Unit 1: Topic 2a Development Dynamics

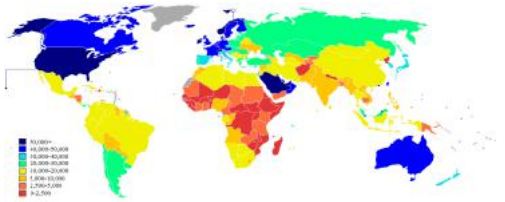
How do we measure and define development?

Development is a term that measures how advanced a country is compared to others in terms of money and quality of life. Statistics for economic and social indicators are used to establish the level of development.

	Some development factors to consider
Economic Development	Income, types of industry, security of jobs
Social Development	Access to education, access to health care, access to leisure
Physical well-being	Diet, access to clean water, environment (climate etc)
Mental well-being	Freedom, security, happiness

Economic Development Indicators are not always the best indicator of development because they only show averages and they don't consider social development, equality is also not considered (1 million millionaires in China, 150 million live on less than $500 per year), cost of living is not considered (Uganda is cheap to live in). Richer does not always mean improvements in life. Polluted, congested cities could worsen health and increase stress.

1. **Gross Domestic Product (GDP)** is the value of all the goods and services produced within a country in a year divided by the population of that country = GDP per capita (per person).



2. **Human Development Index (HDI)** combines health, education and wealth and is scored between 0-1. 0.80< = high development, 0.50-0.80 = medium development, <0.50 = low development. Some countries are ranked higher by HDI than GDP because they have good healthcare and education but people are not wealthy.

Political Development indicators show what the government is likely to be doing for its country. Is it well governed, is there freedom of speech and is there corruption?

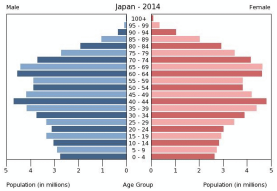
1. **Corruption Perception Index (CPI)** measures the perceived honesty in governments and their departments.

How does demographic data vary at different levels of development?

How to interpret population pyramids is important as well as knowing the reasons for inequalities. Social measures of development such as population, health and education are often linked. Example: a lack of clean water and medical care cause illness and as a result there is a lower life expectancy, higher infant mortality and a higher death rate. As a country develops the birth rate decline due to improved education and female literacy as knowledge of birth control and opportunities for employment.

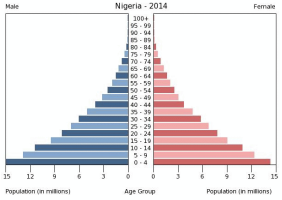
Nigeria population pyramid

- Wide base showing a high BR (lots of babies born)
- Steep sides showing a high DR
- Low life expectancy few over the age of 80



Japan population pyramid

- Narrow base low BR (few babies born)
- Higher life expectancy (more people over 60)
- Women live longer than men.
- Few men over 80 due to WW2
- The pyramid is showing a top heavy pyramid suggesting an ageing population.



What are the causes of global inequality?

The world is unequal and is as a result of a number of factors:

The Physical environment— landlocked and mountainous countries are slower to develop as are tropical countries where climate related water borne disease are common. Natural hazards such as earthquakes, floods and droughts can also slow development.

History (colonialism) - during the 18th and 19th century countries such as the UK and France expanded territories and exploited their colonies for unequal gain. In the modern world the term neo-colonialism is used to describe still dominate poorer countries economically and politically.

Economics and politics - open economies (imports/exports) such as the UK encourage investment and have developed quicker than closed economies such as North Korea with investments creating jobs and funding infrastructure. Poor governance and corruption have slowed or reversed development e.g. Zimbabwe.

Social investment– countries who invest in health and education have generally developed quicker.

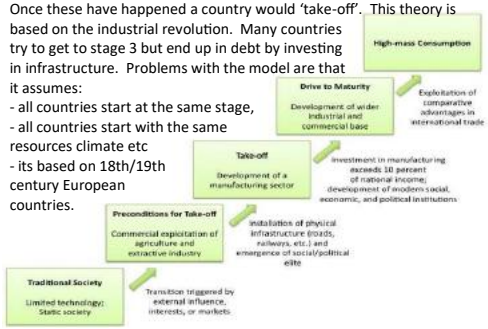
What are the consequences of global inequality?

Consequences of poverty	
Economic	1/5 live on less than $1 per day. 1/2 live on less than $2 per day. Lack of money for food, innovation and rural investment.
Social	775million unable to read or write. 1 Billion with no access to clean drinking water. Unable to combat HIV and aids. More international migration as awareness of opportunities elsewhere increases e.g. Mexico—USA.
Environmental	Vulnerable to natural hazards, no capacity to deal with climate change (flooding), Land degradation and resource exploitation are common
Political	Non democratic governments or poorly functioning governments.

What are the theories about development?

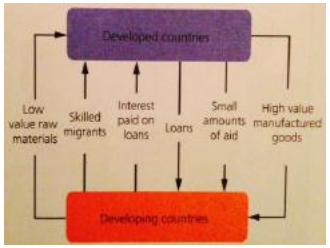
Two theories have been developed—WW Rostow and AG Frank. Rostow believed the development needed 'pre conditions' before it can happen. Once these have happened a country would 'take-off'. This theory is based on the industrial revolution. Many countries try to get to stage 3 but end up in debt by investing in infrastructure. Problems with the model are that it assumes:

- all countries start at the same stage,
- all countries start with the same resources climate etc
- its based on 18th/19th century European countries.



Why haven't all countries got out of stage 1 or 2? AG Frank

This answer can be explained by Franks dependency theory. Developed countries exploit developing countries and restrict their development. They provide cheap raw materials, skilled workers and interest on loans they took out trying to develop. Developing countries rely on the developed world and end up in debt. Problems with the model are that it's outdated and it doesn't take account of other factors such as lack resources, natural hazards or conflict.



What are the different approaches to development?

Different development strategies are used by countries or regions that want to develop and improve peoples lives, they are either **Top Down or Bottom up.**

	Top-down	Bottom-Up
Aims	Economic development—large projects aimed at improved income often industry related.	Social development– smaller projects aimed at health education or food supply on a local level.
Scale	Large region or city	Small village or small urban slum
Control	National—central government	Local—community
Funding	Millions/billions—sometimes through loans or World Bank, IMF or TNC's through FDI.	Hundreds/thousands— often by NGO's
Technology	Hi-tech using imported machinery and overseas technical support	Simpler Intermediate technology needing less technical support
Examples	HEP dams, Roads, Bridges, Railways, Ports, Airports, major commercial farming activities	Wells and pumps, schools, clinics, training for farmers, village energy projects using animal dung.

What is Top down development? Case study—Three Gorges Dam China

It's the largest dam in the world and producing electricity to serve over 40million people and industry. It prevents flooding in the lower Yangtze river reducing deaths and damage and has made the Yangtze navigable upstream improving trade with Chongqing.

Facts:

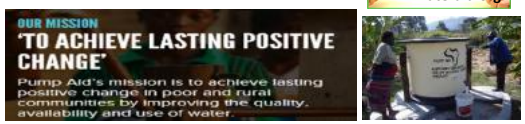
- US$26billion, took 14 years to build, created a 600km reservoir, generates 22,500 MW of electricity

Impacts:

Winners	Losers
Job creating working at the dam and with power companies as well as increased trade upstream.	1.3million lost their homes including low paid farmers
	1300 archaeological sites were flooded
People who ran the companies that build it made money	Fishing communities has reduced/lost fish stocks
Industries and cities that use lots of electricity.	Threatened species such as the Chinese river dolphin
Less environmental pollution so improvements in peoples health from not breathing air from coal fired power stations.	Communities protected from flooding have less water for irrigating (watering) their rice fields.
	The dam is built on a fault line in an earthquake zone. 75million at risk downstream.

What is Bottom-up development? Case study—WaterAid

A UK based NGO which installs hand pumps and wells across Africa. These cost around £300 each and use intermediate technology that can be maintained by local people. They provide clean water for a village, improve health and reduce time women and children spend collecting water. Progress is slow and lots of people need clean water. On its own clean water will not improve incomes but combined with agriculture, health and education development will be more sustainable



What factors contribute to development?

There are a number of factors including trade, investment, aid, remittances and debt relief.

Roles of trade and investment (FDI)

Investment can increase trade for example India, Brazil, Mexico and China have increased trade substantially through help from FDI. These countries are sometimes called newly industrialised countries. Trade in some countries has fallen particularly across Africa which currently has just 2% of world trade.

Fair trade

One answer to unfair trade in through Fair Trade. Many supermarkets in developed countries stock some Fair Trade products such as tea, coffee and bananas. Under this system small scale farmers work as a cooperative and deal directly with companies in the developed world cutting out the 'middlemen'. A fair price is agreed giving the farmers a better quality of life and additional money to invest in their farms and communities. Many people feel this is how global poverty could be tackled however Fair Trade only accounts for 1% of world trade.

Aid

There are two main types of international aid—official aid DFID (Department for International Development) and voluntary aid from NGO's (Non Governmental Organisations) such as WaterAid. They adopted a bottom-up strategy with emphasis on sustainability. In 1970 the UN promised to spend 0.7% GDP on aid but almost all donor countries failed on this commitment.

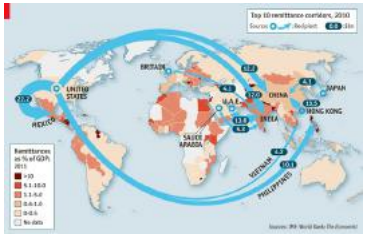
This comes in the form of loans or grants below market rates. Most developing countries accept foreign aid for several reasons:

Foreign exchange gap - countries cannot afford machinery or oil for development.

The savings gap– not enough financial capital to invest in industry and infrastructure.

The technical gap– shortage of skills needed for development.

Remittances (money migrants send back to their families at home) These are an important source of income to developing countries with US$436 billion in 2014 which exceeds the amount of official aid these countries receive. They help combat poverty and help economic development.



Debt relief

The 1980's/90's saw developing countries build up big debts from loans for big development projects. Some countries have had this debt reduces or cancelled. E.g. Costa Rica has swapped some of its debt to the USA for investment in their environment. They agreed to spend US$26 million protecting forest and in return conservation groups and the US government have agreed to cut the debt by the same amount.