

## What is development?

Development is an improvement in living standards through better use of resources.

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|----------------------|--|
| <b>Economic</b>      | This is progress in economic growth through levels of industrialisation and use of technology.   |
| <b>Social</b>        | This is an improvement in people's standard of living. For example, clean water and electricity. |
| <b>Environmental</b> | This is advances in the management and protection of the environment.                            |

## Measuring development

There are used to compare and understand a country's level of development.



### Economic indicators examples

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|--|---|
| <b>Employment type</b>                         | The proportion of the population working in primary, secondary, tertiary and quaternary industries. |
| <b>Gross Domestic Product (GDP) per capita</b> | This is the total value of goods and services produced in a country per person, per year.           |
| <b>Gross National Income (GNI) per capita</b>  | An average of gross national income per person, per year in US dollars.                             |

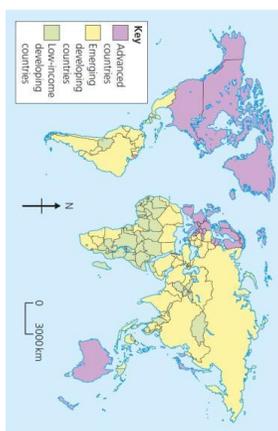
### Social indicators examples



|                                      |  |
|--------------------------------------|--|
| <b>Infant mortality</b>              | The number of children who die before reaching 1, per 1000 babies born.    |
| <b>Literacy rate</b>                 | The percentage of population over the age of 15 who can read and write.    |
| <b>Life expectancy</b>               | The average lifespan of someone born in that country.                      |
| <b>Mixed indicators</b>              |  |
| <b>Human Development Index (HDI)</b> | A number that uses life expectancy, education level and income per person. |

## Variations in the level of development

|             |  |
|-------------|--|
| <b>LDCs</b> | Poorest countries in the world. GNI per capita is low and most citizens have a low standard of living.   |
| <b>EDCs</b> | These countries are getting richer as their economy is progressing from the primary industry to the secondary industry. Greater exports leads to better wages. |
| <b>ACs</b>  | These countries are wealthy with a high GNI per capita and standards of living. These countries can spend money on services.                                   |



## Uneven development

Development is globally uneven with most ACs located in Europe, North America and Oceania. Most EDCs are in Asia and South America, whilst most LDCs are in Africa. Remember, development can also vary within countries too.

## Topic 6

# Dynamic Development

## Physical factors affecting development

|  |   |
|--|---|
| <b>Natural Resources</b> <ul style="list-style-type: none"> <li>Fuel sources such as oil.</li> <li>Minerals and metals for fuel.</li> <li>Availability for timber.</li> <li>Access to safe water.</li> </ul>     | <b>Natural Hazards</b> <ul style="list-style-type: none"> <li>Risk of tectonic hazards.</li> <li>Benefits from volcanic material and floodwater.</li> <li>Frequent hazards undermines redevelopment.</li> </ul>               |
| <b>Climate</b> <ul style="list-style-type: none"> <li>Reliability of rainfall to benefit farming.</li> <li>Extreme climates limit industry and affects health.</li> <li>Climate can attract tourists.</li> </ul> | <b>Location/Terrain</b> <ul style="list-style-type: none"> <li>Landlocked countries may find trade difficult.</li> <li>Mountainous terrain makes farming difficult.</li> <li>Attractive scenery attracts tourists.</li> </ul> |

## Human factors affecting development

|  |   |
|--|---|
| <b>Politics</b> <ul style="list-style-type: none"> <li>Aid can help some countries develop key services and infrastructure faster.</li> <li>Aid can improve projects such as schools, hospitals and roads.</li> <li>Too much reliance on aid might stop other trade links becoming established.</li> </ul> | <b>Trade</b> <ul style="list-style-type: none"> <li>Countries that export more than they import have a trade surplus. This can improve the national economy.</li> <li>Having good trade relationships.</li> <li>Trading goods and services is more profitable than raw materials.</li> </ul>                            |
| <b>Education</b> <ul style="list-style-type: none"> <li>Education creates a skilled workforce meaning more goods and services are produced.</li> <li>Educated people earn more money, meaning they also pay more taxes. This money can help develop the country in the future.</li> </ul>                  | <b>Health</b> <ul style="list-style-type: none"> <li>Lack of clean water and poor healthcare means a large number of people suffer from diseases.</li> <li>People who are ill cannot work so there is little contribution to the economy.</li> <li>More money on healthcare means less spent on development.</li> </ul> |
| <b>Aid</b> <ul style="list-style-type: none"> <li>Corruption in local and national governments.</li> <li>The stability of the government can effects the country's ability to trade.</li> <li>Ability of the country to invest into services and infrastructure.</li> </ul>                                | <b>History</b> <ul style="list-style-type: none"> <li>Colonialism has helped Europe develop, but slowed down development in many other countries.</li> <li>Countries that went through industrialisation a while ago, have now develop further.</li> </ul>  |

## Consequences of Uneven Development

Levels of development are different in different countries. This uneven development has consequences for countries, especially in wealth, health and education.

|                  |   |
|------------------|---|
| <b>Wealth</b>    | People in more developed countries have higher incomes than less developed countries.                               |
| <b>Health</b>    | Better healthcare means that people in more developed countries live longer than those in less developed countries. |
| <b>Education</b> | More developed countries have better standards of education available than those in less developed countries.       |

## Five stages of economic development.

|  |  |   |  |   |   |
|--|--|---|--|---|---|
|  | <b>1. Traditional society</b>                              | <b>2. Preconditions for take-off</b>                        | <b>3. Take-off</b>                               | <b>4. Drive to maturity</b>   | <b>5. Mass Consumptions</b>                     |
| <b>Rostow's model predicts how a country's level of economic development changes over time. The model also shows how people's standard of living improves.</b> | Subsistence based. i.e. farming, fishing and little trade. | Manufacturing starts to develop with better infrastructure. | Rapid growth with large-scale industrialisation. | Economy grows so people get wealthier & have higher standards of living | Lots of trade with a high level of consumption. |

## Barriers to ending Poverty

|  |   |
|--|---|
| <b>Debt</b><br>             | Many LIDCs have huge national debts from borrowing from wealthy countries and organisations. With high interest rates, these debts are difficult to wipe out and can lead to a spiral of decline. This situation makes it difficult for these countries to invest in services and infrastructure. |
| <b>Trade</b><br>            | Countries with a negative balance of trade, import more than they export make development difficult. Also ACs have TNCs that operate in LIDCs. These companies take profits away from LIDCs to ACs where their headquarters are.  |
| <b>Political unrest</b><br> | Widespread dissatisfaction with the government can be caused by political unrest, corruption and a lack of investment and attention into services (i.e. education and healthcare).  |

## Breaking out of Poverty

Countries can try various ways to reduce poverty and increase development. These often involve different types of aid that can either be short term or long term strategies.

|                    |   |
|--------------------|---|
| <b>Top Down</b>    | These are large scaled, government led and expensive schemes involving money borrowed from wealthier countries. There is little community involvement but instead large scale projects. |
| <b>Bottom Up</b>   | These are small scaled, local led and less expensive schemes. They involve communities and charities developing local businesses and housing.   |
| <b>Short term</b>  | This aid is sent to help countries cope with emergencies such as natural disasters.   |
| <b>Long term</b>   | This is aid given over a long period to help countries develop through investing in projects such as education and healthcare.  |
| <b>Trade</b>       | Fair trade can allow for fair wages. Also grouping with other countries in the form of trading blocs can increase links and increase the economy.                                       |
| <b>Debt Relief</b> | Wealthier countries can cut or partly cut debt to countries that have borrowed money. This allows for money to be reinvested in development.  |

## Positives and Negatives of Aid

| Positives       | Negatives      |
|--|---|
| Allows for immediate or long-term investment into projects that can develop a countries prospects. | Local people might not always get a say. Some aid can be tied under condition from donor country. |

## Are LIDCs likely to stay poor? Case Study: DRC (Democratic Republic of Congo)



**Location & Background**

DRC is a LIDC in the heart of Central Africa. It is mostly landlocked, with only 21km of coastline to the west. It lies directly on the Equator. It is rich in natural resources including; copper, gold, oil and diamonds



**Current level of development**

- GNI per capita is **\$410** compared to a world average of **\$10,858**
- Level of wealth per person is **significantly less** than other LIDCs across the world.
- High birth rate & slower death rate equals growing population.
- A long history of **disease, poverty** and **political unrest**.
- HDI of **0.435** with **low life expectancy** at **59 years**.
- DRC has a low literacy rate of 64%.
- Population of 81million.

## Influences upon DRC's development

| Political   | Social   | Physical    | Economic    |
|---|---|--|--|
| <ul style="list-style-type: none"> <li>Wealth from mines and farms is passed back to other countries.</li> <li>Large companies paid bribes to gain mineral resources with the associated wealth leaving the country.</li> </ul> | <ul style="list-style-type: none"> <li>Joseph Kabila focused on improving infrastructure, health, education, housing, jobs and access to resources.</li> <li>Mobutu allowed foreign-owned businesses to leave the country leading to job losses.</li> </ul> | <ul style="list-style-type: none"> <li>Rich in natural resources including copper, gold, oil and diamonds.</li> <li>Fertile soils make it ideal for growing crops such as coffee, sugar and cotton.</li> </ul> | <ul style="list-style-type: none"> <li>Mobutus rule lead to conflict which damaged crops, property and infrastructure.</li> <li>Mobutu refused to pay back debts to Belgium who cancelled development projects in the DRC</li> </ul> |

## DRC & Rostow's Model

Despite the large primary industry, Ethiopia has improved education and healthcare due to investments from TNCs. As a result, Ethiopia is at stage 2.

Poor transport and access to electricity hinder the development making it difficult to reach stage 3.



## Millennium Development Goals

Set by the UN to set targets to reduce poverty.

**+ DRC is on track with reducing child death rates and stop the spread of diseases.**

**- Malnutrition, gender equality, global partnership and environmental sustainability is still a problem**



## Investment from TNC

A range of TNCs such as Banro and De Beers are now operating in the DRC at a primary, secondary and tertiary level.

**+ Employs 1500 local people for the company**

**+ Increase local spending in TNC areas.**

**-Some TNC pay low salaries and working conditions are poor.**

**-Environmental concerns over the running of TNCs.**

## Aid & Debt relief

5 million people receive food aid from charities such as Oxfam and Farm Africa.

Oxfam's Goat Aid is sustainable for young women.

'The Girl Effect' encourages equality & reduces birth rates.

Wealthier countries encouraged the **decline** of the country's **massive debt**.

Less debt repayments has meant **more reinvestment**.

## Development strategy for DRC

| Bottom-up  | Top-down strategies   |
|--|---|
| Involves teachers, students and local people in improving rural schools.<br><b>+ Local people have a say in how schools are run</b><br><b>+ Better education contributes to development,</b><br><b>- Not enough funding to reach everyone and doesn't tackle large scale issues.</b> | This is large scale investment at a national level through construction of the Grand Inca Dam<br><b>+ Provides cheap and clean energy + Promotes industry in the DRC boosting the economy.</b><br><b>- Money lost to corruption</b><br><b>- Rural communities do not get the benefit of clean energy.</b> |