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CHARACTERISTICS OF LESS DEVELOPED COUNTRIES

Definition;

The countries that does not have a lot of industrial activities and where people have low incomes and live in poverty called less developed countries .

Explanation;

- Since 1968 the world's poorest countries have been ranked as least developed countries .
- UN calls them “ the poorest and most economically weak under developing countries with challenging economic , institutional and human resource problems , which are often compounded by environmental handicaps and natural and man-made disasters “.

Countries that have lower per capita incomes and that have a greater dependency on product prices are least developed countries . Their capital markets and business system aren't well developed like other Western countries such as the United States and the United Kingdom.

- **Characteristics of less developed countries**
 - Low GDP per capita .
 - Shortage of capital .
 - High levels of poverty .

- Higher rates of population growth .
- Low levels of productivity .

blems of unemployment and underemployment .

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1; Low GDP per capita income

GDP per capita measure the value of country economic GDP is the sum of the market values, or prices, of all final goods and services produced in an economy during a period of time it gives the output accounts for its number of people. It divides the country's **gross domestic product** by its total population . That makes it a good measurement of a country standard of living . It also tells us how to rich country is for each of its citizens . The most important sign of economic backwardness is per capita income . if Per capita GNP of LDCS is very low its mean country is poor . That's why most people in such countries live under many hardships . They do not get enough food to eat , proper medical care and minimum educational opportunities .

Before we learn GDP per capita , we need to understand the term of GDP or Gross Domestic Product which is sum total of all products produced in an economy in a fiscal year . GDP per capita means total income (GDP) earned by a nation in a fiscal year and divided by its total population .

for example. total income (GDP) of a nation is \$200

and total population of that nation is 100

this implies, total income/total population

$$200/100 = \$2$$

GDP per capita will be \$2 .

it's means income of each individual will be \$2 .

About 40- 50 percent people in such countries live below the poverty line . The terms of per capita income and living standards not only the gap between the developed and underdeveloped countries . The gap is spreading over the years . **Pakistan** has a population of over 212.2 million (the world's 5th-largest) , giving it a nominal **GDP per capita** of \$1,357 in 2019, which ranks 154th in the world and giving it a PPP **GDP per capita** of 5,839 in 2019 , which ranks 132nd in the world for 2019 .

2; Shortage of capital

: In less developed country like India , there is a shortage of capital and other varieties . There is shortage for not only private capital like structure , factories , steel mills, etc. , but also shortage of social overhead capital such as roads , highways , railroads , hospitals , schools , etc. This is largely due to low per capita income and a lot of poverty .

- **There are few reasons of shortage of capital;**

The main cause of lack of capital in under-developed countries .

Due to lack of desired investments , capital formation has no increase. Hence, due to low production , there is low national and per capita income and , in turn , this forces to low capital formation .

○ **Small Size of Market:**

Due to small size of local market , investment is not encouraged in poor countries . So it does not increase the work for economic development and modern machines and can not access the global markets .

○ **Lack in Supply of Capital:**

Due to lack of necessary of supply of capital in under-developed countries , the process of capital formation is not boosted up . As a result, capital formation remains at low level. Therefore, in the opinion of Prof. Nurkse , Due to low rate of real income per capita in under-developed countries , there is low saving capability , hence , there is less capital . Due to lack of capital , there cannot be established basic business and industries so the production falls down.

○ **High rate of population**

Another major characteristic of LDCS is the high rate of growth of population . The population increasing so rapidly in most of the countries , so people of less developed countries facing a lot of problems .

3; High level of poverty

Under developed countries are at the very bottom of the global economy , the population is increasing very rapidly so there is lack of facilities and health care and other social services . due to high rate of poverty most of the people not get their daily needs properly and not get other facilities. Like ; medical facilities , food, education, shelters ,clothes and other social services.

- There are two types of poverty within the world .
 - Absolute poverty
 - Relative poverty

Absolute poverty is where people don't have enough money to provide standard living conditions for themselves and characteristics of substandard lives are disease , and low-life expectancy .

Relative poverty is where a person is considered poor in relation to the average wealth held in their society .

- **There are few causes of poverty**
- Increase rate of rising population
- Less productivity in agriculture
- Lack of resources
- Inequality
- Poor education
- Lack of jobs
- Increasing price rate
- Limited capacity of the government
- Unemployment

4; Dependence of agriculture and the export of primary products .

An underdeveloped economy predominantly an agrarian economy . Predominance of agriculture is viewed from two angles-first is the contribution of this sector towards national income . In LDCS , agriculture contributes roughly 30-50 p.c. towards national income . On the other hand , in the developed countries , agriculture occupies a secondary position since 2 p.c. to 8 p.c. of national income comes from this sector . Secondly , LDCs mainly depend upon agriculture and extractive industries like mining , fisheries and forests . This means that the bulk of the population is engaged in agriculture and allied pursuits . About 55-75 p.c. of the people are engaged in agriculture . Only 10 p.c. are employed in the secondary sector, and the rest in the tertiary sector .In advanced countries, agriculture provides employment to a small fraction of the people (2 p.c. to 5 p.c.) . All these explain the predominance of agriculture in LDCS . Though agriculture occupies a predominant position in LDCS , it is always in a backward condition leading to low productivity .

promote economic growth .

5; High rates of population growth:

In South Sudan, the **population** grew up about 3.83 percent compared to the previous year, it making the country with the **highest population growth rate** in 2017. Today, the global **population** amounts is around 7 billion people, i.e. the total number of living humans on Earth.

Growth rate : Population in the world is currently (2020) growing at a rate of around 1.05% per year (down from **1.08%** in 2019, 1.10% in 2018, and 1.12% in 2017). The current average population increase is estimated at 81 million people per year. Annual growth rate reached its peak in the late 1960s, when it was at around 2%.

Overpopulation is an undesirable condition where the number of current human population exceeds the carrying capacity of Earth. Overpopulation is caused by number of factors. Reduced mortality rate, lack of better medical facilities, Overpopulation can be cause of poverty due to a lot of population there will be lack of jobs and food and medical facilities and it can be caused by fall of the economy.

6; Low levels of productivity:

Another feature of Less developed countries is low productivity of land , labor and capital. The productivity of land is low for various reasons- institutional , technological, and natural. Productivity of labor is also low for various reasons . Most workers are poor and do not get either sufficient food or adequate medical care . So they cannot work hard .

They are most uneducated , unskilled and lack technical training . They do not have sufficient complementary resources such as land and capital to work with . In short , low productivity of labor is both a cause and an effect of the low levels of overall productivity and living in these countries . Low levels of living and low productivity go hand in hand . It is really difficult , in practice , to identify the cause and the effect .

- **What causes lack of productivity ?**
- **9 most common reasons of low productivity levels in the workplace .**
 - Multitasking .
 - workplace Stress .
 - Lack of Sense of Belonging .
 - Lack of Recognition .
 - Toxic Workplace Behavior .
 - Damaged Organizational Structure .
 - Too Many Meetings .
 - Poor Management .

- **We can make the performance better by following steps**

Equip your team with the right tool

Improve employee skills with training

Focus on the future

clear communication

Increase employee satisfaction with great perks

7; High levels of unemployment and underemployment

unemployed means that you don't have a job, while **underemployment** means the job you have is insufficient.

When **underemployment** is **high**, the workers do not do their work properly . **High underemployment** can affect the economy. also **high unemployment**, can be cause of rising poverty **levels**, and depressing for the worker

Another important characteristic of LDCS is the existence of a considerable amount of unemployment, under employment , and disguised un employment . Traditional agricultural sector cannot cope with the rising population . As a result , the magnitude of disguised unemployment is mounting in these countries . Finding no alternative employment opportu- nities , rural people flock to the urban areas in order to survive . But, the rate of industrial growth is not encouraging to absorb rural masses . In addition to this , a large number of educated youth do not find employment in these countries .

List of least developed countries (as of December 2018)

Country	Year of inclusion	Country	Year of inclusion
Afghanistan	1971	Malawi	1971
Angola	1994	Mali	1971
Bangladesh	1975	Mauritania	1986
Benin	1971	Mozambique	1988
Bhutan	1971	Myanmar	1987
Burkina Faso	1971	Nepal	1971
Burundi	1971	Niger	1971
Cambodia	1991	Rwanda	1971
Central Africa Republic	1975	Sao Tome and Principe	1982
Chad	1971	Senegal	2000
Comoros	1977	Sierra Leone	1981
Democratic Republic Of The Congo	1991	Solomon Island	1991
Djibouti	1982	Somalia	1971
Eritrea	1994	Sudan	1971
Ethiopia	1971	Timor-Leste	2003
Gambia	1975	Togo	1982
Guinea	1971	Tuvalu	1986
Guinea Bissau	1981	Uganda	1971
Haiti	1971	United Republic of Tanzania	1971
Kiribati	1986	Vanuatu	1985

How least countries can be developed;

The developed countries can provide funds to poor countries open new schools and technical institutions also build hospitals there to provide them medical facilities they should create jobs for poor countries. These will not only increase the literacy rate, but will also provide professional education. This will also help poor people to gain higher education. rich countries should help to improve the economy of poor countries.

➤ Conclusion

Least developed countries are countries that have lower per capita incomes. The countries does not have a lot of industrial activities. Their capital markets and business system are not well developed like other Western countries such as the United States and the United Kingdom. The people in the least developed countries have low incomes and live in poverty. There are seven main characteristics of least developed country, they are: (1) Low GDP per capita, GDP per capita measure the value of country economic GDP is the sum of the market values, or prices, of all final goods and services produced in an economy during a period of time it gives the output accounts for its number of people. It divides the country's gross domestic product by its total population. That makes it a good measurement of a country standard of living . GDP per capita means total income (GDP) earned by a nation in a fiscal year and divided by its total population. About 40- 50 percent people in such countries live below the poverty line. (2) Shortage of capital, there is shortage for not only private capital like structure, factories, steel mills, etc., but also shortage of social overhead capital such as roads, highways, railroads, hospitals, schools, etc. This is largely due to low per capita income and a lot of poverty. (3) High level of poverty, due to high rate of poverty most of the people not get their daily needs properly and not get other facilities. Like; medical facilities, food, education, shelters ,clothes and other social services. (4) Dependence of agriculture and the export of primary products, LDCs mainly depend upon agriculture and extractive industries like mining, fisheries and forests. This means that the bulk of the population is engaged in agriculture and allied pursuits. (5) High rates of population growth, the global population today amounts is around 7 billion people, i.e. The current average population increase is estimated at 81 million people per year. Overpopulation is an undesirable condition where the number of current human population exceeds the carrying capacity of Earth. Overpopulation can be cause of poverty due to a lot of population there will be lack of jobs and food and medical facilities and it can be caused by fall of the economy. (6) Low levels of productivity, another feature of Less developed countries is low productivity of land, labor and capital. The productivity of land is low for various reasons- institutional, technological, and natural. Most of the workers are uneducated, unskilled and lack technical training. They do not have sufficient complementary resources such as land and capital to work with. Low levels of living and low productivity go hand in hand. (7) High levels of unemployment and underemployment, when underemployment is high, the workers do not do their work properly.