



[Frequently Asked Questions]

Development Economics

Subject:	Business Economics
Course:	B. A. (Hons.), 6 th Semester, Undergraduate
Paper No. & Title:	Paper – 641 Elective Paper E2 Economic Growth and Policy
Unit No. & Title:	Unit – 1 Economic Development – Definitions and Concepts
Lecture No. & Title:	Lecture – 3 Development Economics

Frequently Asked Questions

Q1. What is the nature of development economics?

A1. Development economics is,

- Dynamic
- ever-evolving
- Inclusive
- Scientific
- Suggestive and prescriptive
- Normative and value-based

Q2. What is the scope of development economics?

A2. Scope of development economics extends beyond traditional economic theory and comprises of studies pertaining to society behaviour and psychology, political strategies, state policies, institutional mechanisms, structural transformation, cultural implications, international relations, regional groupings international institutions, laws and treaties, diplomacy, etc.

Q3. What is the subject matter of development economics?

A3. Development economics studies growth parameters, social parameters, demographic profile of population, impact of cultural differences in economic functioning, policies, growth models, development models, economic planning, human welfare etc.

Q4. Which economists have contributed in the area of development economics?

A4. Some commonly mentioned names in development economics are, Rosenstein Rodan, Hirschman, Gunnar Myrdal,

Fleming, Ragnar Nurkse, Harrod and Domar, Arthur Lewis, Theodore Schultz, Robert Solow, A. K. Sen, Nassbaum, Paul Krugman, Simon Kuznets, A. Maddison, Kindleberger, Colin Clark, Schumpeter, Cairncross and others.

Q5. Can development be measured?

A5. Though economic development connotes qualitative changes, it can be measured in several ways.

Q6. What makes countries less developed or belong to the third world?

A6. The concept of the third world includes countries that suffer from high infant mortality, low economic development, high levels of poverty, low utilization of natural resources, and heavy dependence on industrialized nations. These are the developing and technologically less advanced nations. Some of these countries have even attained high growth rate of real income.

Q7. Where can one check the indicators of development for various nations?

A7. Comparative statistics pertaining to indicators of development are provided by World Bank and are also provided by the World Development Report which is published by the World Bank every year.

Q8. Since when did the world started classifying countries of the world as less developed and developed?

A8. Countries of the world were classified on the basis of development since the second world war.

Q9. How were blocks of first world, second world and third world countries created?

A9. Around the Second World War, there were countries which had reaped the fruits of industrial revolution, were industrializing fast and were driven by capitalist ideology. Such countries were called the first world nations after the Second World War. These countries had aligned with the USA.

After the Second World War, some countries followed the Communist ideology and aligned with USSR-The Union of Soviet Socialist Republics (today's Russia).

The world was in a way became a bipolar world with two leading forces (USA and USSR) based upon two different ideologies.

The third world comprised of countries with extremely low level of industrialization, low incomes and with high magnitude of poverty. Many of these countries were colonies of foreign rulers. Some of these nations started gaining independence from foreign rule after the II World-War and had to plan the process of their growth and development. In fact, the discussions in development economics gained importance in the context of these countries.

Some experts later on defined the fourth world as the groups of indigenous people.

Q10. How can we the first, second, third and fourth world countries identified on the basis of development?

A10. In the context of development,

- the first world countries are highly industrialized and developed,
- the second world nations are governed by communist ideology-some are developed and mostly developing,

- Some of the third world nations are developing and industrializing now but poor, some are highly poor.
- The fourth world is far away from industrial development and surviving as small ethnic groups.