The definition of development

Technology, Development

Development may denote different things to different people, and development may vary in the context which it is being used. Therefore, there is the need to agree on the definition of development and the criteria which can be used to evaluate whether a country is developing or not. This essay will look at the various meanings of development and also touch on one of the three main senses which are used to assess development. The various criteria which are being used to measure development will be explained and examined, with reasons for and against on how adequate the criteria are to measure the extent to which development has occurred.

Development in a simple term means growth plus change. Development may be regarded as a goal towards which countries strive, and also a process which involves casual relationships.

During the 19the century, development was seen as the experience of countries which were already industrialised for example Britain, United States, Japan, and France. Economists stressed the importance of savings and accumulation of capital for economic growth.

Development according to Smillie (1995) 'is a product of many things: good education, effective health and welfare services, good and open government, environmental sustainability, high rates of savings and investment, a dynamic private sector, a vibrant civil society and a healthy trading regime are all required'.

Seer (1969) described development as 'eliminating poverty, unemployment, and inequality' while Chambers defined it as 'good change' (1997). The latter consists of two different meanings.

Thomas pointed out that 'good' implies a vision of a desirable society; something to aim at and a state of being with certain positive attributes which can be measured and brings about the term 'more' or 'less' developed. On the other hand 'change' is a process which entails disruption and which may or may not be possible to direct.

Development as defined by Todaro et al (2003, p. 22) is both a physical reality and a state of mind in which society has, through some combination of social, economic, and institutional processes, secured the means for obtaining a better life. Development as Sen pointed out, cited in Allen et al (2000, p. 34) is not just " combating or ameliorating poverty, but restoring or enhancing basic human capabilities and freedoms". This is seen as participation and empowerment. Empowerment is a process by which individuals, typically including the 'poorest of the poor' are to take direct control over their lives.

The term development can be used in three main senses. The senses are: as a vision, description or measure of the state of being of a desirable society; as an historical process of social change in which societies are transformed over long periods; and as consisting of deliberate effort aimed at improvement on the part of various agencies, including governments, all kinds of organizations and social movements. The focus of this essay will be on development as a vision, since it is the sense which can be used to describe or measure the extent or state of being of a society.

Development as a vision is seen as goals for development efforts while development as a state of being lends itself to measurement. Some of the criteria which can be used to measure development bring us to the term more or less developed. This is usually done using tables showing how developed countries are according to various criteria and development indicators. Development can also be seen as following in the footsteps of the West which leads us to the issue of development being viewed in terms of modernization.

Western countries have undergone industrial revolution, which has lead to economic development. Economic development is said to be a process whereby the real per capita income of a country increases over a long time, subject to the stipulation that the number of people below an absolute poverty line, does not increase, and that the distribution of income does become more unequal.

Development in economic terms can also mean the capacity of a national economy, whose initial economic condition has been more or less static for a long time, to generate and sustain an annual increase in its gross national product (GNP) at rates of perhaps 5% to 7% or more. Economic development brings about transformations through industry and industrialization. The combination of capitalist industrialization with liberal democracy is seen by many as now the only viable model for development.

Seer (1979) as cited in Allen et al (2000, p. 33) challenged the vision of development based on productivity, growth and increasing GNP per capita. He argues that this type of economic development does not reduce poverty and does not meet other human needs such as the capacity to obtain physical necessities, a job, and equality.

Development progress in different countries can be assessed, using the World Bank measurement indicator, the gross national product. The GNP uses market valuation and is in practice a measure of national income. GNP per capita gives an indication of the average material living standard of a nation's people. An increase in GNP per capita means development because it implies an increase in prosperity or economic well-being and hence less poverty. Unemployment and poverty is associated with income, and an increase in per capita income is not enough to reduce unemployment en poverty. A reduction in poverty, unemployment and inequality can be regarded as a period of development for any country.

Development can be assessed in many ways; the World Bank and the United Nation Development Program have a clear contrast between the main indicators of poverty and development. The World Bank concentrate on income measures and they stress labour intensive economic activities, while UNDP views poverty and development as multi-dimensional and emphasises development in the social services like education and health. This essay will examine three of the criteria: GNP, Income Distribution and Human Development Index which are been used to assess development.

GNP is the total domestic and foreign value added claimed by a country's residents. GNP per capita has limitations because it does not give a detailed account of how income is distributed within a country. This is due to the fact that the distribution of income is difficult to measure due to technical and political reasons. Statistics can be used to measure income distribution, but we can see that less developed countries have greater inequalities in income than industrialised countries.

It is also notable that a few richer people in a country can give the GNP per capita a false picture, whereby the figure does not correspond to the wealth of the masses of people living in this country.

The use of Purchasing Power Parities (PPP) is a more adequate method of measuring income gaps between rich and poor nations. This is because Purchasing Power Parities makes use of a common set of international prices for all goods and services produced, valuing goods in all countries at U. S. prices. This means that a number of units of a foreign country's currency required to purchase identical quantity of goods and services in the local less developed countries market as $1 would buy in the United States.

GNP is accounted for by non-traded goods and services. Examples are restaurant meals and agricultural products. These goods and services are underestimated by GNP, whereas GNP overvalues whatever is commercialized, individualized and organized. This means if domestic prices are lower in less developed countries, PPP measures of GNP per capita will be higher than estimates using foreign-exchange rate as the conversion factor. For example, China's 1997 GNP capita was only 2. 7% of that of the United States using the exchange-rate conversion but rises to 12. 5% when estimated by the PPP method of conversion.

Other limitations of GNP are: failure to incorporate broader welfare consideration, its failure to account for depletion of natural resources and environmental degradation, the non-market production such as subsistence sector which is not included, and it does not provide any information about income distribution and poverty.

When comparing Guatemala and Sri Lanka we can see several indicators of development for these countries in 1995. Although, the per capita GNP of Guatemala was higher than that of Sri Lanka, in terms of inequality, health and literacy, the latter is seen as a better place to live. From this we could conclude that per capita GNP gives us just a narrow definition of what economic development really means.

Income distribution relates per capita income and the number of people living in poverty. Poverty may differ according to the norms of a particular society. Income distribution figures are based on a survey which is carried out using the household as a unit rather than individuals. This in turn tends to pose two difficult problems.

Firstly, because larger households tend to be poorer, this makes the income per head to be more unevenly distributed than income per household. This leads to an invisibility of inequalities within households. For example if men get the meat, if boys get better educated, or if girl babies tend to be weaned earlier, then statistics based on households will not give a correct impression of individuals in absolute poverty.

Secondly, the use of market valuations in measuring income per capita gives rise to at least two different problems when relating this measure to poverty levels. GNP, which is a measure of production, is given in an international currency which is freely exchangeable and tenable everywhere in the world, for example the US dollar. The same wage represented by the average GNP per capita in a local currency does not have the same purchasing power for commodities at local prices. For example a Sudanese on an annual income the equivalent of US$365 (one dollar a day) might subsist somewhat better than a US citizen with only a dollar a day, in the USA, so long as local Sudanese prices for basic needs were lower than international prices.

One of the most adequate and latest means of measuring development socially and economically is the Human Development Index introduced by the United Nation Development Program (UNDP). The HDI ranks countries on the scale of 0 (lowest human development) to 1 (highest human development) based on three goals or end products of development: longevity as measured by life expectancy by birth, knowledge as measured by a weighted average of adult literacy and mean years of schooling and standard of living as measured by real per capita income adjusted for the differing purchasing power parity (PPP) of each country's currency to reflect cost of living and the assumption of diminishing marginal utility of income.

The HDI ranks all countries into three groups: low human development (0. 0 to 0. 499), medium human development (0. 50 to 0. 799), and high human development (0. 80 to 1. 0). Achievement in each area is measured by how far a country has gone in attaining the following goal: life expectancy of 85 years, adult literacy and enrolments of 100 percent, and real GDP per capita of $40, 000 in purchasing power parity terms. The advantage of the Human Development Index relative to the development diamond method is that it allows countries to be ranked in order of their achievements in human development. In the recent ranking, based on 1997 data, the top five countries were Canada, Norway, the United States, Japan, and Belgium. The bottom five countries were Sierra Leone, Niger, Ethiopia, Burkina Faso, and Burundi. The top five developing economies were Singapore, Hong Kong (China), Brunei, Cyprus, and the Republic of Korea. The disadvantage of the Human Development Index is that it does not allow us to judge the relative importance of its different components or to understand why a country's index changes over time- whether, for example, it happens because of a change in GNP per capita or because of a change in adult literacy.

Today development is viewed more in economic terms and it is hard to get hold of a single indicator that will provide all the information that is important and relevant to development.

This leaves us with the conclusion that any indicator will be an imperfect measure of development, but an awareness of the disadvantages of this indicator and the effort to close up this difference might be a suitable solution. Development can either be affected by internal or external barriers. Internal barriers tend to block change which leads to a negative economic growth and development. This is as a result of income which is unequally distributed.

External barriers can be brought about by the functioning of international institutions, such as the World Bank and geopolitical and strategic interests of larger economic powers.

Development can no longer be viewed in terms of previous assumptions, because developing and developed countries today are faced with more problems ranging from health, poverty, unemployment, environmental pollution, education and many more. So if this assumption is right, in what way is the United States or Britain more developed than South Africa or Nigeria?