

CONCEPT: DEVELOPING COUNTRIES AND OBSTACLES TO DEVELOPMENT

- Developing countries (DVCs) run into obstacles as they develop:
 - *Availability of natural resources*
 - > Many DVCs lack natural resources necessary for production and growth
 - > In some cases, natural resources in the DVC are owned by multinational corporations from IACs
 - *Human resources are not properly utilized*
 - > Populations are large, unemployment is widespread, and human capital is low
 - > The best trained and motivated workers tend to leave DVCs for better opportunities in IACs
 - *Availability of Capital Goods*
 - > Capital goods, such as factories and equipment, are in low supply leading to low labor productivity
 - > The more tools and equipment available to a worker the more productive they can be
 - > Investment in capital proves difficult because those who would invest tend to save in IACs instead
 - *Technological Advancement*
 - > Along with the availability of capital goods, technology tends to be outdated in DVCs
 - > Applying new technology also requires investments in new capital goods and infrastructure
 - *Sociocultural Factors*
 - > Tribal allegiances can take precedence over national allegiance in some DVCs, mainly in Africa
 - > Religious beliefs can limit the length of a workday or use resources for ceremonies rather than investment
 - *Institutional Factors*
 - > Political corruption is common in DVCs
 - > Public schools tend to be inadequately staffed
 - > Tax systems can be unjust or arbitrary