

**Developing Countries in the World Economy:  
The Future in the Past?**

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*Abstract*

The object of this essay is to analyse the evolution of developing countries in the world economy situated in its wider historical context, from the onset of the second millennium, but with a focus on the second half of the twentieth century. In doing so, it poses, and endeavours to answer, some unexplored questions. Does the distinction between developing countries and industrialized countries go back a long time? If not, when did the countries and continents, now described as the developing world, end their long period of domination to begin their decline and fall? How far does the economic recovery of developing countries in the world economy, since 1950, represent a catch-up in terms of industrialization and development? What is the extent of the catch-up in comparison with the past? And how is it distributed across countries and among people in the developing world? Is there something to learn from the past about the future?

In addressing these questions, the paper traces the changes in the economic importance of Africa, Asia and Latin America (now described as the developing world), as compared with Western Europe, Eastern Europe, North America and Japan (now described as the industrialized world), in a long term historical perspective. It examines the changes in the significance of developing countries in the world economy, during the second half of the twentieth century. It considers the engagement of developing countries with the world economy, since 1950, with a focus on international trade, international investment and international migration, drawing some comparisons with the past. It outlines the contours of their catch-up in industrialization, discernible in the past three decades, to show that much of the catch-up in total output, international trade and industrial production is attributable to about a dozen countries. It argues that the observed growth, which has been rapid, has often not been transformed into meaningful development because there is an exclusion of countries and of people, which is reflected in a widening gap not only between developing countries and industrialized countries but also between countries in the developing world. It explores the future prospects of developing countries, in terms of determinants and constraints, situated in the wider context of the world economy, to highlight what needs to be done to bring about a real transformation.