

GEN 214: Introduction to Development Studies

**Module 1:
Concept of Development**

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**Development Studies as an
academic discipline**

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A. Meaning of the term “Development”



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<https://www.un.org/>

a. Development as Modernity

- Condition of being **modern, new** or **up- to – date**,
- idea of “**modernity**” situates “**people in time**”
- **Economic term:** industrialization, urbanization and increase use of technology

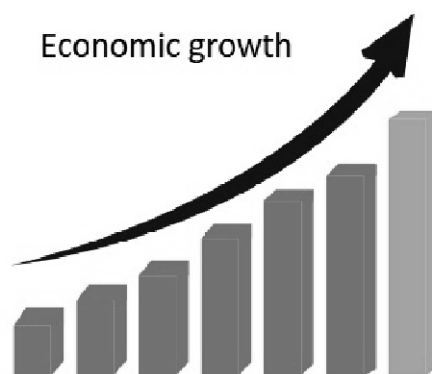
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Limitations:

- Eradication of cultural practices
- Destruction of natural environment
- Decline in the quality of life.

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b. Development as an economic process

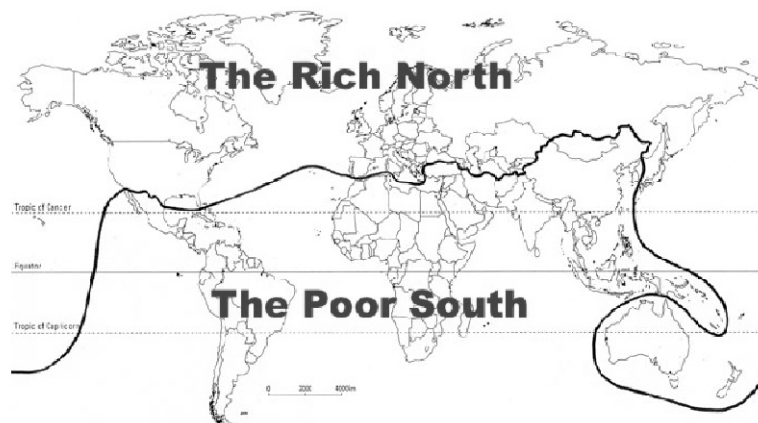


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A (1) Economic development in 1950s:

- capacity of a nation to generate and sustain an annual increase in its GNP of 5% or more
- Three world's model and distinction between the rich and poor countries
 - First world: developed/ advanced capitalistic
 - Second world: developed or advanced socialist
 - Third world: developing, underdeveloped and least developed nations.

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World Bank country classifications by income level: 2021-2022

Group	July 1, 2021 (new)	July 1, 2020 (old)
Low income		
Lower-middle income	1,046 – 4,095	1,035 – 4,045
Upper-middle income	4,096 – 12,695	4,046 – 12,535
High income	> 12,695	> 12,535

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<https://blogs.worldbank.org/opendata/new-world-bank-country-classifications-income-level-2021-2022>

• Traditional economic measures

▪ **GDP:**

- value of all goods and services produced within a particular country.

▪ **GNP:**

- value of all goods and services claimed by any residents of a particular country regardless of where the production took place.

▪ **GNI:**

- alternative name for GNP.

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• **Problems:**

- Market competitiveness and externalities: not reflected
- How wealth is distributed?
- Does not reflect underground economy?/ Ineffective governance, informal sector and rural economy
- Socialist countries have different definitions of income
- High total cost due to cold winter or size of a country
- Prices of non traded products not reflected in exchange rate.
- Underreporting of income: data collection challenge, subsistence agriculture.
- Currency fluctuations?

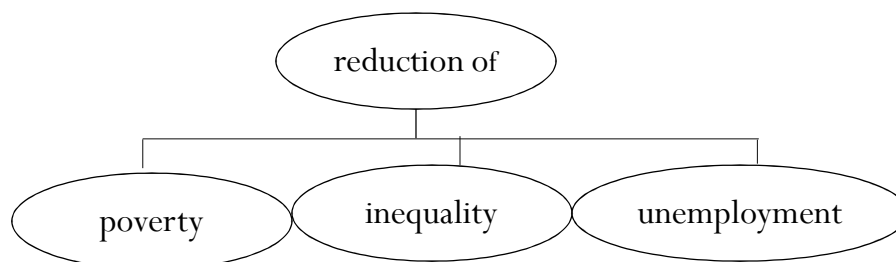
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a (2) Economic Development (1970s)

- emphasis on redistribution for growth.
- emphasis on non economic social indicators:
 - attitudes towards life and work,
 - cultural traditions,
 - system of land tenure,
 - property rights,
 - integrity of government agencies
- Economic development: Redefined

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Redefined



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a (3) Economic Development in 1990s

- World Bank: 'World Development Report' asserted
 - **'challenge of development is to improve the quality of life'.**

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❑ It includes

- Higher income
- Better education
- Higher standard of health and nutrition
- Less poverty
- Cleaner environment
- More equality of opportunities
- Greater individual freedom
- Richer cultural life

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Economic Factors

- Capital,
- Labor,
- Natural Resources, Technology,
- Established market

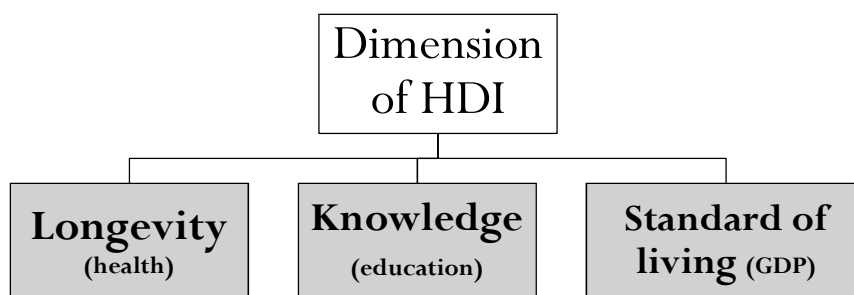
Non-economic Factors

- Attitude towards life and work
- public and private structures
- cultural traditions
- system of land tenure
- property rights
- integrity of government agencies

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a (4) Human Development Index

- UNDP: 1990 (Human Development Report)



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Country/Economy	GDP (Nominal) (billions of \$)	
	2020	Rank
United States	20,932.75	1
China *	14,722.84	2
Japan	5,048.69	3
Germany	3,803.01	4
United Kingdom	2,710.97	5
India	2,708.77	6
France	2,598.91	7
Italy	1,884.94	8
Canada	1,643.41	9
Korea	1,630.87	10

Source: <https://statisticstimes.com/economy/projected-world-gdp-ranking.php>

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	Rank	Country	HDI value (2019)
	1	Norway	0.957
	2	Ireland	0.955
	2	Switzerland	0.955
	4	Hong Kong, China (SAR)	0.949
	4	Iceland	0.949
	6	Germany	0.947
	7	Sweden	0.946
	8	Australia	0.944
	8	Netherlands	0.944
	10	Denmark	0.940

Source: Human Development Report Office 2020. • Created with Datawrapper

Source: <http://hdr.undp.org/en/content/latest-human-development-index-ranking>

Development is not purely an economic phenomenon but rather a multidimensional process

- (i) involves **reorganization and reorientation** of entire economic and social system.
- (ii) changes in **institutional, social and administrative** structures, attitude, even customs and beliefs.

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Todaro and Smith

Development is a **multidimensional process** involving changes in **social structures**, popular **attitudes** and national **institutions**, as well as the acceleration of **economic growth**, the reduction of **inequality** and eradication of **poverty**.

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The nature of development

Development as:

- fundamental or structural change (e.g., an increase in income)
- intervention and action, aimed at improvement, regardless of whether betterment is, in fact, actually achieved
- improvement, with good as the outcome
- the platform for improvement (encompassing changes that will facilitate development in the future)

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Alternative interpretations of development

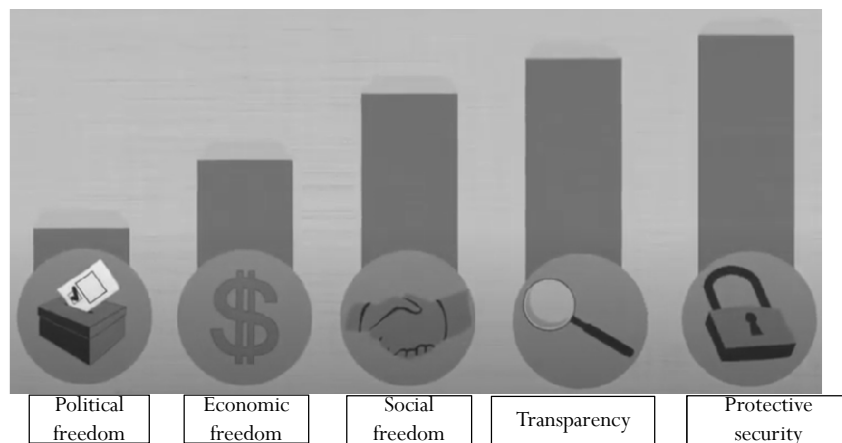
Good	Bad
Development brings economic growth	Development is a dependent and subordinate process
Development brings overall national progress	Development is a process creating and widening spatial inequalities
Development brings modernisation along Western lines	Development undermines local cultures and values
Development improves the provision of basic needs	Development perpetuates poverty and poor working and living conditions
Development can help create sustainable growth	Development is often environmentally unsustainable
Development brings improved governance	Development infringes human rights and undermines democracy

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Source: Potter et al (2008)

- The term development is
 - A vision description and measures of the state of being of a desirable society
 - A historical process of social change in which societies are transformed over long periods
 - As consisting of deliberate efforts aimed at improvement on the part of various agencies, including government and all kinds of organizations and social movements (Allan Thomas).
 - Development as ***Freedom and People Centered Approach***

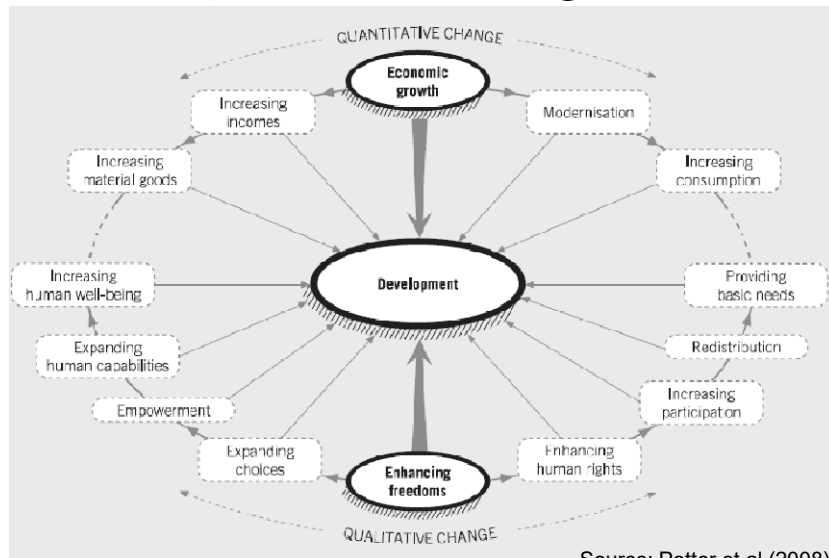
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Source: Macat analysis: Amartya Sen's Development as Freedom

Development as economic growth and development as enhancing freedoms



Source: Potter et al (2008)

Actors in development

Actor	Activities
Individual	Depends on income, class, gender, ethnicity, age and other social variables
Household	Group of people who live together and share expenses
Community	Group of people with shared interests in some senses (e.g. village, urban district)

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Actors in development (cont.)	
Actor	Activities
Government	Operates at a range of scales from local and municipal government to national government
Non-Governmental Organizations	Organizations which are neither run by the state nor profit-making companies (e.g. small-scale organizations, or very large global)
Private companies	Representatives of the market
Multilateral organizations	set global agenda for economic policies; promote global peace; important sources of aid and technical Assistance (e.g. IMF, UN, World Bank)

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- **Reference**

Willis, Katie. 'Introduction: what do we mean by development?' in *Theories and practices of development*. Taylor & Francis, 2011.

Potter, R. B., Binns, T., Elliott, J. A., & Smith, D. W. (2008). *Geographies of development: An introduction to development studies*. Pearson Education.

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