

# Chapter 1

## Introducing Economic Development: A Global Perspective

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# Economic Development

11th Edition

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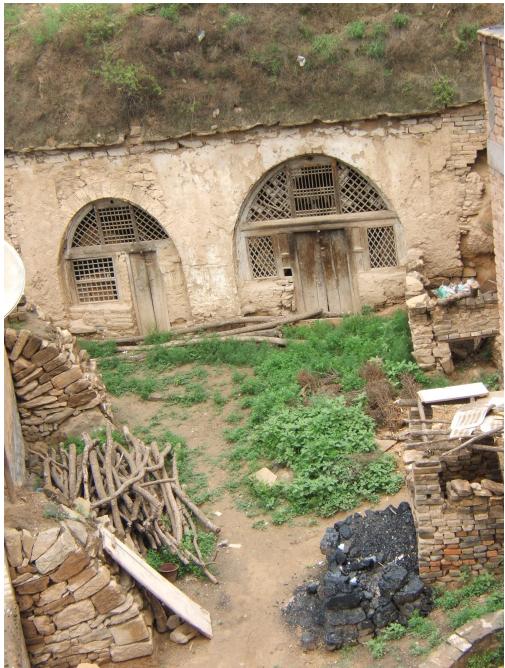
# Questions

- What is Development Economics about?
- Can you name some developing countries?
- Have you been to any of them except China?
- Why do you want to take development economics?

# List of OECD Countries

Developed Countries



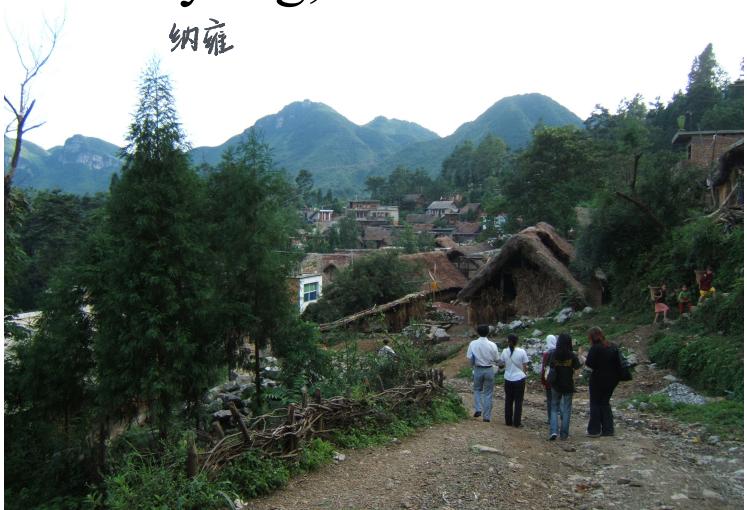


⬅ Mulei, 木垒  
Xinjiang  
(2006)

Poverty stricken  
counties in China  
I surveyed when I  
was in college.

⬅ Yan'an, Shaanxi (2005)  
延安

⬇ Nayong, Guizhou (2007)  
纳雍



⬆ Hulin, Heilongjiang (2007)  
虎林

# 1.1 How the Other Half Live

When one is poor, she has no say in public, she feels inferior. She has no food, so there is famine in her house; no clothing, and no progress in her family.

“贫穷”

a. 贫穷的

—A poor woman from Uganda

For a poor person everything is terrible—illness, humiliation, shame. We are cripples; we are afraid of everything; we depend on everyone. No one needs us. We are like garbage that everyone wants to get rid of.

“耻辱”

—A blind woman from Tiraspol, Moldova

Life in the area is so precarious that the youth and every able person have to migrate to the towns or join the army at the war front in order to escape the hazards of hunger escalating over here.

“不稳定”

“不稳定”

—Participant in a discussion group in rural Ethiopia

“移民”

“战争”

# 1.1 How the Other Half Live

*We have to line up for hours before it is our turn to draw water.*

**—Mbwadzulu Village (Mangochi), Malawi**

*[Poverty is] . . . low salaries and lack of jobs. And it's also not having medicine, food, and clothes.*

**--Discussion group, Brazil**

*Don't ask me what poverty is because you have met it outside my house. Look at the house and count the number of holes. Look at the utensils and the clothes I am wearing. Look at everything and write what you see. What you see is poverty.*

**—Poor man in Kenya**

- A universal theme reflected in these six quotes is that poverty is more than lack of income – it is inherently multidimensional, as is economic development.**

不仅是缺钱收入，本质的多面性



Madagascar, Malawi



Afghan refugee



UNHCR/Boscardi

# 1.2 Economics and Development Studies

## – Nature of Development Economics

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手

- Traditional economics is concerned primarily with the efficient, least-cost allocation of scarce production resources and with the optimal growth of these resources over time so as to produce an ever-expanding range of goods and services.
- Political economy studies the social and institutional processes through which certain groups of economists and elites influences the allocation of scarce production resources now and in the future.
- Development economics has an even greater scope.

# 1.2 Economics and Development Studies



## – Nature of Development Economics (Con't)

- Development economics also deal with the *economic, social, political, and institutional* mechanisms, necessary to bring about *rapid* and *large scale* improvements in levels of living for the peoples in the **least developed** countries, where most commodity<sup>小商品</sup> and resource markets are highly imperfect, consumers and producers have limited information, major structural changes are taking place, the potential for multiple equilibria rather a single equilibrium is more common, and disequilibrium situations often prevail.
- 马工程定义：发展经济学以发展中国家的经济发展问题为研究对象。
  - 发展中国家经济相对于发达国家落后或者不发达的原因和障碍问题。
  - 发展中国家如何加快经济发展步伐来追赶当今发达国家。

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# **1.2 Economics and Development Studies**

## **– The Important Role of Values in Development Economics**

- Value premises, in particular for development economics, are an inherent component of both economic analysis and economic policy.

# 1.2 Economics and Development Studies

- **Economies as Social Systems: The Need to Go Beyond Simple Economics**
- Social Systems  
    – Interdependent relationships between economic and non-economic factors
- Success or failure of development policy  
    – Importance of taking account of institutional and structural variables along with more traditional economic variables

# 1.3 What Do We Mean by Development?

- **Traditional Economic Measures**

- Gross National Income (GNI)
- Income per capita 人均
- Utility <sup>效用</sup> of the income? ✓

- **The New Economic View of Development**

- Leads to improvement in wellbeing, more broadly understood

- **Amartya Sen's "Capability" 可行能力 Approach**

- Functionings 功能 as an achievement
- Capabilities as freedoms enjoyed in terms of functionings
- Development and happiness
- Well being in terms of being well and having freedoms of choice
- "Beings and Doings":

# Some Key “Capabilities”



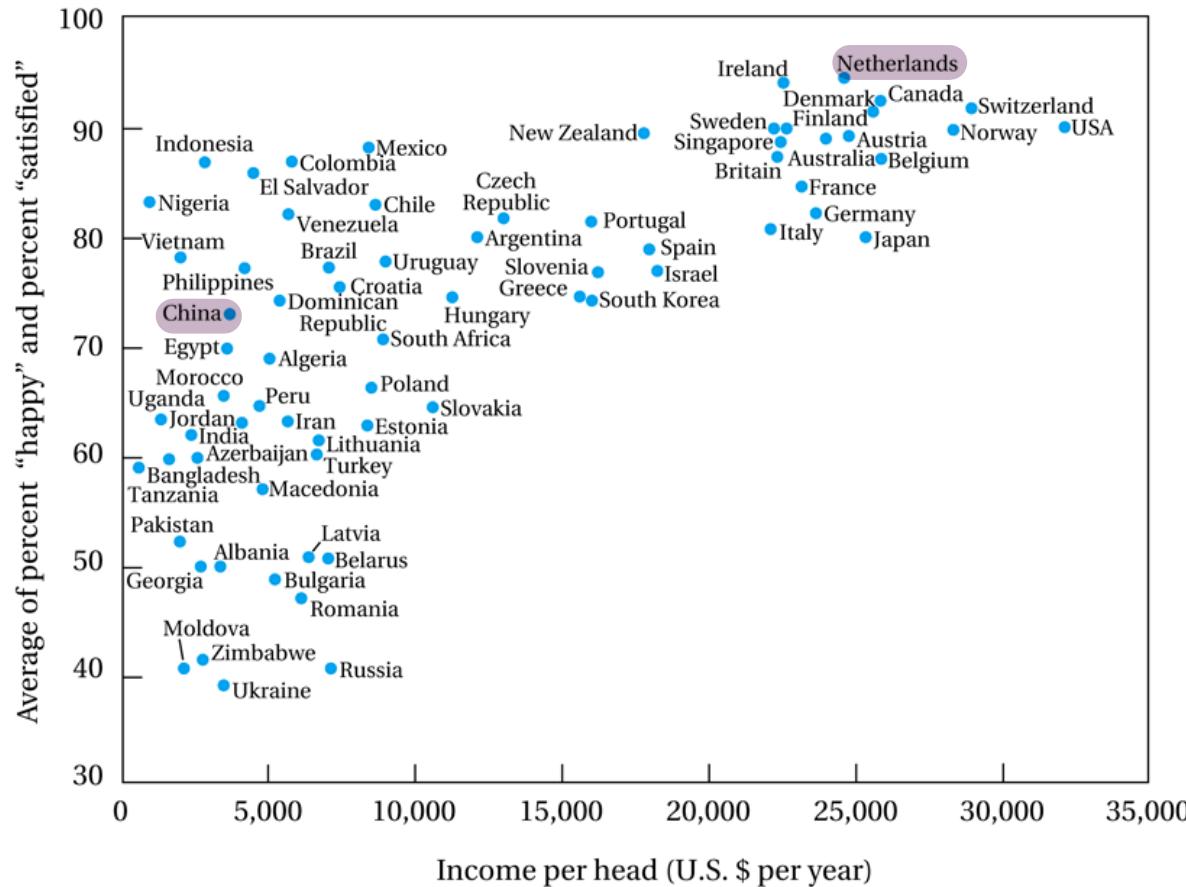
- Some Important “Beings” and “Doings” in Capability to Function:
  - Being able to live long
  - Being well-nourished 養良好
  - Being healthy
  - Being literate 多教育
  - Being well-clothed
  - Being mobile 異地工具
  - Being able to take part in the life of the community
  - Being happy – as a state of being - may be valued as a functioning

# 1.3 What Do We Mean by Development? (cont'd)



- **Three Core Values of Development**
  - Sustenance: The Ability to Meet Basic Needs 持續
  - Self-Esteem: To Be a Person 尊重
  - Freedom from Servitude: To Be Able to Choose 自由

# Figure 1.2 Income and Happiness: Comparing Countries



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# 1.3 What Do We Mean by Development? (cont'd)

- **The Central Role of Women** 性別平等
  - To make the biggest impact on development, societies must empower and invest in women
- **The Three Objectives of Development**
  - Increase availability of life-sustaining goods
  - Raise levels of living
  - Expand range of economic and social choices

## 1.4 The Millennium Development Goals

- Millennium Development goals (MDGs)
  - Eight goals adopted by the United Nations in 2000
    - Eradicate extreme poverty and hunger
    - Achieve universal primary education
    - Promote gender equality and empower women
    - Reduce child mortality
    - Improve maternal health
    - Combat HIV/AIDS, malaria, and other diseases
    - Ensure environmental sustainability
    - Develop a global partnership for development

# Table 1.1 Millennium Development Goals and Targets for 2015

Goals	Targets
 1. Eradicate extreme poverty and hunger <small>ERADICATE EXTREME POVERTY AND HUNGER</small>	<ul style="list-style-type: none"><li>• Reduce by half the proportion of people living on less than \$1 a day</li><li>• Reduce by half the proportion of people who suffer from hunger</li></ul>
 2. Achieve universal primary education <small>ACHIEVE UNIVERSAL PRIMARY EDUCATION</small>	<ul style="list-style-type: none"><li>• Ensure that all boys and girls complete a full course of primary schooling</li></ul>
 3. Promote gender equality and empower women <small>PROMOTE GENDER EQUALITY AND EMPOWER WOMEN</small>	<ul style="list-style-type: none"><li>• Eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels by 2015</li></ul>
 4. Reduce child mortality <small>REDUCE CHILD MORTALITY</small>	<ul style="list-style-type: none"><li>• Reduce by two-thirds the mortality rate among children under 5</li></ul>
 5. Improve maternal health <small>IMPROVE MATERNAL HEALTH</small>	<ul style="list-style-type: none"><li>• Reduce by three-quarters the maternal mortality ratio</li></ul>
 6. Combat HIV/AIDS, malaria, and other diseases <small>COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES</small>	<ul style="list-style-type: none"><li>• Halt and begin to reverse the spread of HIV/AIDS</li><li>• Halt and begin to reverse the incidence of malaria and other major diseases</li></ul>
 7. Ensure environmental sustainability <small>ENSURE ENVIRONMENTAL SUSTAINABILITY</small>	<ul style="list-style-type: none"><li>• Integrate the principles of sustainable development into country policies and programs; reverse loss of environmental resources</li><li>• Reduce by half the proportion of people without sustainable access to safe drinking water</li><li>• Achieve significant improvement in lives of at least 100 million slum dwellers by 2020</li></ul>

# Table 1.1 Millennium Development Goals and Targets for 2015 (cont'd)

Goals	Targets
 8. Develop a global partnership for development	<ul style="list-style-type: none"><li>• Develop further an open, rule-based, predictable, nondiscriminatory trading and financial system; includes a commitment to good governance, development, and poverty reduction—both nationally and internationally</li><li>• Address the special needs of the least developed countries; includes tariff and quota free access for least developed countries' exports; enhanced program of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous official development assistance (ODA) for countries committed to poverty reduction</li><li>• Address the special needs of landlocked countries and small island developing states</li><li>• Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term</li><li>• In cooperation with developing countries, develop and implement strategies for decent and productive work for youth</li><li>• In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries</li><li>• In cooperation with the private sector, make available the benefits of new technologies, especially information and communications</li></ul>

Source: From "Millennium Development Goals" (accessed via [www.undp.org](http://www.undp.org)). Reprinted with permission from the United Nations Development Programme.

# **Launch of the UN Sustainable Development Goals**

As the Millennium Development Goals (MDGs) era comes to a conclusion with the end of the year, 2016 ushers in the official launch of the bold and transformative [2030 Agenda for Sustainable Development](#) adopted by world leaders last September at the United Nations.

The new Agenda calls on countries to begin efforts to achieve 17 Sustainable Development Goals (SDGs) over the next 15 years.

# SUSTAINABLE DEVELOPMENT GOALS



Refer to <https://www.un.org/sustainabledevelopment/>

# 1.5 Conclusions

- The importance of Development Economics
- Inclusion of non-economic variables in designing development strategies
- Achieving the Millennium Development Goals
- "...One future-or none at all"