

# DEVELOPMENT

Development is a growth, expansion and integrated

Development is not universal concept because many people has defined, do development as means progressive in social and cultural.

## VALUES OF DEVELOPMENT.

1 Sustainability: Ability to meet basic needs without undermining the sustainability of natural systems so that future generations benefits.

② Freedom from servitude.

Rights belonging to a person, where we are not exploited from economic means hence increases poverty.

→ The value of protecting people whether minority.

③ Self Esteem

Ability to make your own decisions, quality of it is achieved when there is respect, trust and self value, each person needs this.

## THEORIES OF DEVELOPMENT.

Theories are a summation of ideas summarises what is going on to arrive at the end point.

1 Modernisation theory Lacks 3rd world countries ~~lacks~~ behind because they have bad culture and

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institutions that protect citizens and  
lacking highly qualified personnel or  
lack of technology causes a country not to  
develop.

- Lack of modern values - cultural values

### ↑ TYPES OF MODERNISATION:

(1) Evolutionism Approach:

Modernisation is slow and gradual process  
change to slowly and people become more  
complex.

↑  
A people move from one area to another -

The linear stage of economic development.  
Rostow says: for development to take place  
stages must be take place.

↑

(1) Traditional Stage

② precondition for take off.

③ Take off stage.

④ Drive to maturity.

5 High mass consumption.

#### Traditional stage

1. Stage where society is characterised by  
pre-Newtonian because production is limited

- production is subsistence

- Minds of people are not expanded enough  
to develop progressive technology.

- Values of people are fatal (events happen  
by fate).

→ strongly believe in whetch craft

② precondition to take off-

→ expansion of education due to technology expansion

→ period where new institutions are build hence the class of entrepreneur being experienced in society-

→ Institutions are capable of mobilizing capital

→ Legal to investment in transporting raw materials and communication.

→ Road where organs of commerce of expanse

→ Emergence of manufacturing institutions that promote competition-

→ It is a dualism of society with tradition existing side by side with modern.

→ Task of UK or Britain where industrials are done locally.

③ TAKE OFF STAGE

Includes most of traditional barriers are overcome, e.g. Traditional authority, values being done away.

→ Science and technology in place

→ A group of barriers that overcome these- are barriers are political elites.

→ Rapid increase in investment industrial production and communication and population basin

- people accessing health and more human rights, property rights and laws of tort (Criminal passpass).

### (\*) Drive To Maturity

- 10% of estimated income invested in technology.
- period of choices.

### ↳ HIGH MASS CONSUMPTION CONSUMPTICAL

- Leading to all sectors of the economy specialise in manufacturing of durable consume goods and services.

### CRITICISM OF THE THEORY

Rostow says: precondition was made during the colonial period but that is not true because this period were for exploitation.

### ✓ Dependence or Underdevelopment Theory

- Inmised in 1960s.
- Largely a nations to the modernisation theory
- prepositions

(1) Argues that modernisation theory theories are western kind of thinking but dependence theories come from the scholars of the global south.

(2) Do not agree because we are poor due

to Capitalism, Capital accumulation

✓ Capitalism is the cause of being poor which brought;

- Financial market.

- Loans, Dollar and Western production.

Quanda Franda says we are poor due to Capitalism and created 2 lands of societies

1) peripherals and Sadelites.

Satelite economics are thus

1) Development Economic

Economic Growth development.

↳ Measured by the number of economic activities or variables e.g GDP

(Gross Domestic Product)

GDP and GNP and NI (National Income) and BOP (Balance Of Product) and Inflation and Interest rates and exchange rates.

GDP

↳ Value in the economy without being noted and

→ Final measure of marketed goods and services produced in the country or with a country in a year.

↳ ~~all~~ all production with individual

- and get compare put together measured  
at current price.
- Measurements given in one year.
  - GDP does not measure intermediately goods e.g. button of a shirt, just a subset of the whole because they are not counted.
  - GDP is a good economic indicator because it examines.

### Gross National Product (GNP)

It's GDP plus values of all net transfers outside countries.

- Various foreign reserves.
- Net income of all nationals and companies abroad and all transfers minus out foreign obligations.

### Evolutionary Approach theory

- emphasizes on cultural change, from time to time.
- Country develop through technical advancement
- Δ Changes on education, technology.
- Δ Culture is not static therefore, need to change from bad to good.

### THEORIES OF ECONOMIC DEVELOPMENT

Economics is a science that studies the production and utilisation of scarce resources.

## Economic factors of economics

→ Land, Capital, Labour and Entrepreneurship.

### 1. Land

- Involves physical human beings and knowledge.
- Development is dependent of equality of goods

## THEORIES OF ECONOMIC DEVELOPMENT

### (1) Adam Smith

- Father of economics
- Encourages innovations
- Measure of economy is at a purpose of production
- Individuals must be left free to pursue free self interest to generate wealth.
- Do not have creative for dependent and innovation.
- He talks specialisation in labour for efficiency

### (2) David Ricardo

- Mother of economics
- Advocated for taxation for economics to grow and that tax gives for production.
- Political world was based as one big field and tax then for capital accumulation.
- He proposed issues such as Rentals, profits and wages.

### Criticism to Adam

Was not clear on historical part of countries being different.

## 3 Theory of Comparative Advantage

- > Ricardo argues that when two countries begin to trade they will gain even if another country is being advantaged in terms of goods.
- > Who gains much more than the other but there is a gain in both.
- > Each country gains more in its specialisation
- 5 different products.

## 4 The theory of absolute Advantage

(3) Ricardo argues that a country could gain if you take advantage of the resources that you have that what another country has.

- 5 deals with the same products.

For example, Zambia Ricardo can exchange teachers but Zambia gives more because of one sand more.

## Concepts

1) Economic concepts that are used when someone.

### External Equilibrium

- ✓ when the economy is growing from exports, capital earnings, balancing the budget through exports
- ✓ Forced to trade through international currency.

### External disequilibrium

- + When there is a loss, happens through balance of payment
- ✓ Servicing debts, getting of loans and pay

with high interest.

## Concepts in External Disequilibrium and Equilibrium.

- ① Balance of payment.
- ② Terms of Trade (Country is not allowed to trade because of trade).
- ③ External Rate.

## Internal Disequilibrium of Equilibrium.

- factors of Internal (locally).

- ① Inflation.
- ② Exchange rates
- ③ Interest Rates.

## CRISIS OF DEVELOPMENT.

- ① political crisis caused by ethnic and this affects development and political crisis is caused by one part state and exposed political ideologies such as Zambia one nation for democracy, state but not everyone accept it.

Because it waste a lot of resources and other ideology is socialist Capitalist ideologies, this also creates a crisis to development and political crisis causes so religious wars and conflicts.

## ECONOMIC CRISIS

Neglecting of Agriculture, peasant farmers, lacks of stalled labour, ~~lacks~~ lack of financial capital and equipments

Cultural values and norms, ~~debt~~ <sup>burden</sup> of exports, issues to do with oil crisis, neo-colonial, legacy is another cause of economic crisis.

political is defined as a science with methodology approaches, meaning is

different from social sciences that politics many scholars argues that politics is simply a social science therefore by implication its methodological approach

approaches are similar to natural science e.g we study it by observing for a period of time this is done even in natural science.

#### TWO METHODS USED TO STUDY POLITICAL SCIENCE

→ ~~Deductive~~ and inductive approach.

x These are two fundamental approaches to social sciences investigations.

#### (1) Deductive Approaches

proceeds from hypothetical experiment statements relating one social phenomenon to another, in order to see questions provided and giving answer to them.

#### (2)

#### Inductive approaches

Opposite to deductive approach, inductive we study things from a particular point to general but in inductive approach we study through a general to ~~particular~~ social

phenomena, & isolating an item or a situation  
no study.

### STATE

A state is an organised community or a central political authority.

Views on a state.

Radical view  
→ predominantly Marxist meaning, its not a neutral institution that it serves the interest of ruling class, the ruling class and those economically strong and influential in society the condition under which a state exist is that a society to split into antagonistic classes which must be fighting each other; therefore, simply the bourgeois control surplus production, through the arms and workers (proletariate).  
Organised because of the three arms of government, it supports the rich people.  
Karl Marxist says it supports the rich people hence its not neutral.

### POST COLONIAL UTILITARIAN.

→ Considered power exercised from outside the boundaries of an organised community, the classes controlled the state considered colonialism.

Development Crisis

Solutions

Democracy election

political

Political crisis

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(2) Colonialism / neo-colonialism	
3 Capitalism	mixed economies
(4) Agriculture	Diversifications
(5) Economic	Aid, Debt, Capital investment, education

\* Post colonial situations are not indigenous classes, because these come under colonialism, post colonial states do not serve interest of other countries.

### \* Internal factors.

factors that lead to political crisis

- 1 Lack of political will and commitment
- A number of political leaders are not committed to the programmes despite being pronounced independent, for example fighting against corruption but even leaders are found committing it.
- Not allocating enough resources to fight against corruption.
- Government elected through democracy tend to favor bureaucracy system, they use laws to suppress others.

External factors of 1970s Creating political crisis.

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- ② Oct crisis
  - ③ Nationalisation, gives a historical perspectives, K K Sponted Cambrian even, without knowledge of mining running the country.
  - ④ ↓
  - ④ Liberalisation, a lot of states assets were sold, therefore running the economic needed strategies.
  - ⑤ Agriculture neglect of indigenous knowledge, there is lack of food security
  - ⑥ Structural Adjustment programmes (SAP)

## SECOND TOPIC

# MIGRATION

Migration is the movement of people from one place to another to settle permanently or temporarily in one place.

### THEORIES OF MIGRATION.

- (1) Rural - Urban Dichotomy (Emile Durkheim)
  - First person to compare Rural and Urban society.
  - He argued that before Urban there was rural society.
  - Dichotomy looks at Rural and Urban society.

with;

## CHARACTERISTICS

### (1) Mechanical Solidarity.

- Society solidarity of resemblance in terms of values and systems.
- It is a rural and primitive society change each their feelings and hold other things as sacred e.g. Shrive grave yards.
- people have some religious beliefs and tendencies.
- Collective consciousness with common beliefs and sentiments.
- Capital punishment if norms and beliefs are violated.

### (2) Organic Solidarity

- Its a complex society, based on differentiation of division of labour.
- A Basically in Urban
- With each one performing different function
- ~~It is an organismic~~
- Its like an organism with various functions
- Society common industrial and scientific relationship or history not permanent.

What causes people to move?

A PUSH AND PULL FACTORS:

## 1 PUSH FACTORS.

→ Wars, lack of jobs, Lack of someone to marry, farming, family separation, pollution and poor wages.

## ② PULL FACTORS.

→ Safety and stability, job prospects availability of food.

## TYPES OF MIGRATION.

### 1 Urbanisation and Immigration

Migration can be both internal and international

#### INTERNAL MIGRATION.

- (i) Rural - Urban migration.
- (ii) Rural - Rural migration
- (iii) Urban - Urban migration
- (iv) Urban - Rural migration.

#### INTERNATIONAL MIGRATION (EXTERNAL).

##### IMMIGRATION

→ Rural - Urban migration.

## THEORIES OF MIGRATION.

### (1) LIFE COURSE APPROACH.

It focuses on general expectation <sup>stages</sup> at a certain age range due to life trajectories or number of sequences those are automatic and life transitions e.g either school or retirement.

Arguments Certain things need to change that can cause migration e.g biological changes

## Reason why Life course Approach is important

1. Social structure is preserved as a set of interrelated elements that a closed section of persons of distinct characteristics eg family, church etc.
2. The life course approach is a product of individuals actions, individuals make decisions to move from one place to another because of either historical forces and someone's history.

## Weakness of life course Approach.

1. Weakness in the data that is used which is not clear about which age group must migrate.

## THE CONTINUUM THEORY.

(by Red field).

- Represents a process social change from the most primitive to the most advanced society.
- He argued that society passes through stages that there are specific stages of urban development:

### (i) Population Size. (stage)

The more the population grows creates urban increases there are two variables identified in the Continuum theory

One variable is a size of population & people move from rural into urban creating

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Cities (Melting point of cultures)

- They city compared to the village is less isolated.
- Continuation of people from rural to urban and after its congested they move back to rural areas.

- City The city compared to the village is heterogeneous differentiation of professions
- The city compared to the village is complete developed modernisation of economy. Compounds that attracts people to move from rural to urban.

Increase in cultural disorganisation (Red field) ~~betwee~~<sup>said</sup> that cultural disorganisation was a direct at commitment of urbanisation that the stronger ties strongly binds the individual in non urban settings, therefore, people are identified to move back to rural areas.

- City is a cosmopolitan, people from rural areas say the city is melting pot in terms of culture.

- Increase in circulatorisation, this is the extent through which people observe religion.

- Cities are more circular in their values than in villages.

② Individualism, brought by broken family traditions meaning the individuals is responsible for decisions and taken followed

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↳ simply moving away from collective responsibilities to individual.

### CRITICISM OF THE CONTINUUM THEORY.

- ✓ Movement of people from rural to urban is not always evolutionary but due to other social factors such as change in values because of other social factors agents that ~~infuse~~ infrastrate the rural areas.

### (3) GENDER APPROACH THEORY.

- Gender analyst argues that in order to accomplish a full migration other gender must be considered in planing implementation evaluation and monitoring processes of development hence Intragender analysis.
- From the gender perspective, it is argued that there are differences between men and women when it comes to migration

How?

- (1) Cultural problems may dectate to move from one place to another (men).
  - The migration be dominantly for men eg going to Copperbelt to work in mines
  - There are different reasons of migration for men and women

## # THE ECONOMIC TRANSFORMATION THEORIES

- This assumption that the economy is transformed from an agricultural economy to an affluent or technology.
- Or from the least to the advanced economy
  - people move to search for jobs.
  - When a country experiences industrial transformation such as factories people migrates
  - Equally this disturbs the primitive societies and advanced societies.
  - Creation of New Markets is also a high mechanised society
  - There is intensive capital as opposite to labour.

### DISADVANTAGES:

- promotes exploitation, people are paid less as to the labour.
- Diseases
- Creation of Crimes.

### Political Economy of politics

- \* Why should we be concerned with the study of political economy.
- Enables us to assess the levels of development in a society.
- \* Helps to explain the factors that leads to the well being of society such as

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economic factors, technology etc.  
equally it helps to cause of conflict in  
society

→ Helps to explain the period the society is  
in harmony with itself e.g. bourgeois  
mechanat, war

What is political economy?

↳ Social Science equivalent with modern  
economic

↳ Helps to explain how the state raises  
its revenue and distributes its resources

↳ It is a field closely linked to ~~over-extended~~  
mercantilism in Europe.

↳ The Merchant accumulated a lot of  
wealth and paid leave tax to states

↳ Therefore the merchant contributed to  
the development of political economy.

↳ Helps us understand the ~~best~~ well being  
of the society

↳ Helps to see the levels of education in  
society.

Social Economic Formations of Political  
Economics.

This is purely based on mode of production  
implying that the mode of production  
has its own political economy e.g. capitalism  
/ communism as its own political economy.

The political economy of socialism of central planning.

- It is a state that plans.

### Capitalism.

- Political economy is exploited because the owners of production are interested in profits.

### POLITICAL ECONOMY OF AID.

- This is a special duty if one needs help.
- Emphasizes the need to give help.

→ Giving aid is not a new phenomenon, the need to give aid is regarded as a moral obligation, feed the commons of problems we go through.

- Aid is something that compels society as a moral duty (modern context).

→ These are emphasized to give aid

They argue that the concept of moral justice is a moral concept.

→ In a welfare society, there are number of registration

Therefore, it is a legal duty to assist that society.

- Any contemporary society argue that those to access to employment they pay tax because its legal duty.

## (1) Economic Aid

✓ Interpreted as transactions of a country or international organisations which result permanent net additions

\* It is a transfer of resources from one country to another which must include development.

\* The resources should be used for economic development and not in peoples homes.

### Characteristics of Economic Aid

✓ All the goods with an economic value includes loans which the country gets and to be paid within a long time.

→ Its in form of advise-

### Rationale for Giving Aid:

→ National self interest certain countries may be interested in the country e.g in Coper, gives access to the sea port.

→ Commercial consideration, aids ~~make~~ get more profits from aid.

→ historical heritage, closed countries.

→ political reasons, because they come to ask for democratisation,

→ humanitarian concerns, this is where there is development given to developing

countries because of being poor but no attaching conditions.

— Conscience, these countries give aid with conditions, they are convinced that they have surplus e.g. CARITAS, RED CROS

### Criticism of Aid-

- (1) Donors compare the living standards from capitalist countries with that of third countries.
- (2) Aid given increases poverty in the sense that they bring technical assistance, they employ their own people but giving more conditions.
- (3) Why should they concentrate on reducing poverty from Zambia and other countries and forget their own countries.
- (4) Donors reap super profits too much because of the huge interest.

### MULTI-NATIONAL CO-OPERATIONS (MNCs).

- > Have been existing for construction of raw materials.
- > Involved in foreign direct investment.
- > They existance is due to globalisation expansion.
- > Sometimes referred to as Multinationals companies.

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## What are multinational cooperation

→ Global firms or cooperations and their networks of production and distribution of resources and services and goods which operates in a web of relationship.

Examples are; Toyota Zambia, Standard Chartant bank etc.

→ They serve as a source of comparative advantage

- Therefore, they are expecting cooperations whose activities and markets are faced transactionally throughout the globe and to a larger part regionalised (combination of the local and the globe) MNCs because local and global at the same time because the interest they are serving.

### STRUCTURES OF MNCs.

#### ① Branches

These are a physical location, can move their machinery and capital permanently to another place.

#### ② AFFILIATIONS

These affiliates fall under the category of more and they are facilitated in order to have a shared structure, or a memorandum of understanding.

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e.g. Zambia breweries has an  
affiliated that manufacture bottles

## ⑧ Associates

Involves agreement between and  
~~many~~ many multinational cooperation

→ They have business associations

⊗ Difference between affiliates can not  
work independently but associates can  
exist on their own -

e.g. of MNCs are ABBA, JAPAN  
TOYOTA, SAMSUNG -

## Characteristics of MNCs

1. Centralised or Authoritatively and high rank  
in business decisions, e.g. a family  
business men or

- few individuals limited to a family, therefore  
its a centralised authority in the sense  
that decisions are with the full knowledge  
of the other company. for the top and  
follow a chain of command.

② Centralised Realisation of profits, they  
don't count their profit at the centre, it  
is not so much about what ~~the~~  
happens in the branch in the entire  
continent.

③ MNCs have to various characteristics

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- few individuals limited to a family, therefore it's a centralised authority in the sense that decisions are with the full knowledge of the other company for the top and follow a chain of command.
- ② Centralised Realisation of profits, they can't count their profit at the centre, it is not so much about what ~~the~~ happens in the branch in the entire continent.
- ③ MNCs have to various characteristics

and it's clear that these are global out reach for these companies that have made it possible eventually changing business environment e.g technology, companies has adopted changing technology in various global ~~etc~~ environment.

④ Financial Accessibility, they tend to have the easiest access to the global resources because financial MNCs institutions have business confidence in MNCs, they are able to access fund on the international markets e.g World Bank, IMF. e-t-c.

⑤ Technological Advantage and expertise,  
Have balance technology with high qualified persons, they have broad knowledge

### ADVANTAGES OF MNCs.

① Technology, being with the advanced technology that has continuously flowed into developing countries from advanced countries, they being with the high investment in terms of equipments and technical capacities e.g education

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building, training individuals.

② Economies of scale: These are cost advantages that enterprises obtain due to their scale ~~by~~ of operations, these are advantages that ~~provide~~ the labour and they create employment.

③ Access to finances and Resources, They can easily borrow from global banks  
- increases the stocks of investment  
- They help to bring foreign reserves e.g. they come with their currency.

④ Access to available markets and resources.

⑤ Research and development, Much of resources and development come from MNCs, many research and develop activities dealing with advancement of products as well as sustainability of products are from MNCs.

### DISADVANTAGES OF MNCs.

① Technology: Because it is introduced by western they maintain it.

② Economies of scales, these economies of scale only work for themselves

and only to this advantage.

- ③ Limited financial accessibility by less developed countries (LDCs) especially to credit.
- ④ Repatriation of profit and capital flight, not attached to more capital flight means coming and going of MNCs.
- ⑤ Transfer of pricing, MNCs, take away profits through transfer pricing, this happens when MNCs have a lot of companies e.g. they make a loss in Zambia, they can increase the price of goods in Malawi so that they balance the loss they made in Zambia.
- ⑥ products and bias consumption of patterns, products that they bring they are made in the image of their companies in order to protect the profit.

Last  
Topic

## Financial Instruments Used in International Trade Circles

These are several financial instruments used in global capital flows

These ~~they~~ help in foreign exchange trading where global currencies are used to settle international trade transactions.

Historically, they have been used as a result of increasing international trade

This is where the sellers and buyers use to settle international transactions:-

International trade instruments  
are:

### 1. Bonds :-

These can be national bonds or international bonds. (~~the~~ Euro-bond).

A Bond: is the a paper or money which is usually <sup>given</sup> out as a loan.

Features about Bonds

- They use as immediate cashes and immediately
- But the ~~the~~ issuers have to charge interest.

## Types of bonds

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### → International bonds.

① International bonds are used by the govt mult. of the time are ~~so that~~ those developed countries where ~~the~~ their currencies

### ② National bonds

Are issued by the gov't of banks of Zambia and they ~~these~~

These funds are organized by the Consortium of International by or FIM. or basically trade in

These are companies like Merrill Lynch, UBS of Switzerland

These are funds which are guaranteed by because they have companies which are put together and they have credit what we call investor confidence.

### ③ Patience funds

These are traditional type of money, they get money from patient contribution and invest this money in high economic.

→ you are investing less but at the end you earn more.

Q1) Using the theory of Globalization discuss the importance of (MNCs) in alleviating absolute poverty in lower developed countries.

(1) Economic Growth and Job Creation  
MNCs often invest in LDCs to take advantage of lower production costs and access new markets. Their presence can stimulate economic growth by creating jobs and generating income for local population. This leads to an increase in per capita income and helps lift people out of absolute poverty.

(2) Transfer of Technological and Knowledge  
MNCs bring advanced technologies, managerial expertise and best practices to lower developed countries. This transfer of knowledge can have a long-term impact on the host country's economy by improving productivity and skill development. This, in turn, can help reduce poverty by increasing opportunities for higher paying jobs.

(3) Infrastructure Development  
MNCs often invest in infrastructure development projects, such as roads, ports and utilities to support their operations. These investments not only benefit the corporations but also help improve the overall