

TD 638: Development Perspectives (Autumn 2024)

Assignment - 2

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Question 1

The recent expansion of the Los Angeles Metro system highlights the transformative power of large-scale public transportation projects. By connecting previously underserved neighborhoods, this initiative not only enhances mobility for residents but also stimulates local economies. Areas that were once considered transit deserts are now experiencing increased property values and new business developments, demonstrating how strategic infrastructure investments can catalyze significant economic growth and urban revitalization

Source :

<https://www.brookings.edu/articles/why-infrastructure-matters-rotten-roads-bum-economy/>

1. *What ONE element do you see in this paragraph that is relevant to what we studied in class?*

Ans: By connecting previously underserved neighborhoods, this initiative not only enhances mobility for residents but also stimulates local economies.

2. *What concept/issue/argument you learned in the course is RELATED to your answer to Q1?*

Ans: Paul Rosenstein-Rodan: “Big Push” Theory: Concentrating development efforts in specific and large industrialization projects (Big Push) with high capability to create “ripple effects” in the rest of the economy.

3. *What exactly is the connection between your answers to sub-questions 1 and 2?*

Ans: Answer of Q1 illustrates Rosenstein-Rodan's theory by showing how concentrated investment in transportation infrastructure boosts mobility and stimulates local economies, leading to broader economic growth and revitalization in underserved areas.

Question 2

Since the 1990s, skilled migration from Ghana, especially to developed countries in the North, has been accelerating. Ghana has the highest emigration rates for the highly skilled employees (46%) in Western Africa (OECD, 2005; Docquier and Marfouk, 2005). The medical professions are particularly affected by emigration. It is estimated that more than 56 percent of doctors and 24 per cent of nurses trained in Ghana are working abroad (Clemens and Pettersson, 2006). The overall skill level of Ghanaian emigrants is relatively high. According to some estimates, 33.8 per cent of emigrants from Ghana living in Organization for Economic Cooperation and Development (OECD) countries possessed medium skills, while 27.6 per cent had high skills (EU, 2006). Only 3 per cent of Ghanaian emigrants had no skills.

Source : <https://library.fes.de/pdf-files/bueros/ghana/10511.pdf>

1. What ONE element do you see in this paragraph that is relevant to what we studied in class?

Ans: Ghana has the highest emigration rates for the highly skilled employees (46%) in Western Africa

2. What concept/issue/argument you learned in the course is RELATED to your answer to Q1?

Ans: Arthur Lewis: Pointed out that industrialization could be promoted in developing countries by encouraging labor to move from rural areas, where they worked in subsistence farming or plantations, to urban areas to work in industry, without raising wages, which would generate a significant surplus

3. What exactly is the connection between your answers to sub-questions 1 and 2?

Ans: Answer of Q1 illustrates Lewis's theory by highlighting skilled migration from Ghana, suggesting that moving skilled labor to urban areas can foster industrialization and generate economic surplus in developing countries.

Question 3

In the 1970s, Brazil implemented ISI policies, which led to the rapid growth of its automotive industry. By the mid-1980s, approximately 90% of vehicles sold in Brazil were produced domestically, significantly boosting local employment and fostering the development of supporting industries. However, this protectionist strategy also resulted in inefficiencies, as many local firms struggled to compete globally due to a lack of innovation

Source :

<https://marketbusinessnews.com/financial-glossary/import-substitution-industrialization-isi/>

1. What ONE element do you see in this paragraph that is relevant to what we studied in class?

Ans: By the mid-1980s, approximately 90% of vehicles sold in Brazil were produced domestically, significantly boosting local employment and fostering the development of supporting industries..

2. What concept/issue/argument you learned in the course is RELATED to your answer to Q1?

Ans: Import Substitution Industrialization (ISI): By protecting or shielding them from foreign competition, local infant industries in developing countries could grow significantly allowing them to earn great profits in local markets

3. What exactly is the connection between your answers to sub-questions 1 and 2?

Ans: Answer of Q1 demonstrates ISI by showing that domestic production of 90% of vehicles allowed Brazil's local industries to thrive, creating jobs and fostering related industries through protection from foreign competition.