Prof. Gunnar. Myrdal maintains that economic development results in a circular causation process leading to rapid ~~develop~~ development of developed countries while the weaker countries tend to remain behind and poor. Myrdal belives that international and interregional economic relations in practice involves unequal exchange in the sense that strong always exploite the weak. ~~It~~ ~~des~~ He ~~describe~~ tks of the backwash effect of migration, as a cause of capital movement and trade, in backwardness of the ~~backward~~ region. The main cause of backwardness and regional disparity has been attributed to strong backwash effect and the ~~weak~~ weak spread effect

Backwash effect :-

The negative effect on an underdevelop region that results from economic growth in a more developed region. This can include migration of people from UDCs to DCs capital outflow from UDCs and decreasing tax base for UDCs

Spread effect

The positive effect of development that spread out from properous region to less develop region. This includes the movement of investment, innovation and economic institution from the more develop region to the less develop region.

The inequality between regions emerge when backwash effect > spread effect. Develop regions are experiensing faster rate of growth at the cost of backward region. Income earned by develop region are never reinvested in poor regions but is repatriated to more developed sectors/areas leading to more development in these areas. The spread effect continues to become stronger in developed countries however its magnitude is insignificant compared to the strength of the backwash effect experienced by the underdeveloped regions. The two effects never settle in equilibrium condition

Acc to him if market forces are left free, economic activities which give a higher than average Return in 3rd cont developing economy as well as cultural activities would tend to cluster in certain localities or regions due to increasing benifits of internal and external economies. The rest of the country would remain in backwater. Myrdal was convinced that market force lead to deepening of interregional differences. i.e the rich regions are getting richer and the poor are getting poorer.

Market mechanism will not bring equality between regions but will increase inequalities contention is that the free play of market forces and operation of profit in system normally tends to increase inequalities between regions