

# Economic Development, Development Economics and Development Studies

- Economic development is the development of economic wealth of countries or regions for the well-being of their inhabitants. From a policy perspective, economic development can be defined as efforts that seek to improve the economic well-being and quality of life for a community by creating and/or retaining jobs and supporting or growing incomes and the tax base.
- Other way it is the analysis of the economic progress of nations.
- It can also be expressed as economic growth leading to an improvement in the economic welfare of the poorest segment of the population or changes in educational level, output distribution, and economic structural change.

In its broadest sense, economic development encompasses three major areas:

- Policies that governments undertake to meet broad economic objectives such as price stability, high employment, expanded tax base, and sustainable growth. Such efforts include monetary and fiscal policies, regulation of financial institutions, trade, and tax policies.
- Policies and programs to provide infrastructure and services such as highways, parks, affordable housing, crime prevention, and primary education.

- Policies and programs explicitly directed at job creation and retention through specific efforts in business finance, marketing, neighborhood development, small business development, business retention and expansion, technology transfer and real estate development. These policies may be directed by central government.

Professor Dudley Seers\* argues that development is about outcomes, that is, development occurs with the reduction and elimination of poverty, inequality, and unemployment within a growing economy.

\*Cambridge-trained Sussex development theorist who stressed the need for "social development" as the area of concern for development theory.

- Development economics is a branch of economics which deals with economic aspects of the development process in low-income countries. Its focus is not only on methods of promoting economic growth and structural change but also on improving the potential for the mass of the population, for example, through health and education and workplace conditions, may be through public or private channels.
- Development economics involves the creation of theories and methods that aid in the determination of types of policies and practices and can be implemented at either the domestic or international level.

- Unlike in many other fields of economics, approaches in development economics may incorporate social and political factors to devise particular plans.

## The Origins of Modern Development Economics

- The origins of modern development economics are often traced to the need for, and likely problems with the industrialization of eastern Europe in the aftermath of World War II.
- The key authors are Paul Rosenstein-Rodan, Kurt Mandelbaum and Ragnar Nurkse. Only after the war economists turn their concerns towards Asia, Africa and Latin America.
- At the heart of these studies (by authors such as Simon Kuznets and W. Arthur Lewis) was an analysis of not only economic growth but also structural transformation.

## Prominent development economists

- Paul Collier, author of *The Bottom Billion* which attempts to tie together a series of traps to explain the self-fulfilling nature of poverty at the lower end of the development scale.
- William Easterly, author of *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics* and *White Man's Burden: How the West's Efforts to Aid the Rest have done so much ill and so little good*
- Arthur Lewis (economist)
- Raúl Prebisch, founding Secretary General of the United Conference on Trade and Development and influential dependency theorist
- Walt Rostow, modernization theorist, author of *The Stages of Economic Growth: A Non-communist Manifesto*
- Jeffrey Sachs, author of *The End of Poverty: Economic Possibilities of Our Time* and *Common Wealth: Economics for a Crowded Planet*
- Amartya Sen, Nobel prize winner, author of *Development as Freedom*
- Hans Wolfgang Singer, who dealt with how unequal terms of trade disproportionately effect producers of primary products. His thesis combined with the work of Raúl Prebisch to form the basis for dependency theory
- Hernando de Soto, proponent of property rights in the developing world, author of *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*

- Development studies is a multidisciplinary branch of social science which addresses issues of concern to developing countries. It has historically placed a particular focus on issues related to social and economic development, and its relevance may therefore extend to communities and regions outside of the developing world.
- The emergence of development studies as an academic discipline in the second half of the twentieth century is in large part due to increasing concern about economic prospects for the third world after decolonization.
- In the immediate post-war period, development economics, a branch of economics, arose out of previous studies in colonial economics.
- By the 1960s, an increasing number of development economists felt that economics alone could not fully address issues such as political effectiveness and educational provision.
- Development studies arose as a result of this, initially aiming to integrate ideas of politics and economics. Since then, it has become an increasingly inter- and multi-disciplinary subject, encompassing a variety of social scientific fields.

## **Disciplines of development studies**

- Area Studies
- Demography
- Development theory
- Development economics
- Development anthropology
- Development geography
- Development management
- Economic history
- Geography
- Sociology
- Philosophy and Ethics
- Political history
- Politics
- International relations
- Human security
- Women's studies
- Demographics
- Migration studies
- Ecology
- Pedagogy
- Social Policy



## **Noted academics of development studies**

- Samir Amin
  - Peter Thomas Bauer (born Peter Tamas Bauer)
  - Ester Boserup
  - Robert Chambers
  - Hollis Chenery
  - Hernando De Soto
  - Andre Gunder Frank
  - Richard Jolly
  - Simon Kuznets
  - William Arthur Lewis (known as Arthur Lewis)
  - Douglass North
  - Gilbert Rist
  - Dudley Seers
  - Hans Singer
  - Joseph Stiglitz
  - Robert Wade
- Alice Amsden  
Jagdish Bhagwati  
Paul Collier  
Ha-Joon Chang  
Kemal Dervis  
William Easterly  
Mahbub ul Haq  
Charles P. Kindleberger  
Gunnar Myrdal  
Raul Prebisch  
Jeffrey Sachs  
Amartya Sen  
Paul Streeten  
Jan Tinbergen