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### Introduction

Theories and measures of development are quite new to me. Economic factors and measures are particularly new to me. As an adult literacy specialist my background and education is primarily religious and educational in nature. Investigating theories and measures of development has been very helpful for me as it has given me a clearer understanding of what is development. On the other hand it has also opened up many areas that I have never contemplated and so development has suddenly become, in my mind, much bigger than I originally thought.

In this paper I do not seek to explain all the theories and measures of development but instead I will highlight some information and insights that I found useful and helpful. I will talk in general global terms as well as local national terms. I will explain how understanding a little about theories and measures of development has increased my understanding of the struggles of the indigenous peoples with whom I work here in Peru.

### Measures of Development

Gross National Income (GNI) is a simple starting point for defining and measuring development. The diversity that is found in the World Bank's GNI figures is simply difficult to wrap one's mind around. This is particularly disturbing when we consider that in most LICs (Low Income Countries) the gap between the rich and poor is very large and the poorest of the poor have annual incomes significantly lower than what is found in the GNI. GNI is very limited because it does not take into consideration social factors; although it is clear that social factors do affect GNI.

GNI and GDP (Gross Domestic Product) are both strictly economic measurements and are limited by many factors in being able to identify levels of development. PPP (Purchasing

Power Parity) gives us some help in making these measurements more accurate but still they do not give a good picture of the level of development in a given country.

The HDI (Human Development Index) is a great answer to the limitations of the strictly economic measures. By combining economic data with social data the United Nations Human Development Index gives us a much clearer and holistic view of the state of development around the world. Many interesting comparisons can be made between countries that have very different HDI rankings but have the same GDP. Likewise we can compare those with the same HDI ranking yet different GDP rankings. One thing that is clear from the HDI is that both economic and social factors are responsible for poverty and underdevelopment. The HDI gives countries a much broader tool for measuring their development and helps them direct their policies to the areas of greatest need.

#### Application to Peru

Since my experience in the developing world is primarily limited to Peru I am going to consider Peru's development in this section. I will begin by discussing its struggle with distribution of wealth.

Peru is similar to many LDCs (Less Developed Countries) in that it has a substantial gap between the rich and poor. When using only income figures one would find that the poorest fifty percent of the population are rural farmers. Those with higher incomes are always from the city (with the exception of a handful of successful winegrowers and other highly profitable agricultural ventures.) The rural poor are poor yet they have a higher quality of life (this tends to be a relatively subjective measure) than the urban poor even though this is not reflected in any statistics involving income. Harder touched on this when he clarified the difference between a subsistence economy and a market economy (1998). In Peru both types of economies exist side

by side. Approximately half of Peru's population is rural and lives in a subsistence economy. The other half is urban and lives mostly in a market economy.

Most of the urban poor in Peru have come to the city within the past generation or two. The country has been transitioning in the past few decades from a rural, subsistence economy to an urban-based, market economy. The country has been plagued by issues of injustice and corruption at all levels of government and business. This is partially due to the fact that the human factor (HF) has not been able to keep pace with the growing market economy (Harder, 1999).

Peru has had varying experiences with direct foreign investment (DFI) from transnational corporations (TNC). They have changed their approach to TNCs several times and as such have made many TNCs leery of investing in Peru. Most recently the former president (up until June, 2006) made a free-trade agreement with the US in order to increase DFI and increase exports. This decision caused rioting throughout the country as poor farmers feared that cheaper food products would then enter the market. This issue then became a major issue in the 2006 presidential election as one candidate dominated by promising to rid the country of foreign corporations. This appealed to the masses of rural poor who rarely see any benefit from DFI. This same debate has been happening in other Latin American countries (Venezuela and Bolivia) some of whom have recently started the process of taking control of their oil and gas industries.

### Common Goals and Struggles of Developing Nations

The developing nations of the world vary greatly in many aspects. But there are many goals and struggles that are found in these countries that are common throughout the world. I do not like to generalize by saying that all developing nations have these goals and struggles but I

know it is generally true and it is very helpful as we analyze these problems and develop global policies. Todaro and Smith give a good list of these common goals and struggles (p.41).

These two lists demonstrate that we can clearly speak about developing nations from a broad global perspective. My experiences in Latin America affirm this. Out of these lists I am most drawn to contemplate the struggle developing nations have with inappropriate and out of date educational systems. I believe that dealing with educational issues will positively affect many of the other struggles.

#### Literacy and Economic Development Models

As a literacy worker it is good for me to understand where and how literacy and education fit into the process of development. My specialty is community based adult literacy programs for indigenous language groups. The type of literacy work that I am involved in is bigger than simply giving people the skills of reading and writing. It is very much grassroots development. It empowers people (usually women) to become more active participants in the world around them. When a mother learns to read she is more likely to ensure that her children go to school. This does not necessarily happen when a father learns to read. Literacy is one part of the development puzzle and yet it is a very foundational part of the puzzle.

#### Ethnic Diversity and Development

Todara and Smith bring up the issue of ethnic and religious composition as it relates to economic development. I believe strongly that God has created all 6700 or so languages in the world because he enjoys them. The linguistic and cultural diversity that is found in many developing nations is something to celebrate. But ethnolinguistic diversity seems to be a hindrance to development. The most culturally diverse countries in the world are also some of

the least developed. Why is this? Why is it that being born to a minority indigenous group almost guarantees that you will be poor and discriminated against?

One simple idea is that the greater the diversity the greater chance there will be for internal strife and political instability (Todaro & Smith). For example, many of Asia's booming economies are very much culturally homogenous. Where countries have ethnic diversity and growing economies it would be safe to assume that the ethnic minorities are not experiencing much direct benefit from it. Canada is no exception to this trend. You only have to visit a couple of reservations in Canada to see that our own First Nations peoples are not experiencing the levels of development that the rest of Canada is experiencing.

Ethnolinguistic diversity has traditionally inhibited economic and social development because it negatively affects communication. Not only do people speak different languages but they also hold extremely different values and worldviews. In a country like Peru where there are about 90 unique indigenous languages, which represents over 50% of the population, it is extremely difficult to develop social programs that meet everyone's particular needs. Spanish is the language that is used in most of the country to communicate across these linguistic boundaries but the level of Spanish spoken by most rural people is very basic. Hundreds of thousands of people in Peru do not speak any Spanish. Yet simply asking people to leave their culture and language in order to seek greater economic opportunities does not seem right.

With globalization comes a subtle but strong push for countries around the world to adopt Western values and usually a European language as well. Here in Peru most indigenous people see being born into their culture and language as a curse rather than a blessing. They see it as something that holds them back and limits their possibilities in life. I understand why people

from ethnic minorities want to enculturate themselves into the national culture. Yet it is possible for them to become bi-cultural and this is the ideal that we strive for in our literacy programs.

### Questions on Spirituality and Development

What about spirituality? Does God bless nations? This seems to be a common idea in American Christianity, but how true is it? Can we say that God has blessed the United States and Canada because we somehow established our nations on godly principles? If this is true, then why are secular countries like Switzerland and Norway doing so well from a development perspective? What does God call us to do as a church? Are we called to change nations into booming economies that will simply embrace our Western materialistic ways? Or are we simply called to alleviate suffering in the world?

I believe that nations that are built on godly values such as trust, integrity and compassion will naturally prosper. Whether or not God blesses nations who follow Him is up to God to decide. But we must be careful not to equate material prosperity with God's blessing. God is more concerned with who we are than what we have.

I think that we as Christians involved in development work need to remember that we are called to look after the widows and orphans, not necessarily create booming economies. As we seek to care for the widows and orphans we will be helping establish social programs and structures that will have an impact on the overall development of a country. If we start with focusing on increasing a nation's economic position we must do it for the expressed purpose of caring for the widows and orphans. Economic development is a means to an end, not an end in and of itself.

### Conclusion

It seems clear that countries around the world are increasingly interdependent. Those nations that are wrestling to break out of their struggle with poverty and debt cannot experience a transformation in isolation. There needs to be changes in international policies and the economic order that help these nations in their process of development. It is important that these developing nations take ownership of the process and make it their own instead of simply trying to copy what has been done in other countries.

It is important that the task of development not be limited to one approach. The developing world needs TNCs and DFI as well as grassroots development efforts. I do not believe that we should focus on one to the exclusion of the other but that we seek to find a balance that will be of greatest benefit to the poor and disadvantaged.

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