

Characteristics of Under- Developed Economy



Part A

Characteristics of Under Developed Economy

- ❖ Economies cannot be classified as developed and underdeveloped economies based on their natural resources, population and sectoral dependency
- ❖ However Underdevelopment is low level of development characterised by low real per capita income, wide-spread poverty, lower level of literacy, low life expectancy and underutilisation of resources etc.

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- ❖ The state in underdeveloped economy fails to provide acceptable levels of living to a large fraction of its population, thus resulting into misery and material deprivations
- ❖ We need to note here that underdevelopment is a relative concept but it sustains absolute poverty

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- ❖ There are some characteristics of Under developed Economy mentioned below, *these are:*
- ❖ ***Per Capita Income/ Low level of Income-***
Almost all underdeveloped countries of the world show low per capita income in comparison to developed countries of the world

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- ❖ ***Economic Inequalities*** - High level of inequality of income and wealth is another characteristics of under developed countries
- ❖ Big share of wealth and income is shared by rich people in small numbers while small share of wealth is shared by poor people in large numbers

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- ❖ ***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

To be Continued...

Thank You