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In this chapter, the problem of giving a precise definition of economic development is discussed, as the concept has multifarious meanings which keep changing. A short history of economic development and underdevelopment follows, after which the scope and features of Development Economics are examined. Various methods of measuring Economic Development and their limitations are then presented, followed by Conclusions and References to various sources used in this chapter.

To understand the concept of economic development, a brief look into the historical background will be useful.

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What Is Underdevelopment?

The concept of economic “underdevelopment” is ambiguous, complicated, and contentious. (Myint and Krueger 2016) This is because “development” is a highly dynamic process that cannot be restricted to a fixed definition, as it involves too many dimensions. This results in many important variables being left out of the definition narrowing its scope and coverage.

One difficulty in defining “underdevelopment” is because all less developed countries are not alike, nor are they all at the same level of “underdevelopment”. In the 1930s to 1940s, some countries like India had advanced traditional knowledge and education (Sengupta 2019), while others were still in the stage of hunting and using bare hands production. Some countries had well-honed social and political systems, while others were ruled by primitive customs, taboos, and superstition. Many countries had awe inspiring histories of art, architecture, sciences, mathematics, medicine, philosophy, political systems, culture, and so on (Maddison 2006). Therefore, it is not possible to club them all together as “underdeveloped” countries and treat them all on the same footing for theoretical analysis and policy matters.

As stated by Todaro (1994), “Because of the heterogeneity of the Third World, there can be no single Development Economics, no universal Third World Economics applicable to any, or all less developed countries. Rather, Development

Prabha Panth

Department of Economics, Osmania University,
Hyderabad, India

Definition

The concepts “development” and “underdevelopment” are ambiguous, and for decades they have been the subject of endless debates and discussions. There is no clear picture or definition of what actually constitutes “economic underdevelopment” or how to achieve it, as it is an evolving concept, and keeps altering over time.

Broadly, economic development is taken to be the structural transformation of an economy by introducing more mechanized and updated technologies to increase labor productivity, employment, incomes, and standard of living of the population. Economic development should be accompanied by improvements in infrastructure, as well as social, political, and institutional factors to facilitate transformation of the economy (Myint and Krueger 2016).

Economic development is regarded as important for a country to reduce its poverty by providing more employment, higher incomes, improved goods and services, and latest technologies of production. [news.orlando.org/blog/] The crux of

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has not yet been established in many countries of the world due to various historical and political reasons. Hence, there is a high level of inequality among, and even within, countries.

Introduction

Economic development has greatly improved living conditions and incomes across the world. However, an alarming and inevitable consequence of modern economic development is the massive negative impact on the natural environment. Modern technology is highly resource dependent, needing enormous inputs of minerals, metals, power, fuel, timber, water, etc. At the same time, production and consumption do not “use” up all these materials, they are let off into the environment in the form of pollution and wastes (Georgescu Roegen 1971). But the capacity of the Earth to absorb and recycle wastes and pollution is limited, leading to many environmental disasters as pollution chokes land, air, and water adversely affecting living systems on Earth. [footprintnetwork.org.] For example, the phenomenon of climate change due to accumulation of Greenhouse gases in the atmosphere is one such danger. There is sufficient proof to show that it is threatening the very climatic structure of the Earth, impacting precipitation and

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