

## ***Various Measures to Remove the Economic Obstacles of the Less Developed Countries***

If the developing countries adopt the following measures, they can remove all the obstacles in the way of their economic development.

### **1) Proper Use of Natural Resources:**

The developing countries like Pakistan can achieve rapid economic growth by making the efficient use of natural resources. Because the proper use of natural resources increases the production and per capita income of the country.

### **2) Self-Reliance Policy:**

The less developed countries should reduce their dependence on foreign aid. Their policy of self reliance should be followed for financing development projects.

### **3) Encouragement of Private Sector:**

The less developed countries should encourage the private sector to increase the rate of investment in the country such as government of Pakistan gave four years tax holiday to the private industry to promote the rate of development in the Budget 1988-89.

### **4) Increase in Savings:**

The less developed countries should provide various incentives to encourage the rate of savings in the country.

### **5) Increase in Exports:**

The less developed countries should increase their exports to make their balance of payments favorable.

### **6) Reduction in Imports:**

The developing countries produce substitutes of imports inside the country to save the foreign exchange.

### **7) Development of Agricultural Sector:**

To increase the per acre yield government should expand the credit facilities to the farmers otherwise a large amount of foreign exchange would get waste on importing agricultural products e.g. due to low yield of wheat Pakistan imported 22 ½ lakh ton wheat in 1989 to meet the needs of the country.

### **8) Development of Industrial Sector:**

Agro-based industries should be established in the less developed countries and all the raw-material should be used in these industries, instead of exporting on low rates.

### **9) Reduction in Unemployment:**

The government should increase the job opportunities in the country. It will improve the saving and purchasing power of the people.

### **10) Balanced Growth Strategy:**

The less developed countries should adopt the balanced growth strategy to remove the poverty. Because investment in various sectors, at the same time, can provide market and a source of a supply for another.

### **11) Introduction to Technology:**

The developing countries can increase the rate of development by adopting suitable advance technology in various sectors of the economy.

### **12) Reduction in Population Growth:**

In less developed countries high birth rate is the main cause of low per capita income e.g. in Pakistan this rate of population growth is 3% per annum. So effective measures should be taken to reduce the population pressure.

### **13) Proper Distribution of Wealth:**

The monetary and fiscal policy should be framed in such manner that it may reduce the inequalities of wealth.

### **14) Administrative Reforms:**

The professionally qualified persons should be appointed in the financial institutions and in the planning sector while the corrupt and inefficient administration should be removed.

### **15) Monopolies must be discouraged:**

The government should discourage the monopolistic associations and should protect the interest of the consumer.

### **16) Decentralization:**

The government of all the poor countries should hand over the sick industries to the private sector as it will lead to the decentralization of power.

### **17) Improve the Quality of Labour:**

Poor countries should increase the quality of labour by providing them education and technical skill. It will increase efficiency of the people and rate of production in the country.

### **18) Adoption of Islamic Economic System:**

Islamic economic system is very useful in solving the various economic problems like un-equal distribution of wealth and corruption from the poor countries. So they should adopt it as their economic system.

### **19) Political Stability:**

It is the basic requirement for the development of any country. So all the poor countries should prevail peace and political stability if they want to achieve development.

### **20) Stable Economic Policy:**

The poor countries should adopt the stable economic policy. There should be no frequent changes in the taxation and import, export policy. Because it discourages the rate of investment in the country.

### **21) Effective Planning:**

The less developed countries should do effective planning and prepare such development plans as lead to accelerate the rate of development in the country.

We can see that all these are the important measures, after adopting which the less development countries can make progress by leaps and bounds.