INDICATORS OF DEVELOPMENT
INDICATORS OF DEVELOPMENT

• As was discovered in the previous section on Development Issues, there are two distinct groups of countries, known as MEDC’s and LEDC’s.

• In order to understand the distinction between LEDC’s and MEDC’s we will look at various ways of measuring development, as well as the various development indicators.
INDICATORS OF DEVELOPMENT

• What is it that distinguishes an LEDC from an MEDC?

• List as many indicators as possible:
1. ECONOMIC INDICATORS

• The obvious starting point is that LEDC’s are often referred to as being poor, while MEDC’s are known as being wealthy.

• Some economic indicators include:
  – GDP – Gross Domestic Product. GDP is the value of all goods and services produced by a country in a year.
  – GDP/Capita – a useful indicator showing the GDP value when divided by the total population.
    • LEDC’s GDP/Capita may be between $1200 - $3000
    • MEDC’s GDP/Capita ranges from $10 000 upwards.
ECONOMIC INDICATORS

- Economic Sectors is another important economic indicator: (the economic sector where people are employed)
  - Primary Sector – Extraction of raw materials from the environment. EG: farming, fishing, mining, forestry.
  - Tertiary Sector – Service industry. EG: doctors, lawyers, teachers, accountants, retail.
  - Quaternary Sector – Technology and research. EG: Medical research companies, Satellite technologies. CSIR and Innovation Hub are good examples in Pretoria.
ECONOMIC INDICATORS

• LEDC’s will have the majority of people employed in the Primary and Secondary sectors.

• MEDC’s will have many people employed in Tertiary and Quaternary sectors.

• Less money is earned in the Primary sector as Raw Materials command much lower prices than finished products and services.
ECONOMIC SECTOR

- LEDC
  - Primary
  - Secondary
  - Tertiary

- MEDC
EMPLOYMENT

• LEDC
  – Subsistence farming or fishing is often prevalent
  – This means that the activity takes place on a small scale.
  – Very little money is earned – most of the produce will be used by the family/community with very little left to sell.

• MEDC
  – Primary Activities will most likely be COMMERCIAL in nature.
  – The activity takes place on a large scale, often with sophisticated equipment and machinery.
  – Produce is sold and the aim is to make a profit.
SUBSISTENCE vs COMMERCIAL

• SUBSISTENCE FARMING
• COMMERCIAL FARMING
THE INFORMAL SECTOR

• In a country such as South Africa, where unemployment figures are high, many people earn a living in the informal sector.

• This often happens at homes, in the backyard or on roadsides.

• Some examples include: Hawkers, vendors, “spazashops”, backyard mechanics, etc.

• Make a list of informal sector activities in your area.
THE INFORMAL SECTOR

• Informal traders do not pay taxes or have large overheads, so usually whatever profits they make, they take home.

• Informal traders contribute to the economy in the sense that they help to alleviate unemployment.
2. Quality of life

• Quality of Life vs Standard of Living
  – Class Discussion

  – Quality of life: Basic Needs and Rights, eg:
    • Running water, Electricity, etc
    • Basic human rights (eg: Women in Afghanistan)
    • Housing

  Standard of Living: Material Wealth:
    • Expensive House, car, etc
    • Overseas holidays
    • Fancy clothing, etc
INDICATORS OF QUALITY OF LIFE

• Human Development Index (HDI)
  – Health care
  – Education and literacy levels
  – Life Expectancy
  – Number of doctors per person
  – Daily calorie intake per capita
  – Infant mortality
  – Access to clean water
HEALTHCARE

• Access to healthcare and doctors is an important indicator.

• This may affect many other indicators such as infant mortality and life expectancy.
HEALTHCARE

• Life expectancy in many MEDC’s may be 80 years +
• This high life expectancy is often due to factors such as:
  – Nutrition – the population is wealthy and has access to their daily nutritional needs.
  – In many LEDC’s 1 meal a day is a reality for millions of people.
  – In LEDC’s malnutrition is a leading cause of infant mortality
HEALTHCARE

• Life expectancy is also affected by disease:
  – In many LEDC’s diseases such as AIDS, TB and Malaria still claim millions of lives.
  – Even in a country such as South Africa, the life expectancy is very low due to the effects of AIDS.
  – Countries with the lowest life expectancy include:
    • Swaziland 32 years
    • Mozambique 42 years
    • Zimbabwe 46 years
    • South Africa 50 years

(Stats obtained from CIA World Factbook 2011, and may vary slightly)
HEALTHCARE

- Infant mortality refers to how many children survive past the age of 5.
- There are many factors that influence this, but may include malnutrition and lack of basic healthcare such as inoculations and immunizations, as well as lack of healthcare specialists.
EDUCATION AND LITERACY

• Literacy usually refers to the % of the population over 15 who can read and write.

• In MEDC’s this figure is close to 100% while in LEDC’s it may be 50% and lower.

• Literacy levels influence a person’s ability to study further and to find a job.
ACCESS TO CLEAN WATER

• This may be the single biggest factor affecting LEDC’s.

• Many diseases are spread through water, and access to clean water may eradicate this issue.

• As the quality of our water deceases worldwide, it will become even more difficult to ensure that the world’s poor have access to clean drinking water.