Topic 6

Dynamic Development

What is development?

Development is an improvement in living standards through better use of resources.

Economic	This is progress in economic growth through levels of industrialisation and use of technology.
Social	This is an improvement in people's standard of living. For example, clean water and electricity.
Environmental	This is advances in the management and protection of the environment.

Measuring development

There are used to compare and understand a country's level of development.

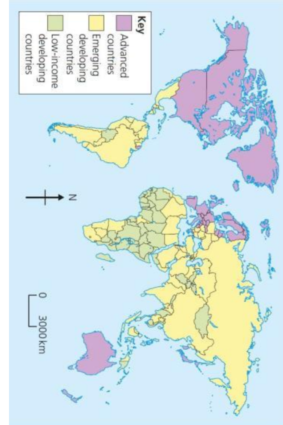
Economic indictors examples	
Employment type	The proportion of the population working in primary, secondary, tertiary and quaternary industries.
Gross Domestic Product (GDP) per capita	This is the total value of goods and services produced in a country per person, per year.
Gross National Income (GNI) per capita	An average of gross national income per person, per year in US dollars.

Social indicators examples	
Infant mortality	The number of children who die before reaching 1, per 1000 babies born.
Literacy rate	The percentage of population over the age of 15 who can read and write.
Life expectancy	The average lifespan of someone born in that country.

Mixed indicators	
Human Development Index (HDI)	A number that uses life expectancy, education level and income per person.

Variations in the level of development

LIDCs	Poorest countries in the world. GNI per capita is low and most citizens have a low standard of living.
EDCs	These countries are getting richer as their economy is progressing from the primary industry to the secondary industry. Greater exports leads to better wages.
ACs	These countries are wealthy with a high GNI per capita and standards of living. These countries can spend money on services.



Uneven development

Development is globally uneven with most ACs located in Europe, North America and Oceania. Most EDCs are in Asia and South America, whilst most LIDCs are in Africa. Remember, development can also vary within countries too.

Physical factors affecting development

Natural Resources

- Fuel sources such as oil.
- Minerals and metals for fuel.
- Availability for timber.
- Access to safe water.

Natural Hazards

- Risk of tectonic hazards.
- Benefits from volcanic material and floodwater.
- Frequent hazards undermines redevelopment.

Climate

- Reliability of rainfall to benefit farming.
- Extreme climates limit industry and affects health.
- Climate can attract tourists.

Location/Terrain

- Landlocked countries may find trade difficult.
- Mountainous terrain makes farming difficult.
- Attractive scenery attracts tourists.

Human factors affecting development

Aid

- Aid can help some countries develop key services and infrastructure faster.
- Aid can improve projects such as schools, hospitals and roads.
- Too much reliance on aid might stop other trade links becoming established.

Trade

- Countries that export more than they import have a trade surplus. This can improve the national economy.
- Having good trade relationships.
- Trading goods and services is more profitable than raw materials.

Education

- Education creates a skilled workforce meaning more goods and services are produced.
- Educated people earn more money, meaning they also pay more taxes. This money can help develop the country in the future.

Health

- Lack of clean water and poor healthcare means a large number of people suffer from diseases.
- People who are ill cannot work so there is little contribution to the economy.
- More money on healthcare means less spent on development.

Politics

- Corruption in local and national governments.
- The stability of the government can effects the country's ability to trade.
- Ability of the country to invest into services and infrastructure.

History

- Colonialism has helped Europe develop, but slowed down development in many other countries.
- Countries that went through industrialisation a while ago, have now develop further.

Consequences of Uneven Development

Levels of development are different in different countries. This uneven development has consequences for countries, especially in wealth, health and education.

Wealth	People in more developed countries have higher incomes than less developed countries.
Health	Better healthcare means that people in more developed countries live longer than those in less developed countries.
Education	More developed countries have better standards of education available than those in less developed countries.

Five stages of economic development.

	1. Traditional society	2. Preconditions for take-off	3. Take-off	4. Drive to maturity	5. Mass Consumptions
Rostow's model predicts how a country's level of economic development changes over time. The model also shows how people's standard of living improves.	Subsistence based. i.e. farming, fishing and little trade.	Manufacturing starts to develop with better infrastructure.	Rapid growth with large-scale industrialisation.	Economy grows so people get wealthier & have higher standards of living	Lots of trade with a high level of consumption.

Barriers to ending Poverty

Debt	Many LIDCs have huge national debts from burrowing from wealthy countries and organisations. With high interest rates, these debts are difficult to wipe out and can lead to a spiral of decline. This situation makes it difficult for these countries to invest in services and infrastructure.
Trade	Countries with a negative balance of trade, import more than they export make development difficult. Also ACs have TNCs that operate in LIDCs. These companies take profits away from LIDCs to ACs where their headquarters are.
Political unrest	Widespread dissatisfaction with the government can be caused by political unrest, corruption and a lack of investment and attention into services (i.e. education and healthcare).

Breaking out of Poverty

Countries can try various ways to reduce poverty and increase development. These often involve different types of aid that can either be short term or long term strategies.

Top Down	These are large scaled, government led and expensive schemes involving money borrowed from wealthier countries. Their is little community involvement but instead large scale projects.
Bottom Up	These are small scaled, local led and less expensive schemes. They involve communities and charities developing local businesses and housing.
Short term	This aid is sent to help countries cope with emergencies such as natural disasters.
Long term	This is aid given over a long period to help countries develop through investing in projects such as education and healthcare.
Trade	Fair trade can allow for fair wages. Also grouping with other countries in the form of trading blocs can increase links and increase the economy.
Debt Relief	Wealthier countries can cut or partly cut debt to countries that have burrowed money. This allows for money to be reinvested in development.

Positives and Negatives of Aid

Positives	Negatives
Allows for immediate or long-term investment into projects that can develop a countries prospects.	**Local people might not always get a say. Some aid can be tied under condition from donor country.**

Are LIDCs likely to stay poor?
Case Study: Zambia

Location & Background

Zambia is a LIDC in central Africa. A **landlocked** country. Zambia is a country in central Africa that was once a British colony. Life expectancy here is low and almost half of the country's population lives in poverty.

Current level of development

Indicator	Zambia	UK
GNI per Capita	$3,070	$43,160
Urban Population	36%	84%
Life Expectancy	52	81
Literacy Rate	80%	99%

Influences upon Zambia's development

Political

- The country has been a peaceful democracy since 1964. There is very little political unrest.

Social

- **1888** – Zambia was taken over as a British colony. Copper was discovered in the north of the country and Britain clamed the rights to mine it.
- **1964 –** Zambia gains independence.
- **1980 –** HIV/AIDS spreads across Africa. The death rate in Zambia increases and life expectancy falls.

Physical

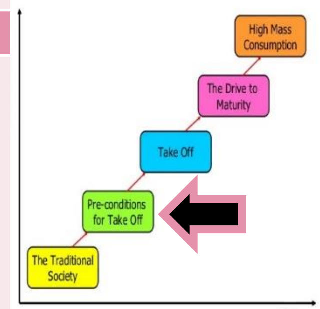
- Rainfall in the country is unpredictable. This makes agriculture difficult.
- Inaccessibility, water shortages and infestations make valuable land difficult to farm.

Economic

- Primary sector industries employ 55% of people most in copper mining.
- **1970** – The global price of copper falls.
- **2000** – The global price of copper starts to rise again.
- **2010** - Zambia begins to develop new industries like tourism, farming And hydro-electric power to reduce its reliance on copper.

Zambia & Rostow's Model

- The reliance on primary industries mean, Zambia is at stage 2.
- Better technologies & quality of life is allowing for pre Take off to emerge.
- Zambia is also starting to develop an international outlook by trading with China



Millennium Development Goals

Set by the UN to set targets to reduce poverty.
Zambia met 2 of its targets:

- 6: Combat HIV/AIDS, malaria and other diseases.
- 8: Develop a global partnership for development.

Zambia nearly met 2 targets:

- 2: Achieve universal primary education.
- 3: Promote gender equality and empower women.

Zambia didn't meet 4 targets:

- 1: Eradicate extreme hunger and poverty.
- 4: Reduce child mortality.
- 5: Improve maternal health.
- 7: Ensure environmental sustainability.

Investment from TNC

- Associated British Food is a TNC that operates in 46 countries including Zambia. In 2001, ABF brought Zambia Sugar, the company that produces most of the sugar consumed in Zambia.
- Zambia Sugar is the main employer in Mazabuka , providing seasonal work for sugar cane-cutters and work in the factory.
- The company also supports the town by providing free healthcare and schools for its workers.
- But The company benefits from generous capital allowance and tax-relief schemes in Zambia, but the investigation also found that it funnels around a third of its pre-tax profits to sister companies in tax havens, including Ireland

Aid in Zambia

In 2006 the IMF cancels Zambia's debt, enabling the government to spend more on services such as health and education.
NGO's like WaterAid have also invested in Zambia providing appropriate

Zambia relies on copper for 70% of its exports (Figure 1). This can be a problem because the global price of copper goes up and down. When the price goes up, so does production of copper but, when the price goes down, production falls (Figure 2).

The Zambian government wants to diversify the economy so that, in future, the country does not rely so much on copper. Over 500 Chinese companies now invest in Zambia in businesses ranging from mining to manufacturing, farming to tourism.

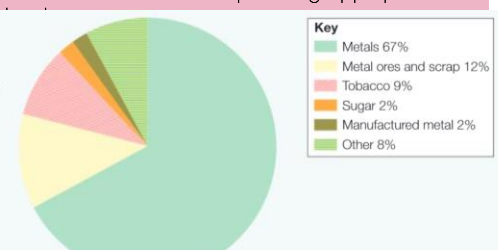


Figure 1 *Zambia's exports*