**4.6 Growth and development in developing, emerging and developed economies**

**1 Measures of economic development**

a) The three components of the Human Development Index (HDI): education, health, income; how they are measured.

b) Advantages and limitations of the HDI in comparing living standards between countries and over time.

c) Other measures of development:

• the percentage of adult male labour in agriculture

• access to clean water

• energy consumption per capita

• access to internet per thousand of population

• access to mobile phones per thousand of population

• access to doctors per thousand of population.

**2 Constraints on growth and development**

a) The impact of economic factors in different countries:

• volatility of commodity prices

• primary product dependency (the Prebisch-Singer hypothesis)

• savings gap (the Harrod-Domar model)

• foreign currency gap

• capital flight

• demographic factors (size and age distribution of population; migration)

• debt (household and overseas)

• access to credit and banking

• infrastructure

• education and skills.

b) The impact of non-economic factors in different countries:

• corruption

• poor governance

• civil wars

• migration

• terrorism.

**3 Measures to promote growth and development**

a) The impact of market-orientated strategies:

• trade liberalisation

• promotion of FDI

• removal of government subsidies

• privatisation

• floating exchange rate systems

• microfinance schemes.

b) The impact of interventionist strategies:

• development of human capital

• protectionism

• managed exchange rates

• infrastructure development

• promoting joint ventures with TNCs

• buffer stock schemes.

c) The impact of other strategies:

• industrialisation (the Lewis structural dual-sector model)

• development of tourism

• development of primary industries

• debt relief

• aid.

d) The role of international institutions:

• the World Bank

• the International Monetary Fund (IMF)

• non-government organisations (NGOs).