

## Growth and Development

Make a spidergram using the following words relating to growth or development

expansion	literacy rate	dependency theory
urbanisation	unemployment	recession
basic needs	life expectancy	slow down
rural-urban migration	modernisation	investment
capacity utilisation	agricultural surplus	output gap
over-heating	Least-Developed Countries (LDCs)	savings
production specialisation	developing countries	GDP
GDP per capita	under-development	birth rate
dualism	industrialisation	deflation
living standards	export-led growth strategy	import-substitution strategy

What is development? What is the finality of development?

*expectancy measured GDP political single economic indicators well-being rate*

Development is more than just about \_\_\_\_\_ progress. It includes a series of social, \_\_\_\_\_ and cultural considerations. There is no \_\_\_\_\_, universally recognised way in which a country's level of economic development can be \_\_\_\_\_ with any real precision. Rather, there are a variety of \_\_\_\_\_ which we can use to gauge the relative \_\_\_\_\_ of a country's inhabitants. These fall into two broad groups – monetary and non-monetary (or social) indicators, including \_\_\_\_\_ per capita, life \_\_\_\_\_ and a country's literacy \_\_\_\_\_.

Indicators of development include:

purchasing power parity GDP per capita (PPP GDP per capita)

daily calorie supply per capita

adult literacy rate

educational enrolment: primary, secondary and tertiary education

number of doctors per thousand inhabitants

female activity rates

access to clean drinking water - (UNDP: improved water sources)

energy consumption

Constraints on development

Poor natural resources

Geographic isolation

## Foreign Debt

Dependency on export commodities

War and Political unrest

Educational backwardness

The Aids “pandemic” in Southern Africa

Development theory has gone through numerous phases:

*basic intensive linear agricultural value*

Neo-classical economic theory tends to treat development as a \_\_\_\_\_ process, following the model of the industrialised world. Countries manage to expand \_\_\_\_\_ production and so generate surplus resources (food and labour) which can be invested in \_\_\_\_\_ industries. Traditionally these include textiles and heavy industries such as iron and steel, shipbuilding etc, which are labour \_\_\_\_\_. Then, countries seek to develop higher \_\_\_\_\_-added activities.

*channel challenged planning*

In the first three decades after WWII, this model was \_\_\_\_\_ for a number of reasons. Some were linked to the success of Soviet central \_\_\_\_\_, which promised the possibility of accelerating growth and development through the use of centrally controlled plans to \_\_\_\_\_ resources into growth sectors.

*commodities protected terms of trade dependency critiques underdevelopment*

Other \_\_\_\_\_ of the neo-classical model were based on the notion of “Third World” \_\_\_\_\_. According to this theory, the international division of labour led to a process of \_\_\_\_\_, as Third World countries were pushed into producing \_\_\_\_\_, whose \_\_\_\_\_ had a long run tendency to deteriorate. Such countries therefore became steadily poorer. To remedy this, a number of governments, especially in Latin America, adopted “Import Substitution Strategies”, which \_\_\_\_\_ home markets from foreign competition.

*export-led growth pioneered strategy*

This development \_\_\_\_\_ was not very successful, especially when compared to the \_\_\_\_\_ and development strategies pursued in Asia. These were \_\_\_\_\_ by Japan, which experienced rapid growth for decades after WWII.

*durables expanding regulated*

Thanks to a concerted national effort to export products into \_\_\_\_\_ international markets: first textiles and ships, and then consumer \_\_\_\_\_ (cars and consumer electronics). Similar policies were adopted throughout Asia. It was significant, however, that national markets were kept closed or tightly \_\_\_\_\_ at the same time.

*alignment implement influence integration*

The 1980s saw the start of a fairly broad \_\_\_\_\_ of development policies onto the export-led model, and in favour of economic \_\_\_\_\_ into the world economy. This policy was partly pushed by the Bretton Woods institutions, which gained great \_\_\_\_\_ in the developing world due to their management of the “Third World Debt Crisis”, and by a general move across the world to \_\_\_\_\_ trade liberalisation policies.