Development

Development is the progress of a country in terms of its economic growth, use of technology and quality of life. It can be measured in various ways.

Economic Measures of Development

A country's level of development can be measured based on its **gross national income (GNI)** per head. GNI is the total income earned by a country in a year. GNI per head is value of a country's final income in a year divided by its population. It is the average income of a country's inhabitants.

Key
- High-income countries (HICs)
- Newly emerging economies (NEEs)
- Low-income countries (LICs)

Map labels: CANADA, USA, MEXICO, BRAZIL, UK, GERMANY, RUSSIA, CHINA, INDIA, AFGHANISTAN, CHAD, AUSTRALIA

GNI per head, or per capita, can be used to classify countries into three broad groups.

High-Income Countries (HICs)	• HICs had a GNI per capita of at least $12,236 in 2016. • People generally have a good quality of life. **Examples: UK, USA, Germany and Australia**
Newly Emerging Economies (NEEs)	• NEEs are experiencing rapid economic growth. • People have an improving quality of life. **Examples: Brazil, China, India and Mexico**
Low-Income Countries (LICs)	• LICs had a GNI per capita of $1,005 or less in 2016. • People generally have a low quality of life. **Examples: Chad, Haiti, Afghanistan and Uganda**

Using only economic data to determine development has its limitations. For example, the GNI per capita of a country that has a small number of extremely rich people but lots of poor people would be misleading: the income of the rich would inflate GNI per head, giving the impression that the country is more developed than it is.

There are also lots of problems relating to data accuracy. Data can be difficult to collect, and some countries cannot or do not include all earnings in their GNI calculations. Furthermore, GNI is measured in US dollars, so data can become outdated quickly when exchange rates fluctuate.

Social measures of development include birth rate, death rate and infant mortality. Generally, there is a strong correlation between social measures and economic measures.

Measure	Germany (HIC)	India (NEE)	Chad (LIC)
Birth Rate The number of births per 1,000 people each year	9.0	19.3	43.86
Death Rate The number of deaths per 1,000 people each year	11.3 (high due to ageing population)	7.3 (low due to young population)	13.2
Infant Mortality The number of deaths of infants under one year old per 1,000 births each year	3.3	36.2	76.8
People per Doctor The average number of people per doctor	250	1,380	23,000
Access to Safe Water The percentage of people who have access to clean drinking water	100%	94.1%	50%
Life Expectancy The average number of years that a person can expect to live	81	68	52
Literacy Rates The percentage of people in a population who can read and write	99%	72%	40%

Based on 2015 figures

The Human Development Index (HDI)

To ensure development is measured effectively, a variety of both economic and social measures should be used.

The HDI is a composite index that measures life expectancy, education and per capita income indicators. It ranks countries on a scale of 0 (least developed) to 1 (most developed).

			Scores
1		Norway	0.949
2		Australia	0.939
2		Switzerland	0.939
186		Chad	0.396
187		Niger	0.353
188		Central African Republic	0.352

Based on 2016 estimates for 2015 (UNDP)

Investment

Large companies can invest in LICs and NEEs to create jobs, opportunities, infrastructure and expertise. This is known as foreign direct investment (FDI).

Royal Dutch Shell employs more than 4,500 people in Nigeria – 95% of whom are Nigerian.

Microfinance Loans

Microfinance loans are provided to people in LICs who otherwise may not be able to get a loan. These loans are often used to set up businesses or to invest in and grow businesses.

The Grameen Bank in Bangladesh has provided loans to over 9 million people – 97% of whom are women.

Tourism

LICs can use their unique natural resources such as their climates, landscapes and wildlife to develop a thriving tourism industry. This can create investment and jobs for local people.

Tourism accounts for 24% of Jamaica's gross domestic product (GDP) and over 7% of its total employment.

Intermediate Technology

Intermediate technology involves the use of simple, affordable tools and machinery suitable for LICs and NEEs. Unlike high-tech alternatives, they are cheap and easy to use and maintain.

Solar box cookers in rural parts of India and Kenya produce clean and sustainable energy for domestic cooking.

Aid

Aid is the money or resources given by one country to another. It is often used to fund development projects, such as building schools or providing clean water.

The UK Government spends 0.7% of its national income on overseas development projects including those in Sierra Leone and Syria.

Industrial Development

Industrial development enables LICs and NEEs to invest in their primary industries and increase manufacturing. This increases productivity, generating more wealth for the economy. This also improves their gross national income (GNI).

In Mozambique, just six years of industrial growth (2002–2008) reduced the proportion of people living in poverty by 15%.

Debt Relief

Debt relief involves lowering the interest rates or cancelling the debt owed by struggling LICs or NEEs. This enables countries to concentrate on development and economic growth.

The World Bank has approved $76 billion in debt-reduction packages for 36 countries, including the cancellation of the Republic of Congo's $1.9 billion debt in 2010.

Fair Trade

Fair trade ensures that farmers in LICs and NEEs get a fair price for their produce, so they can provide for their families. It also aims to improve trade terms and working conditions.

More than 85% of the bananas produced in the Windward Islands are fair trade. Fair trade in Columbia has increased household income for banana farmers by an average 34%. Also, 98% of farmers said that their quality of life has improved.