

# Political Science 12: IR -- Seventh Lecture, Part 2

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**Development:  
Causes of the  
Wealth and Poverty  
of Nations**

# Development and Poverty

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1. Causes of and Constraints on Economic Development
2. Lack of Economic Development
3. Factors Contributing to Inequality
4. Development Models

# Development and Poverty

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## 1. Causes of and Constraints on Economic Development

- Lack of Economic Development
- Factors Contributing to Inequality
- Development Models

# Development and Poverty



# Development and Poverty



# Development and Poverty

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## 1. Causes of and Constraints on Economic Development

- **Lack of Economic Development**
- Factors Contributing to Inequality
- Development Models

# Lack of Economic Development

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- Less material wealth
- Less equitable distribution
- Lack of domestic investment



# Lack of Economic Development



Map 10.1: Income Around the World

# Lack of Economic Development

Map 10.1: Income Around the World



# Development and Poverty

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1. Causes of and Constraints on Economic Development
2. Lack of Economic Development
  - **Factors Contributing to Inequality**
  - Development Models

# Factors Contributing to Inequality

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- Geography and history
- Government policies
- International factors

# Factors Contributing to Inequality

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- Geography and history
- Government policies
- International factors

# Factors Contributing to Inequality



# Factors Contributing to Inequality

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## The “Resource Curse”



# Factors Contributing to Inequality

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- Geography and history
- **Government policies**
- International factors



# Factors Contributing to Inequality

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Government policies

- Infrastructure
- Rule of law

# Factors Contributing to Inequality

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## Government policies

- Zambia and Botswana
- Burma (Myanmar) and Thailand

# Factors Contributing to Inequality

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- Geography and history
- Government policies
- International factors

# Factors Contributing to Inequality

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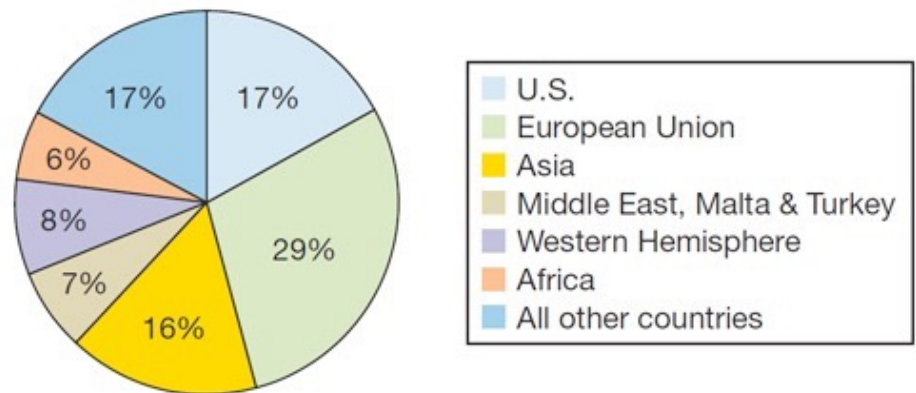
International factors

Terms of Trade

# Factors Contributing to Inequality

International factors:  
Who makes the  
rules?

Figure 10.1: Voting Power in  
the International Monetary  
Fund, 2011



# Development and Poverty

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1. Causes of and Constraints on Economic Development
  2. Lack of Economic Development
  3. Factors Contributing to Inequality
- **Development Models**

# Development Models

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**Import-substituting  
industrialization (ISI)**

Latin America and India

# Development Models

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# Development Models

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**Import-substituting  
industrialization (ISI)**

Winners and losers

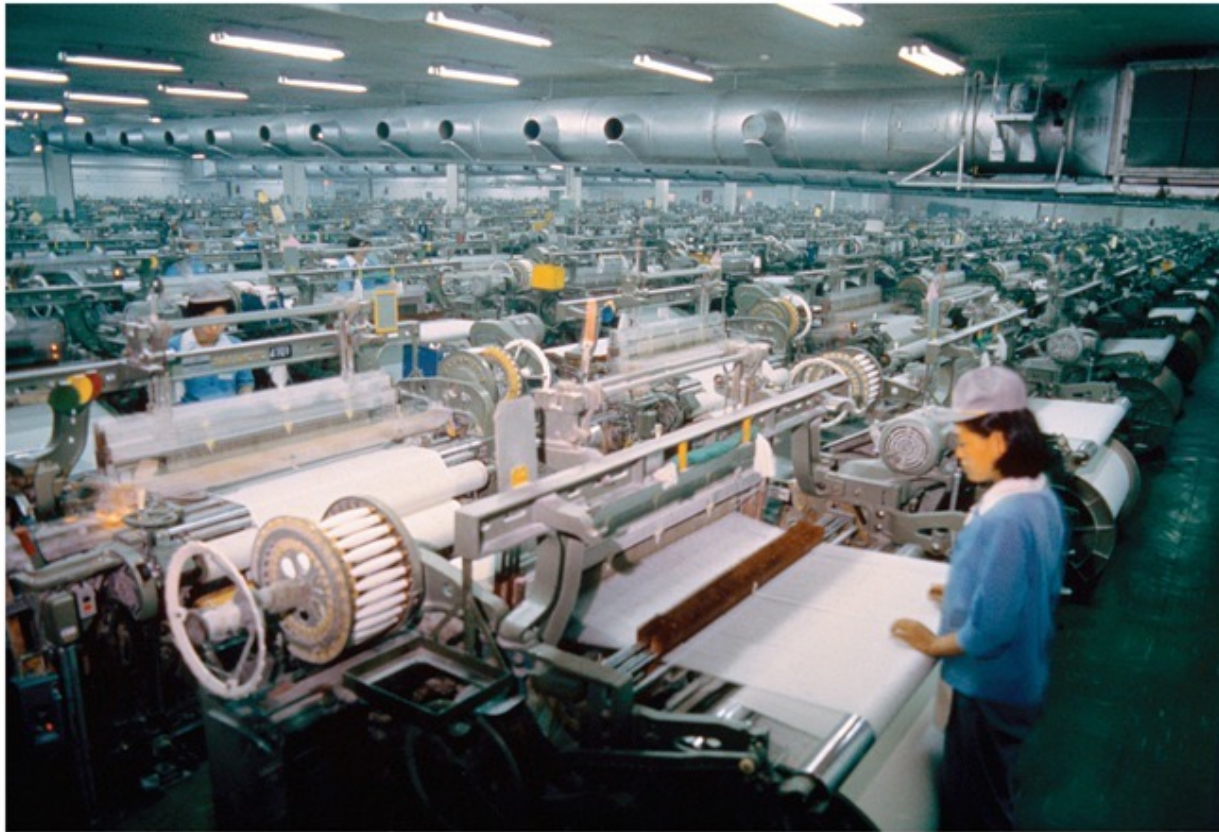
# Development Models

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## **Export-oriented industrialization (EOI)**

Korea, Taiwan, Singapore, and Hong Kong

# Development Models



# Development Models

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**Export-oriented industrialization  
(EOI)**

Winners and losers

# Development Models

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## The Washington Consensus

Much of Latin America, 1980s–2000s

# Development Models

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## **The Washington Consensus**

Winners and losers

# Development Models

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A new model?

**State capitalism**

China, Russia

# Political Science 12: International Relations

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