

# Governance, Social and Physical Infrastructure, and Development

## Development and Economics

Editors: Alok Kumar and Adam Scott  
Lambert Academic Publication, Saarbrücken, Germany  
September 2011  
ISBN: 978-3-8454-76582

Development is the process of structural transformation: the transformation of poor countries into rich countries. It is a multi-dimensional process and spans many areas. Understanding and addressing developmental issues are far more complex due to the fact that poor countries are socially, geographically, and institutionally much more heterogeneous than developed countries. Given their complexity, scholars have addressed development issues using different approaches, different analytical methods, and different views of how societies function. This book grew out of the group projects done by students of Development and Economics in the University of Victoria. The students came from diverse backgrounds with one thing in common – the passion for development studies and empathy for the poor and the under-privileged. Their varied backgrounds and passions are amply reflected in the wide variety of substantive issues these students tried to address. It has been a pleasure teaching them and putting together a book based on their projects. The major strength of this book is that it provides a window to how young minds from very diverse backgrounds think about development issues

Dr. Alok Kumar is currently an Associate Professor of Economics at the University of Victoria, Canada. His areas of interest are macroeconomics and development economics. He has worked with Ministry of Finance and Planning Commission, Government of India. He received his Ph.D. from Queens's University, Canada. He has published in leading journals such as *International Economic Review* and *Review of Economic Dynamics*. Mr. Adam Scott is currently a graduate student in the Department of Economics, University of Victoria.

## Table of Contents

<i>Table of Contents</i> .....	<i>i</i>
<i>List of Contributors</i> .....	<i>iii</i>
<i>Preface</i> .....	<i>v</i>
1 The Poverty Trap in Sub-Saharan Africa.....	
<i>Brett Durante, Ryan Hambley, Taylor A. Henschel, &amp; Nathan Waldman</i>	
2 Access to Clean Water in Developing Countries: Afghanistan, Bolivia, Lao PDR, Somalia .....	
<i>Eleanora Dalling, Ian Mathieson, Resham Vasandani, &amp; Mark Vasko</i>	
3 Disaster Risk Reduction.....	
<i>Vicky Jia, Jenny Large, Shelly Sharma, &amp; Marjan Navab-Tehrani</i>	
4 Foreign Aid in Africa: Examining the Effects and Difficulties of Foreign Aid on Development .....	
<i>Harman Budwal, Russil Charitar, Gavin Clark, &amp; Nils Erasmus</i>	
5 HIV/AIDS in Ghana and South Africa .....	
<i>Harnees Dhaliwal, Carolyn Ede, Wanja Munaita, &amp; Serena Sousa</i>	
6 Transportation in Africa.....	
<i>Anthony Chang, Emilia Cortese, Alex Holme, &amp; Jack McCraig</i>	
7 Millennium Development Goals in Swaziland .....	
<i>Tanis Bennell, Heather Dekezel, Britny Oliver, Naja Shouw-Rasmussen, &amp; Cole Stewart</i>	
8 Development Issues of South Africa .....	
<i>Michael Dawson, Casey Henry, Aaron Puppe, &amp; Che-Yu Ou</i>	
9 China: Emerging Challenges .....	
<i>Eric Tsui</i>	

## **List of Contributors**

**Bennell, Tanis:** Department of Mathematics and Statistics

**Budwal, Harman:** Undeclared

**Chang, Anthony:** Department of Economics

**Charitar, Russil:** Undeclared

**Clark, Gavin:** School of Environmental Studies

**Cortese, Emilia:** Undeclared

**Dalling, Eleanora:** Undeclared

**Dawson, Michael:** Department of Economics

**Dekezel, Heather:** Department of Economics

**Dhaliwal, Harnees:** Department of Economics

**Durante, Samuel:** Department of Economics

**Ede, Carolyn:** Undeclared

**Erasmus, Nils:** Undeclared

**Hambley, Ryan:** Department of Economics

**Henry, Casey:** Department of Economics

**Henschel, Taylor:** Department of Political Science

**Holme, Alexander:** Department of Economics

**Jia, Jin Ying:** Undeclared

**Keithley, Leif:** Department of History

**Large, Jennifer:** Faculty of Education

**Mathieson, Ian:** Department of Psychology

**McCaig, Jack:** Department of Anthropology

**Munaita, Wanja:** Non-Degree

**Navab-Tehrani, Marjan:** Undeclared

**Oliver, Britny:** Undeclared

**Ou, Che-Yu:** Undeclared

**Puppe, Aaron:** Department of Geography

**Sharma, Shelly:** General Program

**Skouw-Rasmussen, Naja:** Non-Degree

**Sousa, Serena:** Non-Degree

**Stewart, Cole:** Undeclared

**Su, Liya:** Department of Economics

**Tsui, Wing Pan:** Department of Economics

**Vasandani, Resham:** Department of Psychology

**Vasko, Mark:** Department of Economics

**Waldmann, Nathan:** Department of Economics

## **Preface**

Development is the process of structural transformation: the transformation of poor countries into rich countries. It is a multi-dimensional process and spans many areas. Understanding and addressing developmental issues are far more complex due to the fact that poor countries are socially, geographically, and institutionally much more heterogeneous than developed countries. Given their complexity, scholars have addressed development issues using different approaches, different analytical methods, and different views of how societies function.

This book grew out of the group projects done by students of Development and Economics in the University of Victoria. The students came from diverse backgrounds with one thing in common – the passion for development studies and empathy for the poor and the under-privileged. Their varied backgrounds and passions are amply reflected in the wide variety of substantive issues these students tried to address. It has been a pleasure teaching them and putting together a book based on their projects. The major strength of this book is that it provides a window to how young minds from very diverse backgrounds think about development issues.

Chapter 1 examines the issue of poverty trap: a series of self-reinforcing factors in developing countries that exacerbate and perpetuate poverty from generation to generation. It analyzes the effects of factors such as limited access to credit, gender discrimination, HIV/Aids, population growth, and weak governance on the cycle of poverty. By analyzing how these factors inhibit development for the people living in Botswana, Niger, Sierra-Leone, and Swaziland, this chapter proposes solutions to this inter-generational problem. It analyzes the effects of aid and official development assistance (ODA) policies. The analysis suggests that foreign aid needs to be directed towards increasing human capital in these countries. The problem of corruption and top-down financial support is also analyzed; suggesting corruption in the governance must be checked in order for ODA to have any significant effect on development.

Chapter 2 analyzes the effects of access to drinking water on development. Water is the most important resource for human life, yet many people today in developing nations still do not have reliable access to it. This chapter examines factors affecting

access to safe drinking water and water for sanitation purposes in four developing countries around the world: Afghanistan, Bolivia, Lao PDR, and Somalia. Causes for inadequate access to clean water as well as its impacts on the development of these four countries are analyzed. Finally, possible long-term and short-term internal and external solutions to this glaring issue are discussed.

Chapter 3 examines the rate of natural disasters in Asia-Pacific region and analyzes the specific preventive measures, which have or have not been implemented to protect human and developmental losses. This chapter looks at specific vulnerabilities of individuals or groups of people and explores how risk reduction programs can help to encourage pre-emptive preventative and protection measures in the event of a natural disaster. By examining the United Nations Disaster Risk Reduction (DRR) model one can see how aid programs work with highly vulnerable regions and populations to ensure minimal loss of life, infrastructure, livelihoods, and public institutions in the event of a natural disaster. The analysis finds that there are numerous examples of disasters which have occurred in Asia-Pacific where DRR programs would have helped significantly, yet were not put into place early enough; the March 11, 2011 earthquake that occurred in Japan is one such event.

Chapter 4 studies the effects of foreign aid on the development process of Africa. With the deadline for the Millennium Development Goals fast approaching, many African countries are a long way from achieving these goals, despite receiving generous foreign aid. Many indicators rank African countries, especially Sub-Saharan countries, as some of the least habitable and developed in the world. This chapter investigates policies, circumstances, future prospects, and key sectors that were instrumental in the failure of Africa to rise out of poverty, and how they can be ameliorated. It finds that the policies of tied aid did not manifest themselves appropriately on the ground, and led to unforeseen social issues. It finds entrenched corruption, mismanagement of funds, and widespread aid dependence. The institutional weaknesses have prevented the entrepreneurial spirit of Africans to flower to its full potential. Africa is a diverse continent where one size does not fit all. Policy must reflect this, and our future economic attitudes must change. Most critically, many government reforms must take place within Africa before real progress can be made.

Chapter 5 analyzes the causes and consequences of HIV epidemics in Ghana and South Africa. While most developing countries have experienced rapid growth in human development over the past few decades, not all countries have experienced the same level of positive growth. This is largely due to the HIV epidemic, which puts strain on social services, directly affects the health of a country's working population, and is a large burden on women and children. High rates of HIV prevalence are the leading cause of underperformance in human development in many Sub-Saharan African countries. This chapter discusses factors that may contribute to or inhibit the prevention of HIV/AIDS in both countries such as cultural issues, laws and regulation, and violence. It also analyzes the impact of the disease on each nation's economy as well as treatment and prevention methods in both nations. Investment and spending on HIV programs by both nations is also discussed.

Chapter 6 studies challenges faced by the transportation sector in Africa. Many developing nations in Africa, along with much of the developing world, suffer from a lack of sufficient and adequate transportation. Transportation is the central foundation of a society, allowing it to grow and properly function. Developing proper roads and transportation systems is not a simple task due to the problems of political strife and extreme poverty that Africa currently endures, but solutions are in the developing stage. Specifically, efficient transportation systems and roads provide longevity of economic growth by increasing the countries intraregional and global trade through imports and exports, passable routes for getting to emergencies, and increased access to sanitation systems, subsistence resources, and health care facilities and treatments.

Chapter 7 examines the progress made by Swaziland in meeting MDG goals. The people of Swaziland have suffered in many regards, largely due to a stunted development and the abuse of its potential resources. The main development related issues surrounding the nation pivot on the following conditions: the widespread epidemic of HIV/AIDS, a significant lack of infrastructure, a corrupt state of government, and considerably undeveloped social standards. This chapter addresses the 2015 Millennium Development Goals outlined by the United Nations in relation to these and other apparent problems within Swaziland.

Chapter 8 analyzes the development issues faced by South Africa. Despite being a relatively developed country with a decent HDI index, South Africa faces many significant social issues. It has had a turbulent past due to the colonialism of the British and Dutch empires, which generated significant social segregation (apartheid) that continues to this day to be at the root of many social issues in South Africa. Social inequalities and class segregation are some of the most extreme seen on Earth. Urban hearts are high-tech and modern, while the urban periphery is very poor. This chapter analyzes and discusses how these development issues have affected South Africa. It looks at these through four areas of focus. First, it looks at the healthcare system and its role in the fight of the high prevalence of HIV and other diseases. Second, the educational system and how it can help fight health issues through education. Third, it looks at the economic sector and unequal wealth distribution in cities. Last, the resource spectrum and the development of a resource extraction industry and the ongoing energy crisis.

Chapter 9 examines emerging challenges faced by China, which is the top manufacturer and the second largest economy in the world. However, despite its immense growth and economic achievements over the past decade, it is still a very poor country. With a population of 1.3 billion people, 800 million people reside in rural areas that do not have adequate access to basic medical facilities or educational institutions. This number continues to grow as the country suffers from an expanding societal gap between the rich and the poor, where the wealthy are becoming wealthier, and the poor becoming poorer. Furthermore, abuse and lack of basic human rights and freedoms, along with immense corruption in the government has made Chinese citizens restless. China is living in an economic bubble that is about to burst.

We thank Adam Stefnik for an excellent editorial support.

*- The Editors*



