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Antecedent Years Economic Outlook of Third World Countries

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Abstract: *This study examines the recent economic performance of five of the world's most economically disadvantaged countries Niger, the Central African Republic, Chad, Burundi, and South Sudan between 2021 and 2023. Drawing on data from the World Bank and supporting literature, it analyses trends in GDP levels, annual growth rates, and trade-to-GDP ratios to assess the broader economic outlook and development patterns within these nations. The findings show that while some countries like Niger and Chad have experienced moderate growth largely driven by natural resources and modest public investment others such as Burundi and South Sudan continue to face severe economic volatility, driven by political instability, food insecurity, and heavy reliance on oil or subsistence agriculture. The Central African Republic shows minimal economic movement, indicating ongoing structural stagnation. Trade-to-GDP ratios remain low across all five countries, pointing to weak integration into global markets. Even South Sudan, with the highest ratio due to oil exports, remains highly vulnerable to commodity price fluctuations and internal conflict. These countries share common constraints, including landlocked geography, underdeveloped infrastructure, limited industrial capacity, and fragile governance systems. Despite global efforts toward development, their economic participation remains marginal, often confined to narrow sectors with limited value addition. This paper emphasizes the need for comprehensive, country-specific development strategies that go beyond short-term aid and address the deeper institutional, structural, and political challenges. Achieving sustainable growth in these nations requires not only economic investment but also improved governance, regional cooperation, and stronger participation in global value chains*

Keywords: Backward countries, Niger, CAR, Chud, Burundi, South Sudan

I. INTRODUCTION

The global economy remains marked by stark inequalities, with several nations often referred to as the "world's most backward" or least developed countries struggling to achieve even basic economic stability. Countries such as Niger, the Central African Republic (CAR), Chad, Burundi, and South Sudan consistently rank at the bottom of development indices due to persistent challenges like poverty, fragile institutions, conflict, and limited access to global markets. Despite periodic international aid and policy support, these countries continue to face chronic underdevelopment, with slow GDP growth, limited industrialization, and weak trade performance. Between 2021 and 2023, the global economic recovery from the COVID-19 pandemic created both challenges and opportunities for developing nations. However, for these five countries, recovery was uneven and fragile. While some showed signs of modest growth, others remained stagnant or regressed, highlighting the structural and political vulnerabilities that often define their economic landscape. This paper aims to examine the financial performance of these countries over the three years, focusing on GDP trends, annual growth rates, and trade-to-GDP ratios. Through this analysis, the study seeks to better understand the barriers to sustained development in these regions and propose a foundation for more targeted, long-term policy interventions that can support both economic and institutional strengthening.

II. LITERATURE REVIEW

1. S. Groenman (1969)

Kusum Nair's *Blossoms in the Dust* and Gunnar Myrdal's foreword offer a powerful critique of the cultural and psychological barriers to development in rural India. Nair's field-based observations highlight how caste, tradition, and a subsistence mindset limit ambition and economic participation. Myrdal reinforces this by stressing the "human factor," people's deep-seated attitudes shaped by poverty, religion, and isolation, as a key obstacle to change. Together, their work challenges purely technical or policy-driven development models, urging a closer look at social norms and behaviour. This literature emphasizes that without addressing the mental and cultural frameworks of rural communities, development efforts may fail to take root, no matter how well-planned or well-funded they are.

2. Kelly J. Semrad, Jorge Bartels Villanueva (2014)

Tourism development literature often emphasizes the importance of backward economic linkages, local connections between suppliers, producers, and tourism businesses as a key strategy for maximizing economic benefits within local communities. Numerous quantitative studies have shown that when these linkages are actively used, they generate direct, indirect, and multiplier effects that support broader economic development. However, there is limited research into the behavioural and structural reasons why local tourism firms fail to use these linkages, despite understanding their potential benefits. This study addresses that gap by exploring the motivations behind such decisions in Puntarenas, Costa Rica. The findings reveal a disconnect between knowledge and action: business owners recognize the advantages of local sourcing but continue to purchase outside the network due to a non-cooperative market structure. This behaviour reflects a "tragedy of the commons" scenario rooted in game theory, where individual incentives undermine collective outcomes, challenging the effectiveness of local development strategies in tourism.

3. Ramesh Chandra Das, Amresh Das, Kamal Ray (2018)

The literature on development economics widely acknowledges the importance of forward and backward linkages between public and private investments in fostering balanced economic growth. Studies have shown that public investment can stimulate private sector activity by improving infrastructure, reducing costs, and boosting demand (forward linkages), while private sector responses can enhance the efficiency and reach of public projects (backward linkages). Earlier research also debates whether public investment crowds in or crowds out private investment. Most findings suggest a complementary relationship, especially in post-crisis periods, with limited evidence supporting crowding-out effects, highlighting the mutual reinforcement of public and private capital in economic development.

4. A Dirlik (2019)

The literature surrounding Edward Bellamy's *Looking Backward* often highlights its critique of industrial capitalism and its vision of a socialist utopia as a response to 19th-century inequality. Scholars emphasize Julian West's disillusionment with social decay and elite indifference, reflecting broader anxieties about unchecked capitalism. More recent critiques examine how global capitalism, especially post-Cold War, has rendered traditional socialism increasingly untenable, while also undermining regulated capitalist models like the New Deal. China's rapid integration into global capitalism has generated new cultural and economic dynamics. Researchers note how China's development relies on capitalist infrastructure and foreign investment, yet its cultural expression often draws on a glorified, abstract past, ignoring its revolutionary legacy. This duality of cosmopolitan production alongside national exceptionalism illustrates how cultural narratives adapt to serve capitalist expansion.

5. Runqi Zhang, Jinlog Zhao, Jingyuan Zhao (2021)

A growing body of literature explores how Free Trade Agreements (FTAs) influence global value chain (GVC) participation, particularly through foreign value-added (FVA) trade. Studies using datasets like the World Input-Output Database and World Bank statistics consistently show that deeper FTAs, those with more comprehensive clauses, significantly boost both total trade and FVA exports. For instance, each additional core provision in an FTA can raise FVA exports by 0.27%. Moreover, FTAs positively impact exports across all segments of GVCs, from simple to complex chains. Research also highlights that the structure of FTAs and economic disparities among members can result in uneven benefits. Notably, WTO-X provisions, which address domestic regulations and policy coordination, are found to play a crucial role in enhancing FVA exports among FTA partners.

6. Olaberria, Eduardo, Reinhart, Carmen.M (2023)
The COVID-19 pandemic caused an unprecedented global economic shock, with over 90% of countries experiencing a drop in real per-capita GDP in 2020, surpassing the impact of even the World Wars and the Great Depression. It pushed approximately 90 million people into extreme poverty. However, recent literature highlights that this crisis merely intensified a deeper, ongoing issue in emerging and developing economies (EMDEs). Even before the pandemic, many EMDEs were showing signs of economic stagnation or decline. This phenomenon, termed the "Reversal Problem," marks a troubling shift away from the steady development progress seen in earlier decades. The pandemic acted as both a magnifier and accelerator of this backsliding trend, challenging assumptions about uninterrupted global development gains.

7. Josephine Wuri, Tri Widodo, Amirullah Setya Hardi (2023)
The literature highlights the growing importance of Global Value Chains (GVCs) in shaping international trade and development, especially for developing countries seeking to catch up with advanced economies. GVC participation allows countries to specialize in specific production stages, increasing value-added output. However, convergence in GVCs remains underexplored compared to income or productivity convergence. Studies suggest that both forward and backward linkages can support catch-up processes, with Foreign Direct Investment (FDI), institutional quality, and infrastructure playing key roles. The COVID-19 pandemic, however, disrupted trade flows and supply chains, threatening the pace of convergence and exposing vulnerabilities in global economic integration.

8. Nebojsa Stojcic, Matija Matic (2024)
The literature on global value chains (GVCs) highlights their potential as tools for industrial upgrading, particularly through backward integration, importing foreign value-added with the aim of learning and eventually moving into forward integration. While many studies praise GVCs for enabling technology transfer and productivity growth, they also emphasize that the upgrading process is far from linear. Previous research suggests that backward integration can promote functional learning but has diminishing returns without progress toward forward roles like R&D or design. However, most existing studies are either theoretical or descriptive, often limited to specific sectors or countries. A clear, empirical understanding of how backward integration supports or hinders forward integration across industries and countries has remained largely underexplored, creating a significant gap in GVC research.

III. RESEARCH METHODOLOGY

This study explains about backward countries' analysis of GDP per capita and growth rate by using secondary data, which includes research papers, the World Bank, World Bank indicators, World Bank policy research working papers, articles, the World Bank database, journals, and newspapers. This paper focuses on the GDP patterns and growth rates of developing countries.

LIMITATIONS

- This study is limited to the GDP patterns and growth rates of the world's top 5 backward countries.
- Data accuracy may depend on the information from the World Bank and the World Bank database.

OBJECTIVES

- To analyze the GDP pattern, GDP growth rate, and per capita GDP ratio from 2021 to 2023.
- Calculates the growth rates of backward countries.
- To identify the world's top 5 backward countries' GDP, GDP growth rates, annual per capita growth rates, and trade ratios.

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IV. RESULT AND DISCUSSION

TABLE 1 Top 5 world Backward countries' GDP in **(US$) (2021-2023)**

Year	**Niger**	**Central African Republic**	**Chud**	**Burundi**	**South Sudan**
2021	14923	2585	5545	3356	5940
2022	15342	2382	12704	3339	7626
2023	16819	2555	13149	2642	4629

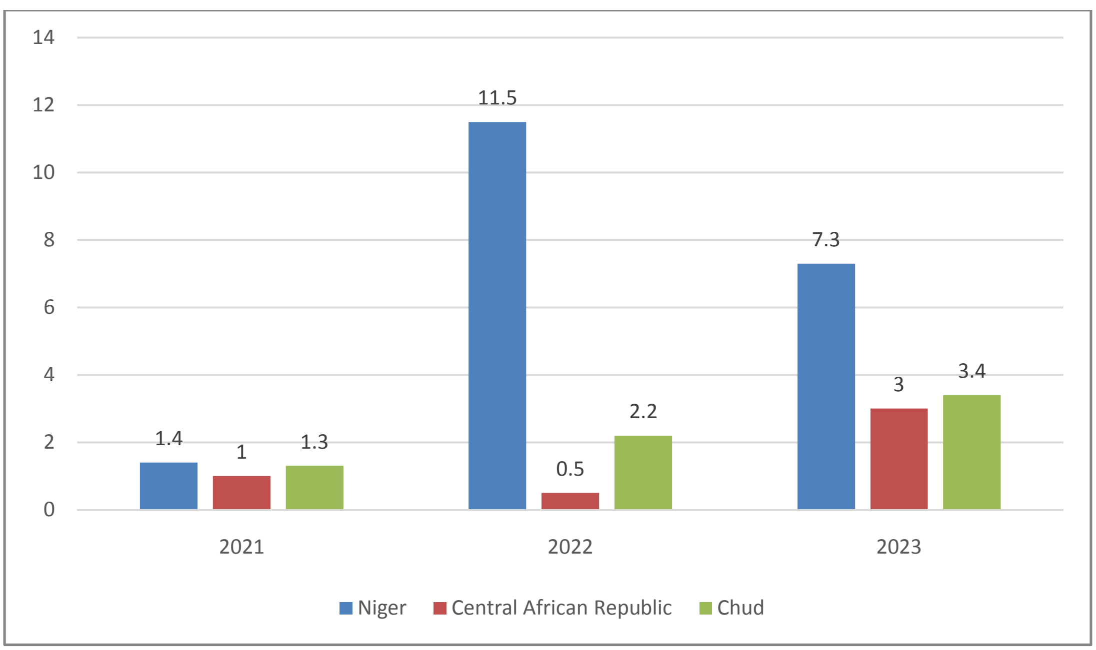
Source: World Bank, WDI

The table shows the GDP (in US dollars) of five of the world's most economically challenged countries: Niger, the Central African Republic, Chad, Burundi, and South Sudan from 2021 to 2023. The data reveals varying economic trends, each influenced by different national circumstances. Niger demonstrates steady GDP growth from $14,923 million in 2021 to $16,819 million in 2023. This suggests gradual economic progress, likely driven by investments in agriculture and infrastructure, as well as international support. Niger remains impoverished, but its growth indicates some level of financial stability. The Central African Republic remains stagnant, with its GDP hovering around $2.5 billion across all three years. The small dip in 2022, followed by a slight recovery in 2023, may result from ongoing conflict, limited government capacity, and an overreliance on subsistence farming. The lack of strong institutions hampers growth. Chad stands out with a dramatic increase from $5,545 million in 2021 to over $13,000 million in 2023. This may be due to rising oil production or exports, which form the backbone of Chad's economy. However, such growth can be volatile, especially if tied primarily to global oil prices rather than domestic development. Burundi's GDP decline, from $3,356 million in 2021 to $2,642 million in 2023, is concerning. The country faces major challenges, including political unrest, food insecurity, and overpopulation, all of which restrict economic performance. South Sudan shows fluctuating GDP, peaking in 2022 but falling sharply in 2023. This is likely due to disruptions in oil output, its main revenue source, and ongoing political instability.

Table 2: Annual GDP growth rates of the top 5 backward countries (in %) (2021-2023)

Year	**Niger**	**Central African Republic**	**Chud**	**Burundi**	**South Sudan**
2021	1.4	1.0	1.3	3.1	5.3
2022	11.5	0.5	2.2	1.8	0.0
2023	7.3	3.0	3.4	4.1	5.6

Source: World Bank Database



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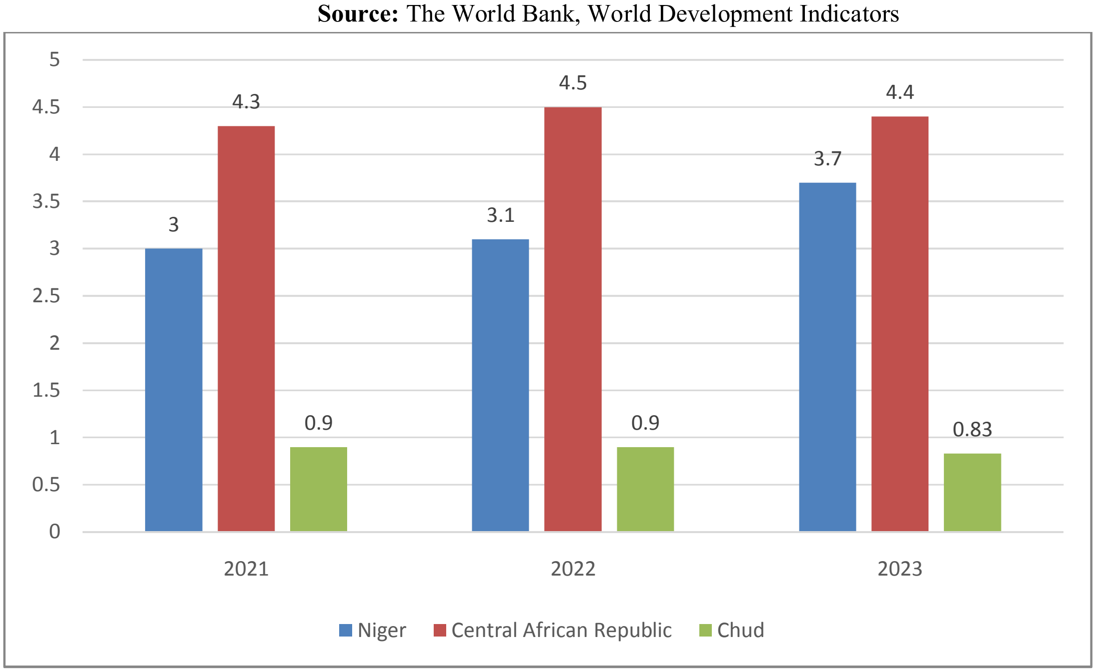
The GDP growth trends of the five listed countries from 2021 to 2023 highlight both economic volatility and occasional resilience within extremely challenging environments. Starting with Niger, growth surged dramatically from 1.4% in 2021 to 11.5% in 2022, before slowing to 7.3% in 2023. The significant spike in 2022 likely reflects increased mining output (especially uranium and gold), a rebound in agriculture following poor rainfall in earlier years, and stronger public investment. The deceleration in 2023, while still demonstrating healthy growth, may be linked to political instability, inflation, or reduced external aid. In contrast, the Central African Republic experienced sluggish and inconsistent growth: 1.0% in 2021, dropping to 0.5% in 2022, then recovering to 3.0% in 2023. This pattern reflects its ongoing struggles with conflict, poor infrastructure, and reliance on subsistence farming. The slight recovery in 2023 could be attributed to minor improvements in security or government spending. Chad exhibited steady but modest gains, increasing from 1.3% in 2021 to 3.4% in 2023. Its oil-dependent economy may have benefited from rising global oil prices post-COVID, but internal political uncertainty and limited economic diversification continue to restrain growth. Burundi experienced a dip in growth in 2022 (1.8%) after 3.1% in 2021 but rebounded to 4.1% in 2023. This suggests a return to agricultural stability, better regional trade ties, or support from international donors. Still, the country faces challenges such as high poverty, food insecurity, and limited access to capital. South Sudan demonstrated extreme fluctuations from 5.3% in 2021 to 0.0% in 2022, then jumping back to 5.6% in 2023. These swings are largely due to its dependence on oil exports, vulnerability to civil unrest, and climatic shocks like flooding, which can devastate livelihoods in a largely agrarian economy.

Table 3 Annual Trade GDP ratios of Top 5 backward countries (in %)

Year	Niger	Central African Republic	Chud	Burundi	South Sudan
2021	3.0	4.3	0.9	3.0	6.6
2022	3.1	4.5	0.9	2.8	6.6
2023	3.7	4.4	0.83	2.9	6.7

Source: The World Bank, World Development Indicators



The table outlines the trade-to-GDP ratios of five of the world's least developed countries Niger, Central African Republic, Chad (assumed correction from "Chud"), Burundi, and South Sudan from 2021 to 2023. This ratio reflects the total value of a country's imports and exports as a percentage of its GDP and is a key indicator of how integrated a nation is with the global economy. Overall, the data shows very low trade-to-GDP ratios, highlighting the limited participation of these countries in international trade. Such low figures often reflect structural barriers such as landlocked geography, poor infrastructure, political instability, and weak industrial bases. Niger's trade-to-GDP ratio rose steadily from 3.0% in 2021 to 3.7% in 2023. Though the increase is small, it could suggest growing export activity, likely linked to the mining sector or improved transport links. Still, a ratio below 5% signals minimal trade engagement, especially when compared to global averages. The Central African Republic maintained relatively stable ratios of 4.3% in 2021, 4.5% in 2022, and 4.4% in 2023. The slight fluctuation indicates stagnant trade performance, possibly due to ongoing internal conflict and a lack of diversified exports. Chad consistently showed the lowest trade-to-GDP ratio, dropping slightly from 0.9% in 2021 and 2022 to 0.83% in 2023. Despite being oil-rich, much of Chad's economy is disconnected from global markets due to infrastructure and logistical challenges, and trade remains heavily limited. Burundi's ratio hovered around 3.0%, dipping to 2.8% in 2022 before recovering slightly to 2.9% in 2023. This suggests a lack of significant progress in expanding trade, likely due to its high dependency on agriculture, weak industrial capacity, and landlocked location. South Sudan showed the highest trade-to-GDP ratios among the group, with a slight increase from 6.6% in 2021 and 2022 to 6.7% in 2023. This is mainly due to its oil exports, which dominate the economy. However, this trade is narrowly focused and vulnerable to price shocks and political risks. Graph analysis: A line or bar graph plotting these values over the three years would show flat or gently rising lines, reflecting little dynamism. South Sudan would appear highest, Chad lowest, and most others clustered around the 3–4% range.

V. FINDINGS

- Economic growth is uneven and highly volatile.
- Chad's GDP growth is driven primarily by oil, but lacks broad-based development.
- The Central African Republic shows persistent economic stagnation.
- Trade-to-GDP ratios are critically low across all countries.
- Institutional weaknesses and geography compound underdevelopment.

VI. CONCLUSION

The economic analysis of Niger, Chad, the Central African Republic, Burundi, and South Sudan from 2021 to 2023 underscores a harsh reality: development in some of the world's most disadvantaged countries remains slow, uneven, and fragile. While Niger and Chad showed moderate gains driven by natural resources and public investment these improvements were not broad-based or sustainable. In contrast, countries like Burundi and the Central African Republic experienced stagnation or decline, reflecting deeper structural weaknesses, including political instability, food insecurity, and poor infrastructure. South Sudan's economy remained highly volatile, heavily reliant on oil exports, and extremely vulnerable to conflict and external price shocks. One of the most consistent findings across all five countries is the critically low trade-to-GDP ratio, which highlights a lack of global economic integration and industrial productivity. These economies are largely disconnected from global value chains and remain dependent on subsistence agriculture or raw material exports, with minimal value addition. Geography, such as being landlocked, and fragile institutions further compound these limitations. Ultimately, the data reveals that temporary growth spurts cannot mask the broader issues of underdevelopment. These nations require more than aid; they need targeted, country-specific development strategies focused on building institutional capacity, improving governance, expanding education and healthcare access, and supporting economic diversification. Regional cooperation, foreign direct investment, and stronger participation in global trade networks are also essential. Only through comprehensive and long-term policy efforts can these countries begin to overcome the systemic barriers that have long hindered their progress and move toward a more stable, self-sustaining economic future.

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