## Measuring Development: Keywords

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| **Subsistence Farmer** | Farmers that produce just enough food to feed their families with little extra. Most use hand tools and use family labour. |
| **Development Indicator** | A measure that indicates how developed a country is (see below for examples) |
| **GDP (Gross Domestic Product)** | The total value of all goods and services produced by a country in a year. |
| It is always measured in $US for easy comparison. Dividing the GDP by the total population gives the GDP per capita (per person) which is the average amount of money earnt by a person in that country, per year. | |
| GDP is now measured in PPP (Purchasing Power Parity) which accounts for differences in the cost of living between countries as in low-income countries $1 goes further than in high-income countries. | |
| **Poverty Line** | The minimum income required to met someone's basic needs. |
| **Literacy rate** | The percentage of the population, aged over 15, that can read and write. |
| **The Human Development Index (HDI)** | A development indicator made from a combination of 4 development indicators: GDP per capita, literacy rate, education – average number of year in school and life expectancy. |
| HDI was invented as GDP per capita is not always a true reflection of the distribution of wealth. For example a few powerful people in the country may account for its large GDP. When divided by the total population it looks like the average wage is fairly high but in reality the majority of people are poor. HDI eradicates this problem by taking into account social indicators. Each country is given a score between 0 (least developed) and 1 (most developed) and ranked in order of HDI score. | |
| **Population Structure** | The number of each sex in each age group. This is shown on a population pyramid. |
| A youthful population/demographic has a high percentage of young people (0-14) and an ageing demographic has a high percentage of elderly people (65+) | |
| **Demographic data** | Any data linked to a population. |
| **Birth rate** | The number of live births per 1000 people, per year. |
| **Death rate** | The number of deaths per 1000 people, per year. |
| **Dependency ratio** | The people in a population that are either too young or too old to work. These are dependent on the working (economically active) population to provide tax which funds schools, hospitals, care homes etc. |

# Topic 2: Development Dynamics

## Measuring Development: Keywords

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| **Infant Mortality** | The number of babies that die before the age of one, per 1000 live births. |
| **Maternal Mortality** | The number of mothers per 100,000 who die in childbirth. |
| **Life expectancy** | The average number of years a person can expect to live. |
| **Fertility rate** | The average number of births per women. |

## Global Inequality

The world's most developed countries (high-income countries – In North America, Western Europe, Japan, Australia) tend to be in the northern hemisphere (above the equator)

The world's least developed countries (low-income countries – In South America, Africa, Asia) tend to be in the southern hemisphere (below the equator).

This idea of a development gap/north-south divide became popular in the 1980s and the countries could be separated by a line called "The Brandt line".

The world now looks slightly different. Yes many of the least developed nations are still in Africa/The South and many of the most developed nations are in the North but there are now **"emerging economies".** These are **"middle-income countries"** that have become richer since the 1980s e.g. Brazil/Malaysia. They are generally found in the Southern Hemisphere. The emergence of these make the Brandt line less accurate today. These are also now known as **"NICs" (Newly Industrialised Countries"** and have developed through many TNCs relocating their manufacturing there.

Most recently there has been "**recently developed countries**" that have developed even further and are known as **BRICs** (Brazil, Russia, India and China).

## The causes of global inequalities

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| **Environmental /Physical** | If a country is **landlocked** it doesn't have a coastline which makes trading difficult. **Topography** (shape of land) may make it difficult to build upon/trade e.g. mountains are physical barriers. **Climate:** Water shortages/drought can cause famines. |
| **Political** | Poor governance or corruption can slow or even reverse the development level of a country. |

## The causes of global inequalities

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| **Historical** | **Colonialism** is when countries colonise and take over others. For example Britain took over Malawi in the 1800s. They developed coffee and tea plantations and took products back to Britain which still remain under British ownership today (by TNCs).<br>**Neo (new) colonialism** is where TNCs profit from developing nations exports of "cash crops" e.g. Supermarkets sell coffee in the UK for around 800 times the price they pay to farmers. |
| **International relations** | Global trade is affected by tariffs which increase the price of goods e.g. The EU and USA charge 7.5% tariff on roasted coffee beans but not raw coffee beans. Normally coffee beans would make a country much more money if they sold them already roasted but this tariff prevents developing countries from earning more money on this export, forcing them to export raw beans. |
| **Terms of trade** | The value of a countries exports compared to its imports. Low-income countries focus on exporting primary products/raw materials and importing manufactured products from high-income countries. That means, every year they will spend more than they make. |
| **Social** | Countries with low investment in healthcare and educated are developed far less/have weaker economies than countries with high investment in these areas. Why? A country with healthy and educated workers attracts investment, creates jobs and encourages development. |

## Impact of Economic Development and Globalisation on the Environment

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| **Water Pollution** | Lots of waste from the manufacturing industry is dumped into rivers. Poor sanitation and poor waste removal services contribute also. This could impact on human health with disease spreading. |
| **Air Pollution** | High CO2 emissions from the manufacturing industry and urban traffic contribute to the enhanced greenhouse effect and global climate change. |
| **Loss of Biodiversity** | More land is needed for food, cities and industry. |
| **Land Degradation** | Deforestation and desertification (turning to desert). |

## How and why countries develop overtime

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| **Rostow's Modernisation Theory** | A model that shows a path a country will take to become more developed. It has five stages:<br>1. **Traditional Society:** Most people work in agriculture in a subsistence economy which means there is little to sell.<br>2. **Pre-conditions for take off:** A shift from farming to manufacturing. Trade increases profits which is invested in new industries and infrastructure. Any agriculture is mainly for export of cash crops.<br>3. **Take off:** Growth is rapid. Investment and technology create new manufacturing industries and products for export.<br>4. **Drive to maturity:** A period of growth. Technology is used throughout the economy. Industries produce consumer goods.<br>5. **Age of high mass consumption:** A period of comfort through consumerism of goods. Wealth is spent on education and military. |
| **Frank's Dependency Theory** | This model consisted of two global regions. The first region was made up of the most developed and powerful nations, forming the **"CORE"**. The second region was made up of other countries known as the **"PERIPHERY"** (weaker members of a global economy)<br>The periphery produces raw materials to trade to the core and depends on it for its market. The core processes these into higher value goods and makes profit. |

## Key words/processes in a countries development

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| **Globalisation** | When countries become more connected to each other. |

This is done through trade and technology which allows cultures and information to spread quickly. Also by flows of investment into other countries e.g. outsourcing by TNCs.

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| **Foreign Direct Investment** | Investment by one country, into another. |

TNCs did this as they could manufacture goods more cheaply and make more profit as wages of labourers was cheaper. This led to a global shift in manufacturing goods for export from the developed world to the developing world.

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| **The Clark Fisher Model** | A model that explains changes in employment structure as a country and their economy develop. |

- Low income countries economies are dominated by the **primary sector** (farming/mining)
- Middle income countries economies are dominated by the **secondary sector** (manufacturing)
- High income countries are dominated by the **tertiary sector** (services e.g. banking, legal services and leisure) and the **quaternary sector** (research and development of new products using high levels of technology/IT). Many of these countries lost their manufacturing industries to countries where wages are lower e.g. Thailand, Vietnam.

## How is an emerging country (India) developing?

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| **Location** | Between the middle East and south-east Asia, the worlds fastest growing economic regions with half of the worlds population providing labour and a huge market for export. |
| **Economic Liberalisation** | From 1991, the government let companies and the "market" decide what and where products are made. |

This involves encouraging FDI and reducing tariffs and taxed on TNCs. As a result GDP has increased 500% per capita and exports have gone up 20 times between 1991-2014.

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| **Social** | Most people in India speak English. This encouraged call centres (e.g. BT) to outsource to India. This is part of the "new economy" as they focus on the sale of services rather than manufactured products.<br>There has been a huge growth in India's GDP that comes from services (tertiary sector) since 1991 and a slight decline in GDP earned from manufacturing (secondary sector) and a large decline in GDP earned from agriculture (primary sector). |
| **Development of cheap transport** | Even though production costs are lower, India is very far away so transporting products to Western Europe would be expensive.<br>• **Improvements in fuel efficiency** means it isn't massively more expensive to run a large ship compared to a small one.<br>• **Containerization:** The development of containers, carrying goods makes loading and unloading ships extremely quick, easy and cheap all over the world. |
| **The Multiplier effect** | The upward spiral of development caused when there is investment in an area and jobs created. This attracts more people, investment, services and jobs to the area. |

Investment from TNC's improves a countries infrastructure (transport + energy) as better access and communication is needed.

## How has economic development changed India's geopolitical role?

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| **With Asia (Regionally)** | There are tensions with Pakistan over disputed territory between them and HEP projects as it could take away irrigation water away from Pakistan. |
| **Globally** | India wants to become a member of the UN Security Council and more influence in the World Bank. India belongs to the G20, a group of the worlds largest economies (including USA and some EU nations) which try to improve international cooperation on a range of issues e.g.. Climate change, education and Science. India's geopolitical influence has increased. |

## Demographic Change in India due to rapid economic growth

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| **Urbanisation** | India's urban population has doubled between 1991-2014 as a result of rural-urban migration driven by opportunities in the city. |
| **Urban expansion** | This has occurred due to construction of new apartments for the young professionals to work in. |
| **Fertility rate** | Has fallen as women are more educated and focus on their career meaning they marry later and have less children. |
| **Death rate/Infant mortality rate** | Decreased as the number of hospitals and doctors have increased and access to safe water has increased. |
| **Population Structure** | Lower fertility rate means there are less young people. As there is less young people (dependents) the dependency ratio is now lower. |

Demographic change has created regions with different socio-economic characteristics (wealthy/highly educated and poor/uneducated)**.** India has a growing middle class (the winners) that have benefitted from the opportunities due to FDI and economic growth. This is around 200 million people but there are still 1 billion people who are not well paid. India is now one of the biggest economies in the world.

**The losers of globalisation:** Garment workers in sweat shops work extremely long hours for extremely low wages as poverty is so widespread. It is cheaper to employ younger women so older women, returning from raising a family are discriminated against.

**Problem:** India has extremely poor water, electricity and education infrastructure but the government can't afford to improve these as they have attracted TNCs offering low/no taxes. Private companies could provide these services but they don't as most of the population are too poor to afford them.

The benefits of economic growth have not benefitted the majority of people and are mainly concentrated in urban areas. This is where the multiplier effect has taken place. They have not spread out to the rural areas, where 2/3 of the population live. Development has been unequal. Urban core regions have a much higher GDP and quality of life than rural periphery areas. **Income inequality between the rich and poor continues to rise. India has a higher number of people living below the poverty line than any other country in the world.**

| Maharashtra state containing Mumbai – The Urban Core | Bihar – The Rural Periphery |
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| Economic growth from:<br>• FDI from service industries.<br>• FDI from manufacturing.<br>• A booming construction industry building factories, offices and accommodation. | Far from cities – no investment from TNCS = no multiplier effect = low GDP per capita = many people cant afford basic services e.g. electricity so there is no existing infrastructure for factories/offices etc. Many people are subsistence farmers with a low literacy rate. This does not attract investment from the service industry where you need to be able to use a computer, read/write and speak English. |

# What are the Different Approaches to Development?

## Top-Down Development

When decision making about the development of a place is done by government or large companies.

Top-down schemes are usually large and expensive so they often involve overseas loans from **inter-governmental organisations (IGO's)** such as the World Bank or TNCs.

### Advantages

- Expert decision-makers identify a country's needs or opportunities to develop.
- The process of "trickle-down" benefits everyone. Jobs and wealth trickle-down from the top and benefit the poor.
- Top-down projects are unaffordable without the support of government and TNCs.

### Disadvantages

- Changes are imposed on people. They are told about plans but have no say in how or when they happen even though they will be directly affected (often negatively).

### Example: The Sardar Sarovar Dam.

- Rainfall over India is uneven and infrequent. The north west of India is so dry it is classed as semi-desert. It doesn't rain between November-March. Between May-September India receive heavy, monsoon rains. Dams allow this seasonal rainfall to be stored for the dry season.
- The dam is currently one of the largest in the world at 80 metres high hut that are plans to increase this to 163 metres to increase capacity.

#### Advantages

- **Cities benefit:** The dam is multi-purpose. It provides 3.5 billion litres of drinking water and hydro-electric power to millions of people.
- **Farmers benefit:** The dam provides water for irrigation (artificial watering of land, allowing farming). of 1.8 million litres of farmland to areas that normally loose crops and animals to drought each year.

#### Disadvantages

- **Local residents lose:** 234 villages behind the dam have been flooded by the trapped water forcing, 230,000 people out. The local residents also can't afford the electricity produced by the dam. Only residents of the cities, miles away can.
- **Local farmers lose:** Good quality farmland has been flooded and farmers downstream from the dam now lack fertile sediment on their land, trapped behind the dam.
- **Western India lose: R**eligious and historic sites have been flooded.
- **People downstream lose:** Some believe the weight of the water behind the dam can cause earthquakes and could cause dam failure which would be catastrophic.

## Bottom-Up Development

Experts walk with communities to identify their needs, offer assistance and let people have more control over their lives, often run by non-governmental organisations (NGOs – charities)

They focus on using **intermediate technology.** This is technology that uses low-tech solutions using local people, labour and expertise to solve problems on a much smaller scale.

### Advantages

- People are offered assistance. They are in control of decisions affecting their lives.
- People are not be at a loss e.g. evicted to make room for the dam.

### Disadvantages

- The benefits are smaller scale.
- NGO's have much less finding than government and TNCs so projects have a smaller overall impact.

### Example: Biogas in Rural India

- Women and girls spent time collecting firewood which takes hours to collect each week and is increasingly short supply as the population grows. This stops women going to work and girls to school.
- Cow dung produces a gas called biogas which can be collected and used for cooking and generating electricity generators at night. The gas is piped into homes from a biogas plant (sealed pit).
- The poorest communities are using appropriate technology which is very sustainable.

#### Advantages

- Biogas produces smoke free kitchens (unlike firewood) so there are less lung infections.
- Girls now have more time to go to school as they don't have to collect firewood.
- The power from electricity generators can be used to pump water from underground.
- There are now 4 million cattle dung biogas plants which have created 200,000 permanent jobs in rural India.

#### Disadvantages