



Emerging Economic Patterns in Developing Countries

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Abstract

Developing countries are characterized by a variety of economic challenges that hinder their growth and development. Despite efforts to address these challenges, many developing nations struggle to achieve economic stability and prosperity. This research paper aims to analyze and understand the emerging economic patterns in developing countries. The paper will explore the unique characteristics, challenges, and opportunities faced by these countries as they strive for economic growth and development. Exploring in developing countries, focusing on the impact of globalization, technology, and government policies. Also explores the emerging sectors in developing countries and the new economic opportunities they present. Finally, we will analyze the role of government policy in promoting economic development in developing countries, weighing the benefits and drawbacks of such policies. Through this comprehensive analysis, we seek to gain a deeper understanding of the economic patterns in developing countries and identify strategies for promoting economic growth and development. By examining various case studies and employing relevant economic theories, this research will provide valuable insights into the evolving economic landscape of developing nations. Additionally, it will shed light on the key factors driving their economic growth, including technological advancements, trade dynamics, investment patterns, and policy frameworks. The findings of this study will contribute to a better understanding of the economic trajectories of developing countries and offer potential recommendations for policymakers and stakeholders.

Keywords: Government Policy, Globalization, Opportunities, Challenges

1. Overview of Developing Countries

Developing countries are characterized by a number of challenges and opportunities, with infrastructure investment and maintenance needs being essential for achieving growth and societal objectives. Public sector financing support is crucial to serve the poorest and ensure that services are offered at affordable prices. However, private sector financing has its limitations, and the need for diversification of sources of infrastructure finance has been widely discussed in developing countries for the past two decades. This need is rooted in the fact that sanitation and waste disposal systems have not kept pace with urban population growth, and the use of non or only partially treated wastewater is likely to remain the norm¹. There are also opportunities to link urban fecal sludge and wastewater management with urban food demands or

¹ Estache, A. EconStor: Infrastructure finance in developing countries: An overview. From www.econstor.eu/handle/10419/45371

other forms of resource recovery². Developing countries may also offer a more open market for nano food products in the future due to less developed regulatory and other control systems. However, they may also lag behind the developed world in terms of technical know how, production/processing capacity, quality control, safety assessment and face issues such as high costs, effective regulatory controls and certain barriers to international trade. In addition, developing countries may lack the resources and infrastructure necessary to fully participate in the development and regulation of nanotechnologies in the food sector, and face challenges in terms of food security and safety, as well as in ensuring equitable distribution of the benefits of nanotechnology in the food sector³. What are the economic challenges faced by developing countries? Developing countries are further hampered by economic challenges, such as lack of capital to invest in infrastructure, lack of proper infrastructure, and unstable business, economic, and political (BEP) environments⁴. These issues have made it difficult for the governments in such countries to provide basic services to their citizens, as well as to address the deteriorating living conditions of the urban poor. Furthermore, rapid urban growth has led to an increasing demand for services, but this has outstripped the capacity of most cities in developing countries to provide these services. This is especially true in Africa, where the challenges of achieving sustainable urban development are particularly formidable. Additionally, informal economies often limit the opportunities for formal sector employment⁵. In terms of e-waste, developing countries face many challenges, such as the internal and illegal trans-boundary movement of WEEE, lack of proper waste disposal and material recovery facilities, the prevalence of crude 'backyard' recycling activities. As a result, most developing countries do not have formal government-driven or private industry-driven EPR programs and their governments appear to be far removed from the material flow and environmental implications of e-waste imports⁶. Moreover, due to the negative attitudes of governments towards transboundary movement of electronic wastes, the implementation of EPR in such countries has become necessary. In order to address these economic challenges, governments and their officials need to proactively promote structural change, so that developing countries can catch up with old industrialized, high-income countries⁷. Additionally, adequate infrastructure to manage wastes safely needs to be put in place, and appropriate legislation dealing specifically with e-waste and control of electronic waste dumping should be implemented. Furthermore, humanitarian and other agencies should provide good practice guidelines for post-disaster housing reconstruction, as developing countries often face significant economic challenges in this regard⁸. In exploring the dynamics of emerging economic patterns in developing countries, this research hypothesizes that nations strategically navigating the forces of globalization, harnessing the transformative power of technology, and implementing effective government policies will exhibit distinct and resilient economic trajectories. It is anticipated that the interplay of these key factors will not only foster economic growth but also promote diversification, innovation, and sustainable development. The combined effect of globalization, technology, and government policies is greater than the sum of their individual impacts. The research anticipates a synergy wherein the strategic alignment of these factors will create an environment conducive to economic diversification, innovation, and equitable development, ultimately shaping distinctive economic patterns in developing countries.

2. How do Developing Countries Differ from Developed Countries?

Developing countries face a unique set of economic and political challenges that inhibit their ability to carry out efficient waste management, such as a lack of resources and technology. Most of the technological knowledge used for waste management has been developed in high-income countries, and the transfer of this knowledge to the developing world is often hindered by a lack of infrastructure and resources⁹. Therefore, guidelines for waste management and recovery

2 Jiménez, B., Drechsel, P., Koné, D. *Wastewater, Sludge and Excreta Use in Developing Countries: An Overview*. from www.taylorfrancis.com

3 Chaudhry, Q., Castle, L. *Food applications of nanotechnologies: An overview of opportunities and challenges for developing countries*. www.sciencedirect.com/science/article/pii/S0924224411000021

4 Panda, S. *Constraints faced by women entrepreneurs in developing countries: review and ranking*, from www.emerald.com

5 Cohen, B. *Urbanization in developing countries: Current trends, future projections, and key challenges for sustainability*, from www.sciencedirect.com/science/article/pii/S0160791X05000588

6 Nnorom, I., Osibanjo, O. *Review Overview of electronic waste (e-waste) management practices and legislations, and their poor applications in the developing countries*, from www.sciencedirect.com/science/article/pii/S0921344908000165

7 Altenburg, T. *EconStor: Industrial policy in developing countries: overview and lessons from seven country cases*, from www.econstor.eu/handle/10419/199359

8 Ahmed, I. *An overview of post-disaster permanent housing reconstruction in developing countries*, from www.emerald.com

9 Kaplinsky, R., Messner, D. *Introduction: The Impact of Asian Drivers on the Developing World*, from www.sciencedirect.com/science/article/pii/S0305750X07001970

developed in high-income countries cannot be directly applied in countries with limited resources. To better understand the process of knowledge transfer between developed and developing countries, some scholars suggest an adapted innovation framework of 'core-semi-periphery-periphery'. This framework proposes that emerging economies still need to catch up with developed countries, and the rise of China and India may change their role as prospective drivers of innovation. To address this issue, the Breast Health Global Initiative (BHGI) developed guidelines to assist countries of different economic capacities in improving breast health care. These guidelines stratify resources into four levels (basic, limited, enhanced, and maximal), making them adaptable to countries with varying economic capacities. In addition, the BHGI guidelines provide a hub for linkage among clinicians, governmental agencies, and advocacy groups to translate guidelines into policy and practice regardless of the economic capacity of the country¹⁰.

3. Impact of Globalization on Developing Countries

How has globalization impacted the economies of developing countries. Globalization has had a profound impact on the economies of developing countries. For instance, financial globalization has caused an increase in capital inflows to developing countries, leading to positive economic growth in many cases. However, financial globalization has also been linked to a heightened degree of economic volatility and vulnerability to financial crises in many developing countries¹¹. The level of impact of financial globalization on developing countries can vary significantly depending on the country and its economic characteristics. Empirical research has been conducted to assess the effect of globalization on income inequality in developing countries, with evidence showing that inequality has evolved in a number of developing countries in the 1980s and 1990s¹². Further, a surge in capital flows between industrial and developing countries has been observed due to financial globalization, resulting in financial crises that have had a serious impact on macroeconomic and social costs. Financial integration's effects on developing economies have been intensely debated in academic and policy circles, with capital flows having been linked to high growth rates in some developing countries. Globalization has also played a role in increasing foreign direct investment (FDI) in developing countries, and has impacted the determinants of FDI¹³. Although globalization has led to increasing economic growth in developing countries, this growth is often disproportionately distributed. ASEAN is one of the most highly-integrated regional organizations due to globalization, and economic and political globalization have both been found to have a positive effect on economic growth in developing countries¹⁴.

What are the benefits and drawbacks of globalization for developing countries? Globalization has been linked to both positive and negative effects on developing countries. On the one hand, it has resulted in increased economic growth and foreign investment, which has led to a rise in income levels. On the other hand, it has also had the effect of widening the gap between the rich and the poor. Moreover, the decline of the welfare state in these countries has had an impact on social protections and services for citizens. This is due to a number of factors, including the fact that in countries where labor market institutions are not well developed, government social welfare spending is constrained by international market forces. Furthermore, the potential political gains from globalization for labor can be offset by collective-action problems caused by populations of low-skilled and surplus workers.

The Impact of Globalization on Developing Countries" by the World Bank (2018) provides an overview of the effects of globalization on developing countries, including both positive and negative impacts.¹⁵ The report examines the complex and multifaceted impact of globalization on developing countries, including both positive and negative effects.

The positive impacts of globalization include:

1. Increased economic growth: Globalization has led to increased economic growth in many developing countries, driven by higher trade and foreign investment.

10 Anderson, B., Jakesz, R. *Breast Cancer Issues in Developing Countries: An Overview of the Breast Health Global Initiative*. Retrieved, from link.springer.com/article/10.1007/s00268-007-9454-z

11 Prasad, E., Rogoff, K., Wei, S., Kose, M. *Effects of Financial Globalization on Developing Countries: Some Empirical Evidence*, from link.springer.com/chapter/10.1057/9780230505759_9

12 Goldberg, P., Pavcnik, N. *Distributional Effects of Globalization in Developing Countries*. (n.d.), from www.aeaweb.org/articles?id=10.1257/jel.45.1.39

13 Nunnenkamp, P. *EconStor: Determinants of FDI in developing countries: has globalization changed the rules of the game?* from www.econstor.eu/handle/10419/2797

14 Suci, S., Asmara, A., Mulatsih, S. *Plum Print visual indicator of research metrics*, from scholarhub.ui.ac.id/jbb/vol22/iss2/1/

15 *Information and communications for development 2018: Data-driven development*. (2018). <https://doi.org/10.1596/978-1-4648-1325-2>

2. Improved access to technology: Globalization has facilitated the transfer of technology to developing countries, which has helped to improve productivity and economic growth.
3. Increased competition: Globalization has increased competition for developing countries, which has forced them to become more innovative and efficient in order to compete in the global marketplace.
4. Greater access to markets: Globalization has provided developing countries with greater access to foreign markets, which has helped to increase their exports and economic growth.

However, the report also highlights several negative impacts of globalization on developing countries, including:

1. Income inequality: Globalization has often led to increased income inequality in developing countries, as the benefits of economic growth have been concentrated among the wealthy elite.
2. Job displacement: Globalization has led to job displacement in some developing countries, as domestic industries are unable to compete with cheaper imports from other countries.
3. Environmental degradation: Globalization has led to increased environmental degradation in some developing countries, as they have struggled to cope with the environmental costs of economic growth.
4. Dependence on foreign capital: Many developing countries have become dependent on foreign capital to finance their economic growth, which can make them vulnerable to economic shocks and crises.

Overall, the report concludes that globalization has had both positive and negative impacts on developing countries, and that the key to harnessing the benefits of globalization is to implement policies that promote inclusive and sustainable economic growth.

Finally, the effects of capital and trade flows on government welfare spending in developing countries have diverged from those in developed countries¹⁶. In particular, globalization can have a negative impact on government welfare spending in developing countries with high proportions of low-skilled workers. This highlights the need for policies that balance the benefits of globalization with the need to protect citizens from its negative effects¹⁷.

4. Changing Business Models Due to Globalization

Globalization has been an important factor in the changing patterns of trade. The General Agreement on Tariffs and Trade (GATT) has encouraged a system of free trade and competition between member countries. This has been further accelerated by the push from higher-income countries for more open markets for their goods. Furthermore, the liberalization of trade and finance in the post-war period has been a major driving force behind globalization. International trade has increased and supply chains have been created as a result¹⁸. In addition, the composition and location of production and consumption activities have changed due to globalization. The Ricardian model explains that countries will export goods that their labor produces efficiently and import goods that their labor does not produce efficiently. Classical theory of international trade suggests that differences in production functions and factor endowments among countries explain trade patterns. Moreover, globalization has had an effect on the environment, leading to a larger geographical spread of the impacts of local consumption. High-income countries also have a significant share of their environmental footprint materializing in places beyond their national borders. In order to estimate the international relocation of environmental impacts of consumption through trade liberalization, a methodological approach has been proposed. This approach focuses on whether and how much the entry into force of 25 PTAs affected greenhouse gas (GHG) emissions embodied in Swiss imports between 2000 and 2018. Results showed that most of the additional relocation of GHG emissions via trade diversion between 2000–2018 took place via imports under other trade rules, and that the marginal effect of additional PTAs only has a small effect on overall embodied emissions in imports¹⁹. Additionally, the relocation of embodied GHG emissions attributed to the 25 PTAs is relatively small compared to the overall increase in imported GHG emissions. This approach combines information on import flows with data on whether and how much of a given product was imported under a particular PTA or other trade rules. Currently, industrial economic trends show persistent growth in trade flows and transportation, not only locally but also worldwide. This will lead to severe environmental degradation without effective counter-measures.

¹⁶ Rudra, N. *Globalization and the Decline of the Welfare State in Less-Developed Countries*. (n.d.), from www.cambridge.org

¹⁷ Daniëlle B van Veen-Groot, D., Nijkamp, P. *TENTH ANNIVERSARY INVITED PAPER Globalisation, transport and the environment: new perspectives for ecological economics*. (n.d.), from www.sciencedirect.com/science/article/pii/S0921800999000993

¹⁸ Popkin, B. *Technology, transport, globalization and the nutrition transition food policy*, from www.sciencedirect.com/science/article/pii/S030691920600039X

¹⁹ Kolcava, D., Nguyen, Q., Bernauer, T. *Analysis Does trade liberalization lead to environmental burden shifting in the global economy?*, from www.sciencedirect.com/science/article/pii/S0921800918312588

5. Role of Technology in Developing Countries

How has technology impacted the economic development of developing countries? The impact of information and communication technology (ICT) on economic development in developing countries has been of great interest to researchers for some time. A recent study investigated the relationship between ICT diffusion, financial development, and economic growth in developing countries between 2005 and 2019. The study yielded theoretical and practical benefits related to the impact of technology on economic development. By examining the aforementioned relationship, the study suggests that technology diffusion may impact the economic development of developing countries. It is believed that the impact of ICT dissemination on financial evolution may have various implications on economic activity, depending on the factors mentioned above. Investment in the ICT industry results in enhanced value addition and increases efficiency. In the contemporary world, the comparative advantage of a developing economy in natural resources and reserve has diminished compared to the competitive edge generated by technology. Several financial institutions combine ICT with internal operational modernization and provide new services, such as payment processing, remittance and money transfers via smartphones. The World Bank has significantly supported reforms in the ICT industry through technical support and lending activities in recent years, and ICT is considered as one of the fundamental causes for faster economic progress²⁰. Other studies have however, shown insignificant, ambiguous or negative relationships between ICT and economic growth in developing countries. ICT facilitates the dissemination of information, which affects the development and technology of many businesses and modifies economic activity. Empirical research on the impact of ICT on economic growth has produced conflicting findings, with some studies finding favorable impacts of ICT on economic growth in developing countries. Investment in information and communication technology is one of the production elements that enhance the economy's productivity, according to theories of economic growth. The rising integration of ICT infrastructures and financial sectors substantially impacts long-term growth in developing economies. ICTs are essential for financial development and to drive economic growth, especially in the long term for the developing countries that represent the study sample. Advanced telecommunications services facilitate worldwide transactions and communications between parent firms and their overseas subsidiaries and generate new global business practices. The study found that ICT diffusion had a direct and significant association with financial development and economic growth in developing countries over the long term. As such, developing countries should increase investment in ICT capital sectors such as the internet, mobile and broadband infrastructure, e-commerce practices, etc, as well as investment in ICT skills such as education. Policymakers in developing countries should also keep pace with recent developments in ICT and pay attention to this element. Technology has played a significant role in the financial development and economic growth of developing countries, and developing countries are called upon to restructure strategies and policies related to investment in ICT. An economic growth strategy incorporating ICT and financial development has a favorable impact on Middle East North Africa.

The article - "The Impact of Information and Communication Technology on Economic Development" by the International Journal of Management and Sustainability (2018)²¹: reviews the literature on the effect of information and communication technology (ICT) on economic development, focusing on its effects on entrepreneurship, small and medium-sized enterprises (SMEs), and rural development. The review covers both developed and developing countries and examines the empirical evidence on the impact of ICT on economic growth, productivity, innovation, and poverty reduction.

6. Advantages of Technology Application for Developing Countries

Technology offers numerous advantages to developing countries, from increased productivity to economic growth²². For instance, many developing countries can benefit from technology spillovers, which can lead to increased economic opportunities and job creation. Moreover, technology can facilitate the creation of new industries and job opportunities. In addition, technology can lead to increased productivity and efficiency. Research has found that a ten-percent increase in foreign R&D stock is translated into more than a two percent increase in aggregate productivity. Technology spillovers

20 Verma, A., Dandgawhal, P., Giri, A. *Impact of ICT diffusion and financial development on economic growth in developing countries*, from www.emerald.com

21 World Bank. (2018). *The Impact of Information and Communication Technology on Economic Development*. World Bank Policy Research Working Paper No. 8357.

22 Archibugi, D., Pietrobelli, C. *The globalisation of technology and its implications for developing countries : Windows of opportunity or further burden?*. www.sciencedirect.com/science/article/pii/S0040162502004092

offer great opportunities for economic growth to developing countries that do little, if any, R&D activity. Furthermore, developing countries that enjoy larger benefits tend to exhibit larger stock of human capital, more openness to trade and foreign activities, and stronger institutions. Imports appear to be more conducive to R&D spillover, as they provide developing countries with the opportunity to benefit from foreign technology, the diffusion mechanisms involved, and the factors that shape their absorption capabilities²³. Trade is the main channel through which technology diffusion occurs in developing countries, with North-South technology diffusion bringing substantial spillover gains to developing countries. The Role of Technological Innovations in Economic Development" by the World Bank (2017)²⁴ discusses the role of technological innovations in economic development, including innovations in areas such as agriculture, energy, and manufacturing on economic growth and poverty reduction in developing countries. Here it is suggested that technological innovations have the potential to drive economic development and reduce poverty in developing countries, but that there are challenges to their adoption and diffusion that must be addressed in order to fully realize their potential benefits.

The advantages of technology for developing countries depend on factors such as trade intensity, human capital, institutions. Overall, technology can provide numerous opportunities for developing countries, leading to increased productivity, economic growth, and job creation.

6.1 How is technology being used to address economic challenges in developing countries?

Technology has become a viable solution to address economic challenges in developing countries. IT investment can lead to improved economic performance in developing countries, and such potential should be studied. Policymakers in these countries should focus on IT-related skill deficiencies in the workforce, as well as a lack of knowledge of 'best practices' in IT usage²⁵. Moreover, technology can be used to analyze economic challenges through the concept of inclusive innovation. In this regard, institutional aspects of planning and policy should be taken into consideration when assessing the relevance of technological innovation. Scarcity-induced innovation framework can be used to analyze technology led economic policies. These policies should aim at enabling and empowering people at the periphery, rather than solely focusing on economic outcomes. Inclusive innovation should involve governance and participation by all stakeholders. This approach has been on the rise in developing countries, aiming to achieve both economic and social development²⁶. Ultimately, the potential benefits of IT investment in developing countries should be explored, in order to help them address the economic challenges they face.

7. Emerging Sectors in Developing Countries

Developing countries are emerging as key players in the global market, with rapidly evolving donor approaches, markets, tax policies, and business ventures²⁷. Kenya and China are leading the way in terms of growth rates, with annual growth rates of 10%. Multinational corporations (MNCs) are adopting a "less developed countries" mindset to cater to the emerging markets. The supermarket sector is a major policy and political debate, considering the effects of globalization on food markets and suppliers²⁸. Despite the 2008 financial crisis, capital flows to developing countries and transition economies still rose significantly in that year the growth of the software industry in emerging economies is noteworthy, with figures showing an outward shift on the horizontal axis for selected developed countries and emerging markets for the year 2004²⁹. Furthermore, low-income markets in developing countries are being explored and the research strategy adopted is exploratory in nature. Thus, it is evident that the opportunities in the emerging markets of developing countries are immense and it is necessary to adopt a focused approach to capitalize on them.

23 Seck, A. *International technology diffusion and economic growth: Explaining the spillover benefits to developing countries*, from www.sciencedirect.com/science/article/pii/S0954349X11000166

24 World Bank. (2017). *The Role of Technological Innovations in Economic Development*. World Bank Policy Research Working Paper No. 8192.

25 Indjikian, R., Siegel, D. *The Impact of Investment in IT on Economic Performance: Implications for Developing Countries.*, from www.sciencedirect.com/science/article/pii/S0305750X05000094

26 Srinivas, S., Sutz, J. *Developing countries and innovation: Searching for a new analytical approach* ☆, from www.sciencedirect.com/science/article/pii/S0160791X07000863

27 Arnold, D., Quelch, J. [HTML][HTML] *New strategies in emerging markets.*, 2023, from sloanreview.mit.edu/x/4011

28 Reardon, T., Hopkins, R. *The supermarket revolution in developing countries: Policies to address emerging tensions among supermarkets, suppliers and traditional retailers*, from www.tandfonline.com/doi/abs/10.1080/09578810601070613

29 Dunning, J., Kim, C., Park, D. *Old wine in new bottles: A comparison of emerging-market TNCs today and developed-country TNCs thirty years ago*, from books.google.com

7.1 What new economic opportunities have arisen in developing countries

Financial globalization has significantly impacted the economic opportunities in developing countries since the mid-1980s. This includes access to international capital markets for financing investments and projects, increased competition and efficiency in the financial sector, the growth of agribusinesses and value chains and increased export of agricultural products³⁰. In addition, the growth in exports and international trade has presented an array of opportunities for the financial sector. This has further been enhanced by foreign direct investments and technology transfers, which have enabled the participating countries to reap knowledge spillovers³¹. The new economic opportunities have resulted in higher growth rates for some developing countries, and they continue to move in the direction of further financial openness. However, there is no solid evidence that such financial openness directly impacts the economic welfare of the countries. Moreover, there is no sufficient proof that the opening of financial markets leads to the collateral reforms of economic policies needed to make the economy safe for international asset trade, and to liberate the economy's productive potential. Despite the economic opportunities created, some developing countries are still experiencing periodic collapses in growth rates and financial crises. The author, William Easterly, is a prominent development economist who has worked extensively on issues related to economic development and poverty reduction. In the elusive quest for growth: Economists' adventures and misadventures in the tropics this book provides a critical evaluation of the effectiveness of economic development policies in the context of tropical countries..³² Easterly, W. (2001).

7.2 What challenges are associated with emerging sectors in developing countries

Additionally, emerging sectors in developing countries face a number of challenges related to the lack of data and information³³. For example, emerging market and newly industrialized countries (EMNCs) lack systematic data sets and consistent data, which makes it difficult to identify and research issues. Furthermore, these countries are often characterized by unstable business, political and economic environments, which makes it difficult to make long-term investments and create sustainable development. Moreover, these countries suffer from a lack of infrastructure and technology, which hinders their ability to comply with evolving global standards for waste management. Poor governance and corruption are also common challenges in developing countries, with the lack of transparency and accountability leading to ineffective management of resources and a lack of efficient and responsible waste management practices³⁴. Finally, these countries rely on crude 'backyard' recycling practices, which are highly inefficient and highly polluting. These practices are not only detrimental to the environment, but also pose a risk to human health. In conclusion, the challenges associated with emerging sectors in developing countries are numerous, and the lack of data, instability, lack of infrastructure, poor governance and corruption, and crude 'backyard' recycling practices are among the most significant.

8. Role of Government Policy in Developing Countries

How do government policies impact the economic development of developing countries? Government policies play a crucial role in the economic development of developing countries, particularly in regards to FDI, international trade, industrial policies, and science, technology and innovation (STI) policies³⁵. Industrial policies, for example, are designed to help countries overcome market and institutional failures that can hinder economic development. Such policies can also be used to help build the capabilities required for industrial development. Meanwhile, STI policies are essential for long-term economic and social development, and can be used to address market failures. Central American countries, for instance, implemented economic reforms in the 1980s and 1990s to open up to FDI and international trade. In addition,

30 Martinot, E., Chaurey, A., Lew, D. Renewable energy markets in developing countries., 2023, from www.annualreviews.org

31 Tanzi, V., Zee, H. Tax policy for emerging markets: developing countries. From www.journals.uchicago.edu/doi/abs/10.17310/tj.2000.2.07

32 Easterly, William. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. MIT Press, 2001.

33 Kotabe, M., Kothari, T. *Emerging market multinational companies' evolutionary paths to building a competitive advantage from emerging markets to developed countries*.

34 Lall, S. *Reinventing industrial strategy: The role of government policy in building industrial competitiveness*. - ORA - Oxford University Research Archive, from ora.ox.ac.uk

35 Padilla-Pérez, R., Gaudin, Y. *Science, technology and innovation policies in small and developing economies: The case of Central America*, from www.sciencedirect.com/science/article/pii/S004873331300190X

they adopted STI policies that followed a demand led approach to tackle market failures. Policy makers in these countries are now more open to empirical evidence that supports the central role of STI policies for sustainable economic growth³⁶. Developed countries can also provide financial and technological support for renewable energy development in developing countries. This, in turn, can help promote economic development in developing countries, provided that there are government policies in place to support renewable energy development³⁷.

"Government Policies and Economic Development" by the World Bank (2018) examines the impact of government policies on economic development, including the effects of policies in areas such as trade, investment, and infrastructure on economic growth and poverty reduction in developing countries. It analyses the impact of government policies on economic development, with a focus on their effects on economic growth and poverty reduction in developing countries. Overall, the article suggests that government policies can have a significant impact on economic development, but that they must be carefully designed and implemented in order to achieve their full potential. Effective policies can promote economic growth, reduce poverty, and improve the lives of millions of people, while poorly designed policies can have negative consequences for development.

On the whole, it can be said that markets by themselves do not lead to inclusive long run economic growth, and active public policies are needed for sustained economic development.

9. Impact of Government Policy in Developing Countries

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9.1 What are the benefits and drawbacks of government policies in developing countries

Government policies in developing countries are designed to promote economic growth and development. One such policy is decentralization, which utilizes resources from the central government to empower local government³⁸. This can be beneficial in providing local authorities greater control over the management of resources to address local needs. However, there are also potential drawbacks, such as a lack of coordination between different local government entities. Additionally, industrial policies can be used to encourage the development of certain industries and create jobs³⁹. However, these policies require careful consideration, as they can lead to higher prices and other trade-offs. In addition, international policies can help to address global challenges, such as hunger, malnutrition and poverty. Public-private partnerships (PPPs) are also increasingly being used in the development of infrastructure and other public services.

36 Carfora, A., Pansini, R., Romano, A., Scandurra, G. *Renewable energy development and green public policies complementarities: The case of developed and developing countries.*

37 Rondinelli, D. *Government decentralization in comparative perspective: theory and practice in developing countries*, from journals.sagepub.com/doi/pdf/10.1177/002085238004700205

38 Barnes, J., Kaplinsky, R., Morris, M. *Industrial policy in developing economies: Developing dynamic comparative advantage in the South African automobile sector*, from journals.sagepub.com/doi/pdf/10.1080/1024529042000271416

39 Trebilcock, M., Rosenstock, M. *Infrastructure public-private partnerships in the developing world: Lessons from recent experience*, from www.tandfonline.com/doi/abs/10.1080/00220388.2014.959935

However, these can also have a number of drawbacks, such as the risk of corruption and a lack of transparency⁴⁰. Centralization can also have both benefits and drawbacks, such as the promotion of national unity and the establishment of uniform laws. Environmental impact assessments (EIA) are also important to ensure that the development of infrastructure does not have a negative impact on the environment⁴¹. Finally, there is a need for a better understanding of the pros and cons of host-country policies and the role they can play in industrial and developing economies. The problems of internal and external economic problems must also be taken into consideration, as these can have a significant impact on the overall economic development of developing countries⁴².

9.2 *The role government policies, do play in promoting economic development in developing countries*

Government policies play an integral role in promoting economic development in developing countries. Policies should be tailored to the country's socio-economic reality, and focus on providing public services to the poor and investing in human development. For example, public services such as education, healthcare and other basic services are considered to be an important factor in promoting human development. Additionally, private incomes and public services are complementary in promoting human development⁴³. To foster economic growth, governments should also make use of import of foreign technology, indigenous development and market mechanisms to encourage private sector involvement. In addition, policies that promote greater income equality can lead to more sustainable economic development. Malaysia is a successful example of how science and technology (S&T) can spur economic growth. Other developing countries have also started to use S&T as an alternative pathway for development. Newly Industrialized Economies have aggressively pursued a policy of development of technological capabilities, which have proven to be effective in promoting economic growth. Japan and China are successful examples of catching-up through technology development, and their experiences can help policy makers in developing countries make evidence-based decisions. Technology policies have contributed significantly to Japan's and China's economic growth, government policies can promote industrial development through effective technology policies. By learning from the experiences of Japan and China, governments of developing countries can develop science and technology programs to promote economic development, utilize industrial clustering and networking, globalization, and the internet to promote economic development. There is also a need to balance technology transfer and indigenous development, which can be influenced by government policies. The literature on S&T for development reveals contrasting views on the effectiveness of foreign direct investment in technology development, and government policies can play a role in promoting economic development in developing countries.

10. Conclusion

Technological advancements have played a crucial role in shaping economic patterns in developing countries. The adoption and utilization of digital technologies have helped drive productivity gains, improve market access, and enhance the overall competitiveness of these economies. Successful case studies highlight how technology has been harnessed to address specific challenges and generate positive socioeconomic impacts. Trade dynamics and global integration have also been instrumental in shaping economic patterns in developing countries. The examination of trade policies and agreements has revealed the importance of fostering an enabling environment for trade, attracting foreign investment, and promoting export-oriented strategies. However, it is essential for developing countries to strike a balance between global integration and safeguarding the interests of their local industries and labor forces. Investment patterns, particularly foreign direct investment (FDI), have been instrumental in driving economic growth in developing countries. The analysis of investment trends highlights the significance of attracting and effectively utilizing FDI to stimulate job creation, infrastructure development, and technological transfer. Developing countries must continue to create an attractive investment climate while ensuring that the benefits of investment are equitably distributed. Policy frameworks and

40 Alshuwaikhat H. *Strategic environmental assessment can help solve environmental impact assessment failures in developing countries*, from www.sciencedirect.com/science/article/pii/S0195925504001131

41 Jernigan, D., Monteiro, M., Room, R. [HTML][HTML] *Towards a global alcohol policy: alcohol, public health and the role of WHO*, from www.scielo.org/article/bwho/2000.v78n4/491-499/en/

42 Anand, S., Ravallion, M. *Human Development in Poor Countries: On the Role of Private Incomes and Public Services*, from www.aeaweb.org/articles?id=10.1257/jep.7.1.133

43 Fan, P., Watanabe, C. *Promoting industrial development through technology policy: Lessons from Japan and China*, from www.sciencedirect.com/science/article/pii/S0160791X06000182

institutional reforms have played a critical role in promoting economic growth and development in developing countries. Successful interventions have involved a mix of macroeconomic stability, sector specific policies, governance improvements, and institutional strengthening. It is crucial for policymakers to design and implement policies that are context-specific, inclusive, and responsive to the needs of their respective economies. While developing countries face ongoing challenges, such as poverty, inequality, environmental degradation, and vulnerability to external shocks, there are also significant opportunities for sustainable growth. Leveraging their abundant natural resources, investing in human capital development, fostering innovation and entrepreneurship, and promoting regional cooperation can unlock the potential for long-term economic progress. In light of the findings of this research, policymakers, international organizations, and stakeholders should consider several recommendations. First, creating an enabling environment for technological adoption and innovation through supportive policies, infrastructure development, and digital literacy programs is crucial. Second, promoting trade facilitation measures, market diversification, and capacity-building initiatives can enhance the competitiveness of developing countries in global markets. Third, attracting and effectively managing foreign direct investment can be achieved through investment friendly policies, transparent regulations, and targeted incentives. Fourth, implementing comprehensive policy frameworks that address governance, infrastructure, education, and social development is vital for sustainable growth. In conclusion, understanding and analyzing the emerging economic patterns in developing countries provide valuable insights into their unique trajectory of growth and development. By addressing the challenges and capitalizing on the opportunities, developing countries can achieve inclusive and sustainable economic progress, ultimately improving the quality of life for their populations. Continued research and collaboration among policymakers, researchers, and practitioners are essential to navigate the evolving economic landscape and foster shared prosperity in developing countries.

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