Concept and Characteristics of Underdevelopment

**Introduction**

**All nations strive and direct their efforts to the achievement of development, hence be better and competitively placed in terms of power and wealth. As explained by Andre Gunder Frank, it's hard to formulate adequate development policy and theory for most populations in the world suffering from underdevelopment without having ample understanding of how past economic and social history has shaped the current underdevelopment (Frank 1972, p. 4). In order to understand the process of underdevelopment, we should not only study the developed metropolitan nations but should as well include those that lag behind in terms of prosperity. However, most of the present theoretical guides and theories to development policy have widely borrowed from the historical experience of the powerful and wealthy North American and European advanced capitalist nations, hence overlooking the underdeveloped countries. In the work of Andre Gunder Frank, the term development of underdevelopment implies that the present or modern status of underdevelopment is as a result of past social and economic history.**

**The Idea of Underdevelopment by Frank**

**Frank is regarded as one of the individuals who were very critical of the theories of sociology of development and the related processes of evolution and modernization (Mondal 2015). According to Frank, earlier scholars such as McClelland (1961) and Hagen (1962) have continuously ignored the fact that historical conditions are responsible for the establishment of a system of one world economy, where the Third World entities or countries work to develop the First World. Therefore, the underdeveloped nations are in such circumstances due to their connection with the developed societies. It is the view of Andre that economic development happens in a series of a succession of capitalist stages. In this opinion, the nations that are underdeveloped today are still in a particular stage which could be viewed as the original stage of history, through which the better-placed countries were and passed many years ago (Frank 1972, p. 3). However, there still lies the idea that underdevelopment is not traditional or rather original; hence the past or the present status of the underdeveloped nations align or is similar to the past of the current developed countries (Frank 1972, p. 3). In this school of thought, the developed countries were therefore never underdeveloped, but there was a time when that they were undeveloped. Similarly, the idea of Frank of the development of underdevelopment holds that the contemporary underdevelopment of a given nation could be viewed as the reflection or product of solely its political, social, economic, and cultural structures (Frank 1972, p. 3). In that note, the only way to compare the positive progression of a particular society or country should be with its own historical structures, but not with those aspects of the developed countries. However, historical research has proven that contemporary underdevelopment is in high proportion or part the historical product of past as well as continuing relations (such as economic, political or cultural) between the now developed metropolitan and the satellite underdeveloped nations (Frank, 1972 p. 3). As explained by Frank, such relations are an important part of the process of development of the capitalist system on a world scale in general. The notion by Frank (1972) is that development and underdevelopment are simply the two aspects of the same system.**

**The following points highlight the fourteen basic characteristics of underdeveloped countries. Some of the characteristics are: 1. Low Level of Income 2. Mass Poverty 3. Lack of Capital Formation** **4. Heavy Population Pressure** **5. Agricultural Backwardness** **6. Unemployment Problem** **7. Unexploited Natural Resources** **and Others.**

**Characteristic # 1. Low Level of Income:**

**Underdeveloped countries are maintaining a very low level of income in comparison to that of developed countries. The per capita incomes of these groups of countries are extremely low if we compare it with that of developed countries. Moreover, inequality in the distribution of income along with this low level of income worsens the situation in these economies to a disastrous level.**

**Characteristic # 2. Mass Poverty:**

**Existence of chronic mass poverty is another characteristic of underdeveloped economies. This problem of poverty arises not due to any temporary economic maladjustment but arises mainly due to existence of orthodox methods of production and social institutions. The degree of poverty in these economies gradually increases due to increase in its size of population, growing inequality in income and increasing price level. Nearly 76.8 per cent of the world populations are living in those underdeveloped or developing countries of the world, enjoying only 15.6 per cent of total world GNP.’ Iii these countries, majority of the population are living below the poverty line.**

#### **Characteristic #** 3. Lack of Capital Formation:

**Developing or underdeveloped countries of the world are suffering from poor rate of capital formation. As the level of per capita income in these countries is very low thus their volume and rate of savings are also very poor. This has resulted lack of capital formation and which is again responsible for low rate of investment in these countries.**

**As for example, the rate of investment in countries like India and Pakistan is lower than even 10 per cent but, on the other hand, the same rate is ranging between 15 to 30 per cent in developed countries like U.S.A., Canada etc. Thus this poor rate of capital formation is one of the major obstacles towards the path of development of these underdeveloped countries of the world.**

#### **Characteristic #** 4. Heavy Population Pressure:

**The underdeveloped countries are also characterised by heavy population pressure. The natural growth rate of population in these countries is very high due to its prevailing high birth rate and falling death rate. This excessive population pressure has been creating the problem of low standard of living and reduction in the average size of holding. This has also resulted in low rate of capital formation in these countries. The population in these countries is increasing by 2 to 3 per cent per annum which has created various problems like scarcity of agricultural land, small size of holding, problem of unemployment, food crisis, poverty etc.**

#### **Characteristic #** 5. Agricultural Backwardness:

**The underdeveloped countries are also suffering from agricultural backwardness. Although being the most important sector, agricultural sector in these countries remains totally underdeveloped. But what is more peculiar is that these countries are depending too much on this agricultural sector.**

**Nearly 60 to 70 per cent of the total population of these countries is depending on agriculture and about 30 to 40 per cent of the total GNP of these countries is generated from agricultural production. Agricultural productivity in these countries remained still very poor in spite of its great importance.**

**In these underdeveloped countries, agriculturists are still following traditional methods and are applying modernised techniques on a very limited scale.**

#### **Characteristic #** 6. Unemployment Problem:

**Excessive population pressure and lack of alternative occupations have resulted in huge unemployment and underemployment problem in these underdeveloped countries. In the absence of growth of alternative occupations both in the secondary and tertiary sector of these countries, this increasing number of population is being thrown on land to eke out their living from agricultural sector.**

**This sort of increasing dependence on agricultural sector leads to disguised unemployment or under-employment in these economies to a large scale. Moreover, problem of educated unemployment in these economies is also increasing gradually day by day due to lack of industrial development.**

#### **Characteristic #** 7. Unexploited Natural Resources:

**For maintaining a rapid pace of economic growth in these underdeveloped countries, possession of different types of natural resources in sufficient quantity and its utilisation are very important. But under-developed countries are either suffering from scarcity of raw materials or from un-exploited natural resources of its own.**

**If we look at the endowment position of these countries then we can see that some of the underdeveloped countries are having natural resources like land, water, minerals, forest etc. in sufficient quantity but these resources remain largely under-utilized or even untapped due to various difficulties faced by these countries.**

**These difficulties include inaccessibility of the region, shortage of capital, lack of proper attention, primitive technology, transport bottlenecks and small extent of the market. Thus by utilising its natural resources, underdeveloped countries can develop their economies with minimum initiative of their own.**

#### **Characteristic #** 8. Shortage of Technology and Skills:

**Underdeveloped countries are facing low level of technology and acute shortage of skilled manpower’s. Poor technology and lower skills are responsible for inefficient and insufficient production which leads to poverty of masses. The pace of economic growth in these countries is very slow due to application of poor technologies.**

**But the application of modern sophisticated technology both in agricultural and industrial sector is of utmost need in these countries. This requires sufficient amount of capital, technological advancement and training.**

#### **Characteristic #** 9. Lack of Infrastructural Development:

**Lack of infrastructural development is a common feature of underdeveloped countries. In respect of transportation, communication, generation and distribution of electricity, credit facilities, social overheads etc. these countries are very much backward than most of the developed countries. Thus due to inadequate infrastructural facilities, the pace of economic development in these countries are very slow.**

#### **Characteristic #** 10. Lack of Industrialization:

**Underdeveloped countries are characterized by lack of industrial development. The pace of industrialisation in these countries is very slow due to lack of capital formation, paucity in the supply of machinery and tools and also due to lack of initiative and enterprise on the part of people of these countries.**

**In spite of having huge potential for industrial development, these countries could not develop the industrial sector on a sound footing. Moreover, whatever industrial development that has been achieved by these countries are very much restricted only to some limited areas.**

#### **Characteristic #** 11. Lack of Proper Market:

**Underdeveloped countries are also suffering from lack of properly developed market. Whatever market these countries have developed, these are suffering from number of limitations viz. lack of market information, lack of diversification, lack of proper relation or connection between markets, lack of adequate demand etc.**

#### **Characteristic #** 12. Mass Illiteracy:

**Underdeveloped countries are mostly characterised by the existence of mass illiteracy. Due to illiteracy the people in these countries are very much superstitious and conservative which is again responsible for lack of initiative and enterprise on the part of people of these countries.**

#### **Characteristic #** 13. Poor Socio-Economic Condition:

**Underdeveloped countries are also suffering from totally poor socio-economic conditions. The path of economic development in these countries is being obstructed by various socio-economic factors like-joint family system, universal marriage, costly social customs and the law of inheritance.**

#### **Characteristic #** 14. Inefficient Administrative Set Up:

**Underdeveloped countries are also suffering from its existing inefficient administrative set up. In the absence of efficient and sound administrative set up, these countries are suffering from lack of proper economic organisation, lack of investments and lack of appropriate decisions leading to total mismanagement of these economies.**