

The Development Gap

Measuring development

Development is all about how wealth and the quality of life of people living on our planet varies from place to place. Measured using **Social** and **Economic** indicators.



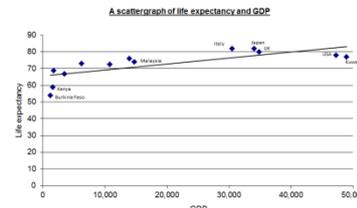
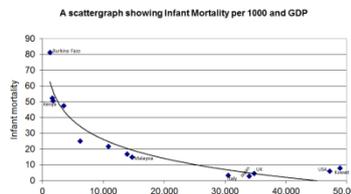
Social – “People” indicators	Economic – “Wealth” indicators
<p>Infant mortality - How many babies die per 1,000 live births per year.</p> <p>Life expectancy - The average age a person can expect to live to at birth</p> <p>Others – people per doctor, literacy rates, birth and death rates, access to safe water</p>	<p>GNP -Gross National Product – how much money a country earns as a population excluding business taxes.</p> <p>GNI per head - Gross national income is a measure of the country’s wealth. GDP is part of GNI.</p>

Combined - Human Development Index (HDI) – composite measure - life expectancy, GNI and an education index. Value between 0 (not developed) and 1 (most developed)

Can be **LINKED** or **CORRELATED**

Classifying development – by country

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- First** (democratic free market), **second** (Centrally planned or communist), and **third worlds** (poorer)
 - The North-South Divide** – split into rich north poor south. Criticisms - Inaccurate, dated, too general, not geographically correct
 - MEDC** – More Economically Developed Country - richer countries, industry and service jobs. **LEDC** - Less Economically Developed Countries - poorer countries - primary jobs such as farming and mining. **NIC** – Newly Industrialised Country - developed fastest - globalisation and technology transfer.
 - 5 fold division of wealth** – oil rich, ex-communist, Rich industrialised, heavily indebted, NIC



Quality of life and standard of living

Quality of life – non economic, human rights, hard to measure

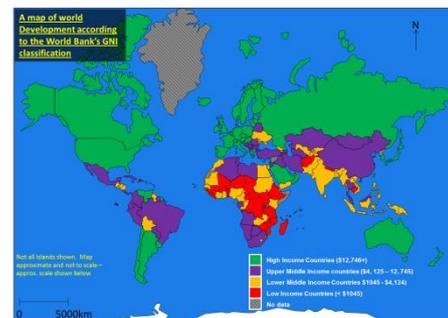
Standard of living – economic, linked to income and material wealth, purchasing power. Can be measured.

Generalisation – People in MEDCs concerned with S of L, LEDCs with Q of L via S of L

Inequality

An **inequality** is basically an **imbalance between people or places**. These are caused by;

- Environment - Climate related disease (e.g. Malaria), lack of natural resources, landlocked with bad neighbours, Natural and Climatic hazards
- Economic – Poverty Trap or cycle. UNFAIR GLOBAL TRADE – rich countries add tariffs to LEDC goods, control prices on markets and pay their industries SUBSIDIES
- Social – Lack of education, **water quality** – if poor can lead to disease e.g. Yellow fever, **Water supply** - limits agriculture and other development areas.
- Political – corruption, lack of stability, lack of governance, civil war all limit development



Haiti Earthquake – impact of natural hazard on development

Why? Port au Prince is on a fault line running off the Puerto Rico Trench, where the North American Plate is sliding under the Caribbean plate.

Background – Happened 10 miles southwest of capital, Port au Prince, Jan 12th 2010, shallow—10-15 kilometres deep. 7.0 - Richter Magnitude scale.

	Social	Economic	Environmental
Impacts	<ul style="list-style-type: none"> 316,000 people died More than a million homeless, 3 were affected. Buildings collapsed, Presidential Palace 	<ul style="list-style-type: none"> 250,000 residences and 30,000 commercial buildings had collapsed/damaged. The port, communication links damaged beyond repair The clothing industry, 2/3 Haiti's exports, was damaged. Estimated the 1 in 5 jobs were lost as a result of the quake 	<ul style="list-style-type: none"> Rubble from collapsed buildings blocked roads and rail links. Mass graves dug The port was destroyed. Landslides
Consequences for development	<p>Loss of productive workforce</p> <p>Homelessness and trauma</p> <p>Governance difficult</p>	<p>Development set back decades.</p> <p>Loss of export earnings from clothing industry</p> <p>High cost to rebuild.</p>	<p>Haiti isolated internationally</p> <p>Businesses impacted as communications damaged</p>

Management after the quake.

The US raised \$48million to help Haiti recover after the earthquake. The EU gave \$330 million and the World Bank waived the countries debt repayments for 5 years. 6 months after the quake, 98% of the rubble remained not cleared, some still blocking vital access roads. The number of people in relief camps of tents and tarps since the quake was 1.6 million, and almost no transitional housing had been built.

Imbalance in world trade

MEDCs produce **MANUFACTURED secondary goods** and do **research and development products** and **SERVICES** - high value

LEDCs produce lower value **raw materials** or farm goods such as Bauxite or cotton.

MEDCs make **rules** that limit poorer countries ability to compete – by paying their farmers **SUBSIDIES** to make their goods cheaper OR taxing Imports (an **import tariff**). This makes trade **UNFAIR**

LEDCs often have a lot of **DEBT** so it is hard for them to start up secondary industries

Reducing inequality

	Fair Trade	Debt reduction/abolition	Conservation Swaps
What?	Charitable business – pays farmers stable better prices for goods. FT Premium for social projects	LEDCs carry too much debt from 1970s. Interest made paying back impossible. UK cancelled some LEDC in 2000	MEDCs pay poor countries or cut their debt not to damage their natural environment
e.g.	Belize – Cocoa farming	UK and Jubilee 2000	Bolivia and Conservation International (CI) for US\$ 650000 which protected 3 natural areas

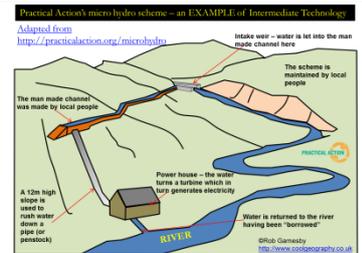
Reducing inequality – Aid

Aid - help given from one country to another; or one person to another, or from a charity. Aid can be given in the **short term** for emergencies, called CHARITABLE aid. Development aid is **longer term**, and seeks to help people in poorer countries raise their standard of living.

	+ve	-ve
Short term charitable aid	Feel good factor, bottom up, goes to communities, smaller scale, targeted, untied	Costs money, less impact on a country
Long term development aid	Focusses on big issues, big impact, ties countries together, encourages trade	Often "tied", unsustainable big projects like dams preferred, governments can be corrupt

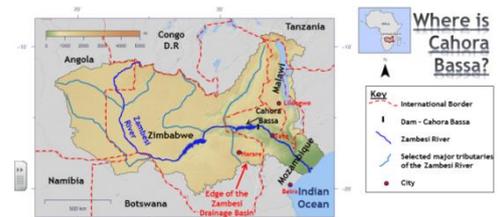
Reducing inequality – Appropriate technology & sustainable development

Sustainable development is "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Intermediate technology helps to try and make development sustainable – Appropriate to **People**, **A**ffordable, **P**lace, **S**ustainable (**PAPS**). E.g. Micro hydro in Kenya (**P** - locals built and maintained it, **A** - charitable funds paid for it, **P** - uses local water and 12m slope, **S** - will give LONG TERM clean energy)



CASESTUDY –Cahora Bassa – large scale aid

A big dam project. Aid from Portugal to Mozambique - one of the poorest countries in the world (Bilateral aid). Mozambique has low HDI, high infant mortality and low life expectancy. The dam blocks the 4th largest artificial lake in Africa, and is one of 3 major dams along the mighty Zambezi River which passes through Congo, Angola, Zimbabwe and finally Mozambique. It has created a lake that is 292km long, up to 32km wide and a maximum of 157m deep.



Pros	Cons
<ul style="list-style-type: none"> Provides an important power import facility to the South African grid. It transmits 1920 MW of power from the Cahora Bassa generating station on the Zambezi River in northern Mozambique. Power is sold to South Africa, which boosts the national economy The dam has enough potential to meet most of Mozambique's power needs 	<ul style="list-style-type: none"> Only 1% of homes in RURAL Mozambique have a direct electricity supply, so locals have not benefitted from the energy produced by the dam. River flows are very low because of the dam The local shrimp industry has been destroyed BUT a Kapenta fishery industry has developed

The EU – contrasts

The EU – group of 28 countries, expanded in 2004, has a parliament and elections, freedom of movement, trade freely together with no taxes on the trade.

Differences exist between core – The NW including UK, France, Germany and Belgium etc. and Southern Europe and Eastern Europe.

Example – Poland and UK

Reasons –Poland later entry to EU so less time to benefit, harsher winters impact agriculture, long time to adjust after communism collapsed in 1989, Communism left inefficient industries, Mountainous to south. UK more part of Global core –London has stock exchange etc.

The EU – management of inequalities

EU tries to even out development by;

- The Common Agricultural Policy (CAP)** - money paid to farmers to guarantee agricultural employment and wages, guarantee food production, stabilise food prices
- The European Investment Bank** –bank of the EU -invests in EU businesses and ideas - invested €9 billion into Innovation up to 2012
- Urban II Fund – Money put into cities across the EU to improve them** - 2000-06 €1.6 billion put into cities with a population of some 2.2 million.
- Structural Funds** money used to narrow the gaps in development among regions and Member States. 2007-2013, the budget allocated to regional policy amounts to around € 348 billion. **In Newcastle** – Newcastle science city, Newcastle enterprise package, the Toffee Factory, The Beacon, Millennium Bridge all paid for with the help of EU cash as we are an area "lagging behind"

	Poland	UK
Date of entry into the EU	2004	1973
GDP	9,600	27,900
Life expectancy	76.25	80.15
Number of doctors per 1,000 people	2.1 per 1000	2.7 per 1000
Unimproved sanitation access	10%	0%
GDP spent on Education	4.9%	5.5%
Unemployment rate	12%	7.8%
% below poverty line	17%	14%
Population in Millions	38.4	63



