

Introduction to Development

Indicators and Models

First World vs. Third World

- Refers to economic development
 - Diversity and complexity of economy
 - High per capita income
- Developed during the Cold War
 - “First World” referred to capitalistic western countries
 - Generally more affluent
 - “Second World” was countries developing communism
 - “Third World” referred to politically neutral countries
 - Changed to now refer to less developed countries

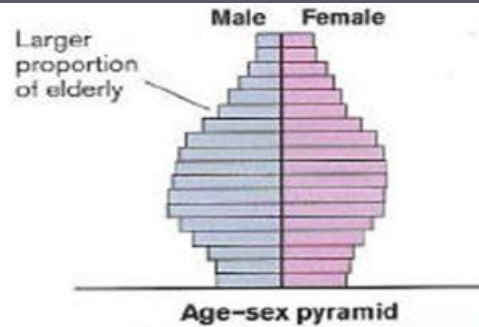
Three Worlds Model



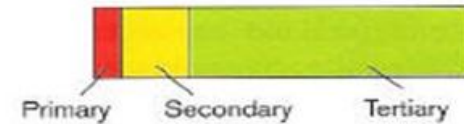
The Brandt Line

MEDCs

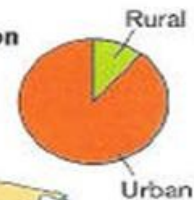
- High GNP
- Low birth and death rates
- High levels of literacy
- Export mainly manufactured goods
- Most people have access to safe water and sanitation



Employment structure

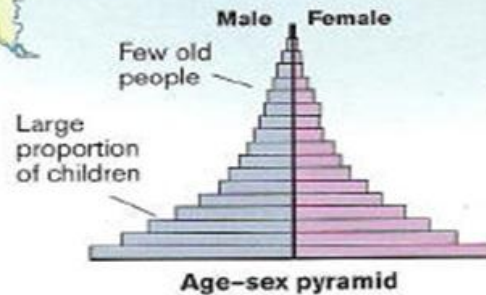


Population

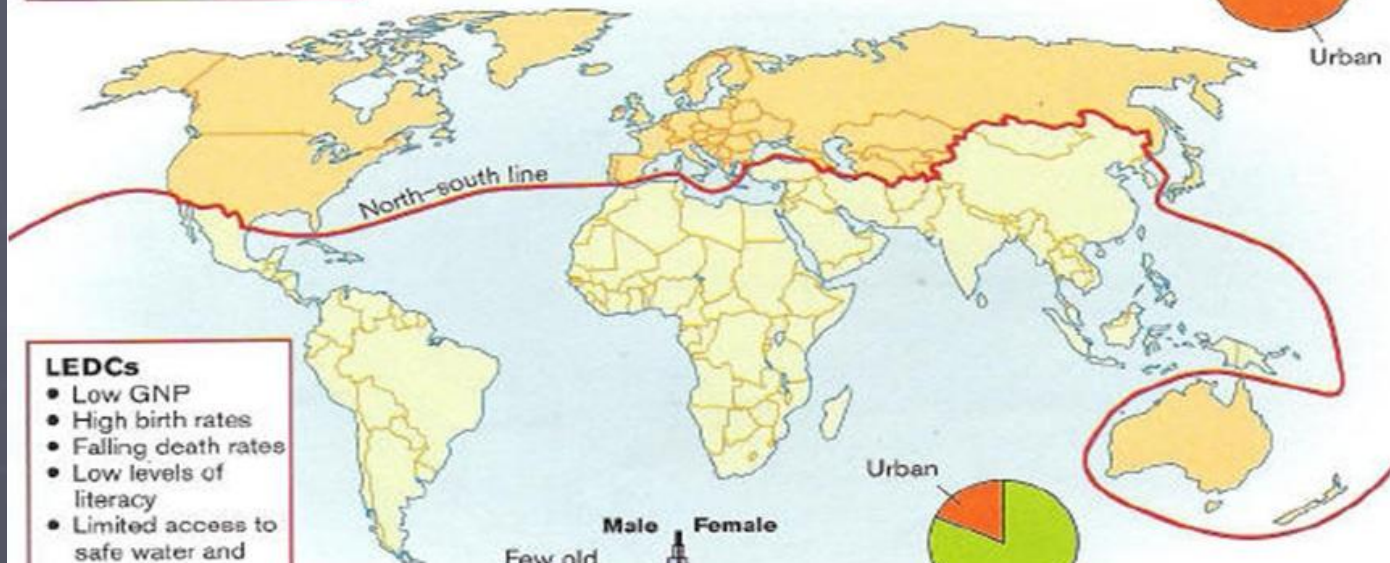


LEDCs

- Low GNP
- High birth rates
- Falling death rates
- Low levels of literacy
- Limited access to safe water and sanitation



Employment structure



Economic Indicators of Standard of Living

Economic Indicators	Examples of measures
Wealth	<ul style="list-style-type: none">• Gross Domestic Product (GDP) - the total value of all goods and services produced in a country• Gross National Product (GNP) – GDP plus earnings from foreign investment• GNP per capita - GNP divided by the total population
Jobs	<ul style="list-style-type: none">• The types of jobs people do differ between countries. In more economically developed countries (MEDCs) more people work in tertiary and quaternary jobs. In less economically developed countries (LEDCs) more people work in primary jobs such as farming and secondary jobs such as agricultural

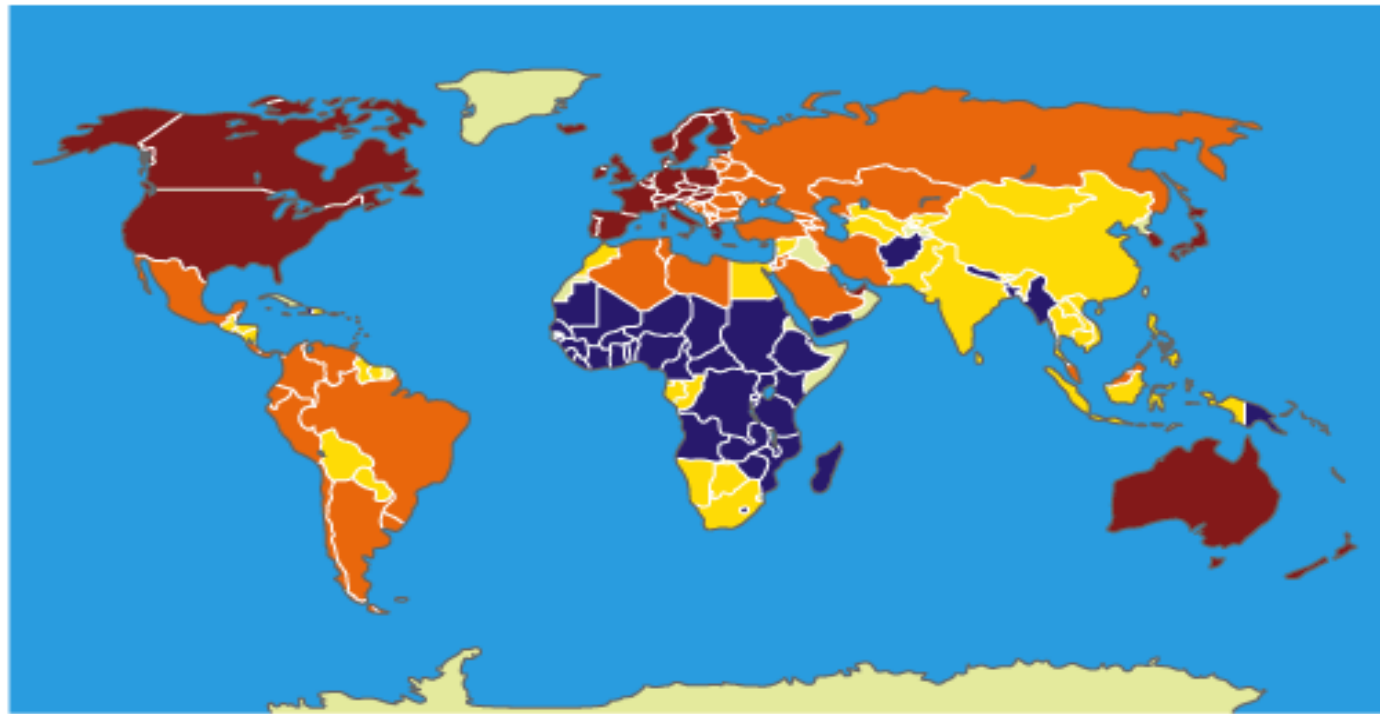
Social Indicators of Standard of Living

Social Indicators	Examples of measures
Health	<ul style="list-style-type: none">• Life expectancy - Average age people live to.• Crude Death Rate(CDR) - Deaths per 1,000 per year.• Infant mortality Rate – Number of infants who die per 1,000 every year• Crude Birth Rate (CBR) - Births per 1,000 per year.
Education	<ul style="list-style-type: none">• Percentage in primary education.• Literacy Rate – Percentage of people who can read and write
Equality	<ul style="list-style-type: none">• Equal opportunities for women.• Fair distribution of wealth• Freedom of speech

The Human Development Index (HDI)

- Stresses people and their capabilities as a measure for a country
 - Not economic growth
- Takes into account government policy issues
- Created by Indian and Pakistani economists in 1990
 - Gives countries a score from 0 to 1
 - Above .8 is highly developed
 - Under .6 is low development

Mapping the HDI



Key



Very high HDI



High HDI



Medium HDI



Low HDI



HDI data unavailable

Measuring the HDI

- Uses Social, and Economic keys to measure development
 - Average Life Expectancy
 - Educational Attainment
 - Average amount of schooling for adults over 25
 - Expected number of years of schooling for children
 - Gross National Income Per Capita
 - Uses purchasing power parity (PPP) to compare income versus cost of living

More Developed Countries (MDCs)

- Countries with better access to wealth and resources are considered MDCs
 - Measures Gross domestic product (GDP) per capita, level of industrialization, life expectancy, standard of living and literacy level
 - MDCs commonly have HDI levels over .80
 - LDCs have an HDI under .7

Newly Industrialized Countries (NICs)

- Characteristics of a NIC
 - Strong, stable government
 - A switch from agricultural to manufacturing and service jobs
 - A focus on exports and trade
 - Products are kept cheap and competitive by using cheap, well-disciplined workers
 - Profits are invested in developing more industries and buying home produced goods - a multiplier effect
 - Over time the workforce becomes better educated and more skilled



Factors Impacting Development: Physical Factors

- Climate
 - Many of the poorest countries are in the tropics, where it is hot, the land is less fertile, water is scarce, and diseases flourish.
- Natural resources
 - Some raw materials are valuable and can help a country develop if they have the resources to collect and process them.
- Location
 - Being near trade routes and having access to the sea.
- Natural hazards
 - Some places are vulnerable to natural disasters.

Factors Impacting Development: Political Factors

- Trade
 - Unfair trade balance that makes it hard for LDCs to compete
 - Histories of MDCs exploiting LDCs for their natural resources
- Corruption/poor management
 - Countries need strong, stable and honest leaders to help them develop.
- War
 - Wars use up resources and make it difficult to produce goods and trade.

Factors Impacting Development: Social Factors

- Discrimination
 - Some groups may have less opportunities and this can hold back overall development.
- Population
 - Overpopulation occurs where population growth outstrips resources.

