

# REVIEW OF STRATEGIES FOR ECONOMIC DEVELOPMENT: IMPLICATIONS FOR THE DEVELOPING WORLD

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## ABSTRACT

Various Strategies for economic development devised and implemented have failed in bringing about prosperity due to the half hearted implementation. A combination of strategies is needed. The paper discusses the evolution of Strategies and their implications for environment and external balance of relationship with various organizations.

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## INTRODUCTION

A number of economic Strategies were developed for the progress of developing countries during the last four decades especially after the Second World War by various international agencies with the help for World Bank and UNO. The paper takes into consideration the various theories of economic development when discussing implications for development strategies in the least developing countries (Phillippe and Willianson, 1998) one comes across the following strategies while reviewing the economic development after Second World War:

### **Strategies of economic growth and modernization,**

### **Poverty alleviation Strategies. Structural adjustment Strategies Strategies of Human Development**

As far as the implementation or realization of these strategies is concerned, political factors played vital role and the world, in cold war era, was divided into two opponent groups i.e Group led by the USA and European Union pleading for capitalism and free market economy, and Group of Socialist Countries led by the then Soviet Union. After the downfall of the Socialist Block, the world has become more and more problematic as it is led by the capitalist group which dictates the countries of the world to follow its policies and programs and the War on Terror is also one of the

most dangerous phenomena of the present world.

## GROWTH AND MODERNIZATION STRATEGIES

These strategies were based on development theories and influenced the internal politics of poor nations. These theories considered "Development" and "Economic Growth, (ii) the establishment of a modern industrial sector and (iii) the use of modernized technologies in agriculture (Frank, 1995) necessary for implementing the strategies:

One of the characteristics of these Strategies was that in Developing Countries simultaneously there existed a large number of labors and scarcity of the production factor namely "Capital". This scarcity was due to low rate of saving and negative Balance of Trade.

This led to flight of foreign capital in these countries helping in creating atmosphere for economic growth.

The said Strategy paid little or no attention towards the income of poor class in these countries rather paid emphasis on establishing a modernized infrastructure to increase production capacity. It was assumed that a country as a result of "trickle down effect" will make an increase in the income of the poor people and will improve the living conditions of this class. But in reality it totally failed to benefit the lower income class, neglected the importance of human capital and its contributions to economic growth in these countries. It