



# INDICATORS OF DEVELOPMENT

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- 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

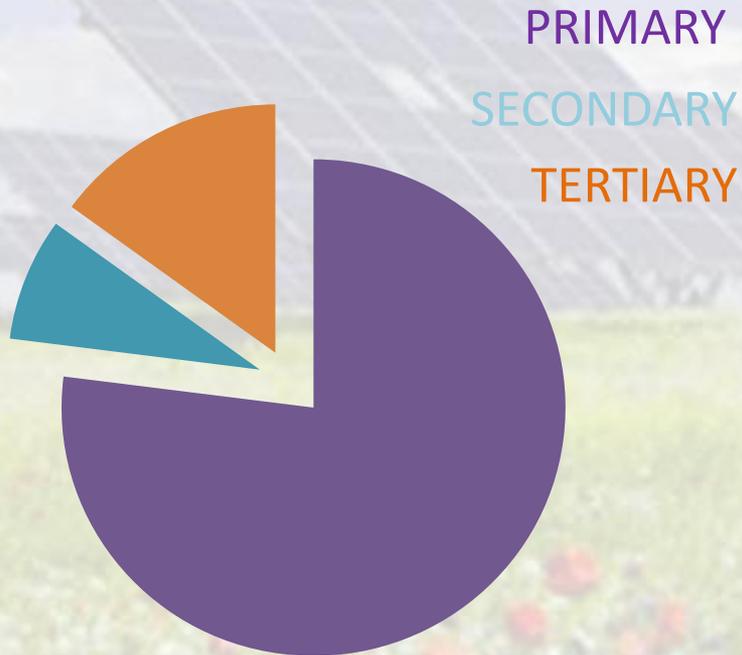
- Economic Sectors is another important economic indicator: (the economic sector where people are employed)
  - Primary Sector – Extraction of raw materials from the environment. EG: farming, fishing, mining, forestry.
  - Secondary Sector – Manufacturing of finished and semi-finished goods from raw materials. EG: Furniture making.
  - 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



- 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)*

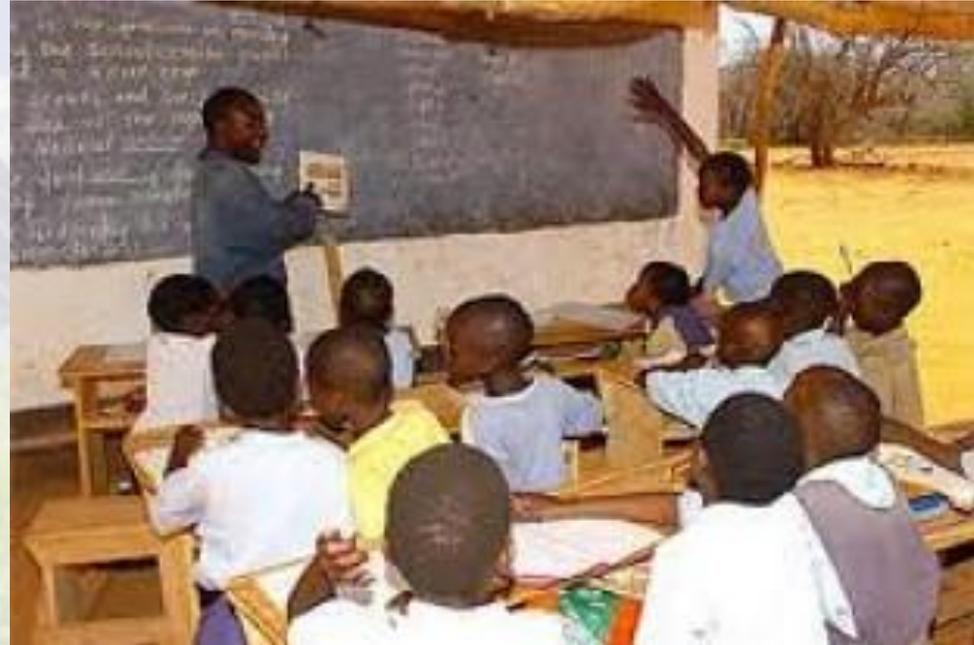
# HEALTHCARE

- 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 decreases worldwide, it will become even more difficult to ensure that the world's poor have access to clean drinking water.

