

# Unit 13

## Concepts of Development

### Industrial & Economic Change

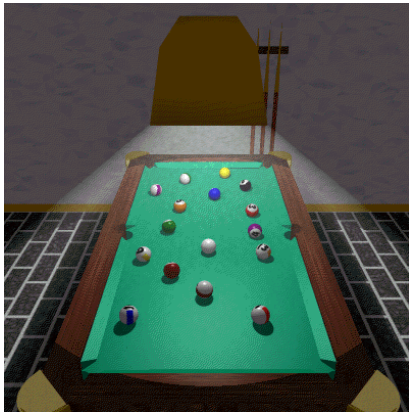
**Note:** All of the following information in addition to your reading is important, not just the blanks you fill in, or the specific answers given.

### Functions for Development

- [Edward] Ullman's \_\_\_\_\_ - forms a basis for understanding the volume & timing of the flows of goods b/w locations; there are three main concepts:
  1. \_\_\_\_\_ - refers to the needs of one region matching the products of another (copper from AK to manufacturing cities, or oranges shipped from rural Florida to northern cities),
  2. \_\_\_\_\_ - refers to the presence of a nearer opportunity which reduces the attractiveness of a more distant location, and
  3. \_\_\_\_\_ - refers to ease with which products can be moved.



**Kennicott Copper Mine, Alaska**



- Transportation and communication requires a specially designed and constructed \_\_\_\_\_ (roads, railroad tracks, airports, even the Internet requires a series of physical connections).
- Once constructed, these systems are obviously fixed and may even constrain future \_\_\_\_\_ growth (e.g. colonial ties).
- Transportation and communication systems may be viewed as being like a \_\_\_\_\_ or a \_\_\_\_\_;
  1. Surface – movement may occur like balls on a \_\_\_\_\_ table; you may move freely, but there is a high potential for collisions (forced to move at limited speeds).
  2. Network - restricts movement to certain paths but because the likelihood of \_\_\_\_\_ is lowered the movement can occur at higher speeds (roads,

airways,...). We modify systems b/w both.

- \_\_\_\_\_ - the concentration of enterprises in a locale, occurs when:
  - 1) \_\_\_\_\_ - are offered in a particular place (temporary workers, legal advisors, or engineers).
  - 2) activities needing access to \_\_\_\_\_ and concentrate (\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ communication is advisable).
  - 3) an infrastructure of cultural institutions (schools, hospitals, and services) is established & new and divergent \_\_\_\_\_ is attracted to the area.
- By contrast, \_\_\_\_\_ (de-concentration) occurs when too many activities, perhaps of the wrong type, are too close together (traffic congestion, pollution, labor shortages, capital & supply shortages cause decay).
- Industries attract new investment to the \_\_\_\_\_ through:
  1. \_\_\_\_\_ (supplying firms with components and services).
  2. \_\_\_\_\_ (helping firms find uses and destinations for their products).
  3. \_\_\_\_\_ (firms providing services for other corporations are attracted to the core)
- Profits are reinvested into innovative enterprises or research (\_\_\_\_\_), which further improves the comparative advantage of the core.

### Patterns of Development

- \_\_\_\_\_ (GNP) - a measure of the total value of the officially recorded goods and services produced by the citizens and corporations of a country in a given year (both inside and outside the country).
- Shortcomings of GNP: 1) tells us little of the average citizen's \_\_\_\_\_ (usually the leaders, top businessmen, and families of oil rich nations (UAE, Kuwait) actually benefit from the revenues); 2) only includes transactions in the \_\_\_\_\_ economy (informal economy includes everything from a garden plot to odd jobs, to the black market and the drug trade); 3) does not reflect any \_\_\_\_\_ (e.g., resource depletion or environmental pollution) - may even record these negativities as a \_\_\_\_\_ (e.g., jails, pollution clean-up,...)

## Alternatives to GNP

Country (2002)	Per Capita GNP (\$US)	Per Capita GNI PPP (\$US)
Haiti	410	
India	440	
China	750	
Japan	32,350	
United States	29,240	

- Identify at least 5 alternative measures to GNP:

- \_\_\_\_\_ - \_\_\_\_\_ (GNI-PPP) – measure where one dollar purchases the same quantity of goods and services in all countries; conversions allow cross-country comparisons of economic totals on the basis of physical levels of output, free of \_\_\_\_\_ and \_\_\_\_\_ rate distortions.
- \_\_\_\_\_ (HDI) - measures three dimensions of human development: 1) \_\_\_\_\_ at birth; 2) adult \_\_\_\_\_ combined with \_\_\_\_\_ attendance; and 3) \_\_\_\_\_ per capita (PPP US\$); both \_\_\_\_\_ and \_\_\_\_\_ indicators are addressed.

Country (2002)	HDI
Haiti	
India	
China	
Japan	
United States	

## Models of Development

- All economic models assume: 1) people will try to \_\_\_\_\_ their advantages over their competitors, 2) they will want to make as much \_\_\_\_\_ as possible, and 3) they will take into account \_\_\_\_\_ costs – such as energy, transportation, labor, etc...
- \_\_\_\_\_ models - assume that all countries are at the same stage along a \_\_\_\_\_ trajectory; disparities between countries are the result of \_\_\_\_\_ - \_\_\_\_\_ inefficiencies.
- \_\_\_\_\_ model - formulated by Walt Rostow in the 1960s; suggested that all countries follow a similar path through five stages. Identify them:

- \_\_\_\_\_ models - regional economic \_\_\_\_\_ exist through historical constructs (e.g., Ages of Colonialism & Imperialism) with \_\_\_\_\_ in certain areas, but not in others; misleading to assume all areas will go through the same process of \_\_\_\_\_.
- \_\_\_\_\_ theory - political and economic relationships between countries and regions of the world control and limit the economic development possibilities of more \_\_\_\_\_ areas; colonialism caused the colonies to become dependent on the \_\_\_\_\_ powers (helped sustain the prosperity of dominant regions and the poverty of other regions).
- \_\_\_\_\_ - \_\_\_\_\_ - entrenchment of the old system of dominance under an economic rather than political guise; sees very little hope for the economic prosperity in poorest areas.

