** Many governments become greedy and corrupt and political unrest is common

### **The Green Revolution**

**Strategies:** During the 1960's and 1970's, developing countries began to improve food production by applying modern science and technology to agricultural production. New fertilizers, pesticides, and better methods of irrigation were introduced.

**Problems:** The cost of the seeds and fertilizers was too expensive for the peasant farmer. Education as to how to successfully grow these crops was limited. Large scale farms took over the old family farms, forcing them to leave their lands for the city slums.

### **Population Control**

**Strategies:** Many developing nations began programs to limit their birth rates. In China for example, families were "encouraged" to have only one child.

**Problems:** There was a lack of funding for education of the people and birth control devices. Many developing countries chose not to follow these suggestions due to personal and religious beliefs.

### **Free-Market Approach**

**Strategies:** In the late 1980's and 1990's, many nations turned to the free-market system to improve economic development. Foreign investors were attracted to invest their capital in developing countries because labor costs were low. At the present time, attracting foreign investment appears to be the best strategy for promoting economic development.

**Problems:** Many capitalists did not create technologically advanced industries; instead they had the developing nations continue to produce single agricultural crops, the prices of which are controlled by the stock markets of these developed nations. Their markets and prices were now more controlled and the developing nations often became poorer.

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<sup>4</sup> Killoran, Zimmer, Jarrett. *Mastering Global History*; New York: Jarrett Publishing, pgs. 251-252