

# Development -Glossary

**Communications Systems:** the ways in which information is transmitted from place to place in the form of ideas, instructions and images

**Cultural Diffusion:** the process of the spreading of cultural traits from one place to another

**Cumulative Causation:** when a change in one system triggers further changes in other areas in the same direction

**Deindustrialization:** a process of social and economic change caused by the removal or decline of industrial capacity or activity in a country or region. It is the opposite of industrialization

**Demography:** the science of human populations, looking at age, sex, health, employment, education...

**Detrimental Negative Effect (the Backwash Effect):** when skilled labour and locally generated capital is attracted away from the periphery, increasing the wealth gap

**Development:** a progress in the quality of life which occurs when other factors making up the standard of living improve. It is measured using many different factors.

**Development Gap:** the difference in GDP between countries

**Disparity:** inequality

**Domestic Investment:** investment into assets or companies in one's own country

**Economic Core:** the wealthy and influential part of a country which exploits the periphery for labour and raw materials

**Financial Deregulation:** the process in which governmental rules regarding the way in which banks and other financial organizations work are removed

**Foreign Direct Investment:** when a person or a company based in one country invests into a company based in another country

**Foreign Investment:** when wealth is transferred from one country into another in exchange for ownership stakes in domestic companies or other assets

**Formal Sector:** jobs known to the government department responsible for taxation and to other government offices. They are often better paid and have much greater security than jobs in the informal sector. Fringe benefits may be available.

**Gini Coefficient:** a technique frequently used to show the extent of income inequality. It is defined as a ratio, with values between 0 and 1.0. The higher the value, the more unequal the income distribution

**Global City:** a city which is judged to be a significant nodal point in the global economic system. They are huge financial and decision-making centres

**Global Civil Society:** networks monitoring the actions of governments and companies, spreading their criticisms quickly to those who want to take interest. They include protest movements, charities, trade unions and environmental groups.

**Global Consumer Culture:** the international buying and selling of goods not only because they are needed but more because they are wanted

**Globalization:** the increasing interconnectedness and interdependence of the world; economically, culturally and politically

**Global Shift:** the process through which manufacturing industry and services have been relocated from developed to selected developing countries as TNCs have taken advantage of the lower cost of, for example, labour

**Gross Domestic Product (GDP):** the value of all of the finished goods and services produced within a country's borders within a certain time span

**Gross National Income:** a measurement of a country's income also taking into account the money earned abroad

**Gross National Product (GNP):** a traditional indicator of a country's wealth. It is the total value of what is produced by the citizens of a country, even if they are living elsewhere

**Gross National Product per Capita:** GNP divided by the total population

**Human Development Index:** a composite index which contains 4 indicators of development: life expectancy at birth, mean years of schooling for adults of age 25, expected years of schooling for children of school entering age and GNI per capita. The values of each of these are converted into an index with a maximum value of 1.0. These are then combined to give the overall human development index.

**Informal Sector:** the part of the economy operating outside of official recognition. It is often badly paid and temporary/ part-time, with poor job security and no fringe benefits like sick pay.

**Land Degradation:** a decline in the quality of soil due to human interference

**Land Desertification:** the process by which land transforms into a desert often due to human actions

**Least Developed Countries (LDCs):** poorest of the developing countries

**Market Forces:** the factors which have an effect on the prices and availability of goods and services in a market environment

**Most Developed Countries (MDCs):** relatively rich industrialized countries with a moderate climate, largely non-infectious diseases and the financial resources to provide a good education, health care and housing

**New International Division of Labour (NIDL):** divides production into different skills and tasks that are often spread across a number of countries

**Newly Industrialized Countries (NICs):** countries which have undergone rapid and successful industrialization since the 1960s

**Periphery:** the less developed parts of a country which export raw materials to the core

**Primary Product Dependent:** countries which rely on one or a small number of primary products for all of their export earning

**Primary Sector:** the jobs which exploit raw materials from air, land and water

**Product Chain:** the full sequence of activities needed to turn raw materials into finished products

**Purchasing Power Parity:** exchange rates at which the currency of 1 country is converted to that of another by comparing the price of an item

**Quaternary Sector:** uses high technology to provide information and expertise. Research and development is important

**Regional Economic Convergence:** when significant economic growth occurs in the periphery and causes the inequality between the core and the periphery to begin to narrow

**Regional Economic Divergence:** when the wealth gap between the core and the periphery widens and regional inequality increases

**Salinization:** the process in which soils become too salty for agricultural uses

**Secondary Sector:** manufactures primary materials into finished products

**Tertiary Sector:** provides services to businesses and to people

**Trans-boundary Pollution:** when a major pollution incident in one country has significant consequences in a neighboring country

**Transnational Corporations (TNC):** a firm which owns or controls productive operations in more than one country through foreign direct investment

**Transport Systems:** the means by which materials, products and people are transferred from place to place

**Urbanization of Poverty:** the moving of focus of global poverty from rural to urban areas