Concept Of Economic Development And Its Measurement

Identifies the central themes, issues, questions, and methods of analysis of economics, and discusses how they have been approached in the African context over time. Reviews and document how the study of African societies has contributed to and shaped major fields of the discipline of economics. This second edition of a classic text provides an introductory and interdisciplinary review of the theories of social and economic development.

This text is an introduction to the newer features of growth theory that are particularly useful in examining the issues of economic development. Growth theory provides a rich and versatile analytical framework through which fundamental questions about economic development can be examined. Structural transformation, in which developing countries transition from traditional production in largely rural areas to modern production in largely urban areas, is an important causal force in creating early economic growth, and as such, is made central in this approach. Towards this end, the authors augment the Solow model to include endogenous theories of saving, fertility, human capital, institutional arrangements, and policy formation, creating a single two-sector model of structural transformation. Based on applied research and practical experiences in macroeconomic development, the model in this book presents a more rigorous, quantifiable, and explicitly dynamic dual economy approach to development. Common microeconomic foundations and notation are used throughout, with each chapter building on the previous material in a continuous flow. Revised and updated to include more exercises for guided self study, as well as a technical appendix covering required mathematical topics beyond calculus, the second edition is appropriate for both upper undergraduate and graduate students studying development economics and macroeconomics.

The first fifteen years of the 21st century have thrown into sharp relief the challenges of growth, equity, stability, and sustainability facing the world economy. In addition, they have exposed the inadequacies of mainstream economics in providing answers to these challenges. This volume gathers over 50 leading scholars from around the world to offer a forward-looking perspective of economic geography to understanding the various building blocks, relationships, and trajectories in the world economy. The perspective is at the same time grounded in theory and in the experiences of particular places. Reviewing state-of-the-art of economic geography, setting agendas, and with illustrations and empirical evidence from all over the world, the book should be an essential reference for students, researchers, as well as strategists and policy makers. Building on the success of the first edition, this volume offers a radically
revised, updated, and broader approach to economic geography. With the backdrop of the global financial crisis, finance is investigated in chapters on financial stability, financial innovation, global financial networks, the global map of savings and investments, and financialization. Environmental challenges are addressed in chapters on resource economies, vulnerability of regions to climate change, carbon markets, and energy transitions. Distribution and consumption feature alongside more established topics on the firm, innovation, and work. The handbook also captures the theoretical and conceptual innovations of the last fifteen years, including evolutionary economic geography and the global production networks approach. Addressing the dangers of inequality, instability, and environmental crisis head-on, the volume concludes with strategies for growth and new ways of envisioning the spatiality of economy for the future.

This book collects together for the first time Anthony Brewer’s work on the origins and development of the theory of economic growth from the late eighteenth century and looking at how it came to dominate economic thinking in the nineteenth century. Brewer argues that many of the earliest proponents of economics growth theory had no concept of it as a continuing theory. This book looks at many of the key players such as Smith, Hume, Ferguson, Steuart, Turgot, West and Rae and is tied together with a rigorous introduction and a new chapter on capital accumulation.

This book is the first quantitative description of Europe’s economic development at a regional level over the entire twentieth century. Based on a new and comprehensive set of data, it brings together a group of leading economic historians in order to describe and analyze the development of European regions, both for nation states and for Europe as a whole. This provides a new transnational perspective on Europe’s quantitative development, offering for the first time a systematic long-run analysis of national policies independent from the use of national statistical units. The new transnational dimension of data allows for the analysis of national policies in a more thorough way than ever before. The book provides a comprehensive database at the level of modern NUTS 2 regions for the period 1900–2010 in 10-year intervals, and a panoramic view of economic development both below and above the national level. It will be of great interest to economic historians, economic geographers, development economists and those with an interest in economic growth.

In economic development, theory and practice exist as two seemingly separate realities. Academics strive to develop or refine theory by drawing on abstract concepts about the way people behave and institutions work, while practitioners draw from a stock of experiences. By bringing together leading theorists and practitioners such as Blakely, Blair, McCann, Luger, Gunder, Stough and Stimson, this book provides the first comprehensive overview of local economic development theories for over fifteen years. It explores the theory behind the key concepts that every economic practitioner must understand and in doing so, ties together the various theories from across the disciplines to practice.
A history of the emergence of development economics as a distinct sub-discipline. The social and economic systems of any country are influenced by a range of factors including income and education. As such, it is vital to examine how these factors are creating opportunities to improve both the economy and the lives of people within these countries. Socio-Economic Development: Concepts, Methodologies, Tools, and Applications provides a critical look at the process of social and economic transformation based on environmental and cultural factors including income, skills development, employment, and education. Highlighting a range of topics such as economics, social change, and e-governance, this multi-volume book is designed for policymakers, practitioners, city-development planners, academicians, government officials, and graduate-level students interested in emerging perspectives on socio-economic development.

Why are poor countries poor and rich countries rich? How are wealth and poverty related to changes in nutrition, health, life expectancy, education, population growth and politics? This modern, non-technical 2005 introduction to development studies explores the dynamics of socio-economic development and stagnation in developing countries. Taking a quantitative and comparative approach to contemporary debates within their broader context, Szirmai examines historical, institutional, demographic, sociological, political and cultural factors. Key chapters focus on economic growth, technological change, industrialisation, agricultural development, and consider social dimensions such as population growth, health and education. Each chapter contains comparative statistics on trends from a sample of twenty-nine developing countries. This rich statistical database allows students to strengthen their understanding of comparative development experiences. Assuming no prior knowledge of economics the book is suited for use in inter-disciplinary development studies programmes as well as economics courses, and will also interest practitioners pursuing careers in developing countries.

Cases in Economic Development: Projects, Policies and Strategies presents cases on project analysis, sectoral planning, and macroeconomic policies. The cases are set in an imaginary country called Beracia in order to simulate actual planning experience. Beracia has been designed with a greater than normal range of problems, so that it can encompass the features of mineral-rich countries such as Zambia and Peru; agrarian economies such as the Philippines and Ivory Coast; and aspiring exporters of manufactures such as Colombia and Pakistan. This text has 11 cases divided into five sections. After providing an overview of development planning, development goals and strategies, and planning theory and practice, the book introduces the fictional country in the next section, which presents four reports similar to World Bank economic reports on developing countries (economic and political developments; income and employment; trade and payments; and fiscal and financial developments). Sufficient data are elaborated to explain the economy’s salient features. The third section focuses on assumptions and controversies surrounding project analysis, while the section on sectorial planning introduces the reader to input-output analysis, efficiency indicators, education planning, and industrial strategy. The section on macroeconomic planning covers macroeconomic forecasts; balance-of-payments crisis; fiscal planning and reform; and income inequality and poverty. The cases span many sectors, from mining and agriculture to manufacturing, transport, education, and health. This book is written primarily for students, professional economists, and experienced policy analysts.

This book is the first of its kind to use Austrian subjectivism to analyze issues in economic development. Unlike scholars in mainstream neoclassical economics who explain economic progress in human agency perspective. In this approach, human agency is placed at the centre of economic analysis. This book begins with a review of the theories of economic development in the history of Austrian economics, with the intention of extending the contributions of major Austrian economists to development economics. After pointing out the weaknesses in the
orthodox neoclassical approach to economic growth, the book then puts forward a subjectivist methodology which integrates the contributions of Max Weber, Alfred Schutz and Austrian Economists to interpret economic phenomena and policies. This chapter also serves as a methodological foundation for arguments elaborated in subsequent chapters. The rest of the book discusses important issues in economic development, namely, entrepreneurial process, national capabilities, innovation, trade, government, transition and catching up strategies for firms in latecomer economies. The book ends with concluding remarks and a proposal for a new research agenda in economic development. This book is well written, free from mathematics and is highly readable. It adds new insights not only in economics, but also in management, politics and social sciences. It will be useful to scholars, policy makers and students in economic development, entrepreneurship, theory of the firm, management of innovation, government policy, economic sociology, Austrian and evolutionary economics.

International Economics and Development: Essays in Honor of Raúl Prebisch provides information pertinent to the developments in the field of international economies as it relates to the problems of the underdeveloped countries. This book provides a brief biography of Professor Raúl Prebisch and his many contributions to international economics. Organized into eight parts encompassing 22 chapters, this book begins with an overview of the influence of Prebisch on Latin American international development policy. This text then examines the problem that has always been of real concern to the U.N. since the creation of the organization, namely, the social and economic development of underdeveloped countries. Other chapters consider the problem of economic development of the countries newly involved in the process of growth. This book discusses as well the relationship between stability conditions of real and monetary models of international trade. The final chapter deals with the characteristics of underdevelopment. This book is a valuable resource for economists.

Todaro and Smith believe that development economics should foster a student's ability to understand real problems faced by developing countries. Unlike other texts, Economic Development introduces economic models within the context of countries and issues, so that students learn to analyze and engage in the ongoing policy debates. Praised for its even, balanced coverage, the text helps students to evaluate issues using the best available cross-sectional data, economic theory, and institutional and structural perspectives. Keeping pace with current data and events, the Ninth Edition includes the latest research in development as well as extensive country-specific examples of topics such as transition economics and urban policy. - Reorganization from four parts to three provides a more streamlined sequencing for economic development courses. - All new country case studies target pertinent issues, such as Divergent Development: Pakistan and Bangladesh and Understanding a Development Miracle: China. Thoroughly updated and revised comparison case studies provide the most current illustrations of policy and its outcomes. major development organizations. - New research on rural development economics and the green revolution in Chapter 9. - Extended coverage of non-governmental organizations and how they compare with government and private sectors in Chapter 11, Political Economy and the Roles of Market. - Chapter 14 takes a critical look at the World Bank and the burden of debt.

The book, which draws on data published by the World Bank, is addressed to teachers, students, and all those interested in exploring issues of global development. This newly revised, clearly-presented text looks at Japan's economic history from the nineteenth century through to World War II. Working within a framework based on the theories and approaches of development studies, Francks demonstrates the relevance of Japan's pre-war experience to the problems facing developing countries today, and draws out the historical roots of the institutions and practices on which Japan's post-war economic miracle was based. New features include: * fresh theoretical perspectives *
additional material derived from new sources * an increased number of case studies * fully up-dated references and bibliography. This broad-ranging textbook is both topical and easy-to-use and will be of immense use to those seeking an understanding of Japanese economic development.

Economic development has been for many years the dominant national policy objective of the countries in the Third World, but there has been little consensus on the goals and definitions of development. Focusing on the era since World War II, H. W. Arndt traces the history of thought about economic development to show readers, in nontechnical terms, what the development objective has meant to political and economic theorists, policymakers, and politicians from Adam Smith to Ayatollah Khomeini.

Conventional Economics and New Economic Cycles -- Inflation and the New Economy -- New Growth Heights -- 10. Conclusion -- Notes -- Index

a landmark in the contemporary approach to economics"The Observer "it is as good a book as its most obvious predecessors in the genre: Smith's Wealth of Nations and Marshall's Industry and the Trade"Times Educational Supplement Setting out the problems to be solved if mankind is to be freed from poverty, Theory of Economic Growth embraces the disciplines of economics, history, sociology, politics and anthropology in its coverage. Focussing on output and growth (rather than distribution and consumption) the book discusses economic institutions, knowledge, capital, population, resources and government, and their role in the growth of output per head of population.

This book shows that the existing theories on economic growth have clear limitations in terms of how much they can effectively contribute to actual economic growth. Therefore, this book presents a more effective theory on economic growth for countries and leaders looking to promote economic growth. It is essentially centered around the theory of economic growth and theory of national development, written for agricultural developing countries pursuing industrialization and late-starting industrialized countries pursuing their own development. Nevertheless, it also makes a significant contribution to the very development of human civilization through the growth of developing countries, late-starting industrialized countries and early industrialized countries throughout the world.

Taking a comparative and multidisciplinary approach, this textbook offers a non-technical introduction to the dynamics of socio-economic development and stagnation. This is the United Nations definitive report on the state of the world economy, providing global and regional economic outlook for 2020 and 2021. Produced by the Department of Economic and Social Affairs, the five United Nations regional commissions, the United Nations Conference on Trade and Development, with contributions from the UN World Tourism Organization and other intergovernmental agencies.

By the winner of the 1988 Nobel Prize in Economics, an essential and paradigm-altering framework for understanding economic development--for both rich and poor--in the twenty-first century. Freedom, Sen argues, is both the end and most efficient means of sustaining economic life and the key to securing the general welfare of the world's entire population. Releasing the idea of individual freedom from association with any particular historical, intellectual, political, or religious tradition, Sen clearly demonstrates its current applicability and possibilities. In the new global economy, where, despite unprecedented increases in overall opulence, the contemporary world denies
elementary freedoms to vast numbers—perhaps even the majority of people—he concludes, it is still possible to practically and optimistically retain a sense of social accountability. Development as Freedom is essential reading. An award-winning professor of economics at MIT and a Harvard University political scientist and economist evaluate the reasons that some nations are poor while others succeed, outlining provocative perspectives that support theories about the importance of institutions.

This book addresses the challenge of securing high-paying jobs for American workers. It examines the impacts of a wide range of state and local characteristics—such as low taxes, high-skilled workforce, reliance on manufacturing, and even nice weather—on the economic development of U.S. regions. The author provides a detailed account for each factor’s impact on the growth of good jobs. The research focuses on U.S. metropolitan areas and states, tracking employment and income change in these regions from 1990 to the near present. While providing numerous best principles for state and regional policy, the author uncovers the keys to supporting high-paying U.S. jobs in an important book that will prove invaluable to elected officials, economic development practitioners, and students interested in the pursuit of economic development.

This book presents a major new theory of economic growth. Orthodox theories explain both the level and growth of output by three main variables: employment, the capital stock, and technical progress. The new theory does not attempt to explain the level of output, only its change over a given period, and so is more historical. The capital stock is not of central interest, and there is no separate rate of technical progress. The two main explanatory variables are the growth of employment and the rate of investment. As well as demolishing existing orthodox theories, the book demonstrates that the new theory can be used to explain why growth rates differ between different countries (mainly the United States, Japan, and the United Kingdom) and periods, and why the shares of profits and wages differ. Verdoon’s and Fabricant’s Laws relating to productivity growth in different industries; taxation; optimum growth; and the productivity slow-down after 1973 are also discussed.

The main theme of this study is chosen in response to the general consensus on the importance of conducting a comprehensive study that may shape the economic policies and promote the business sector as well as the government and other organizations. However, the key question posed by this study is whether the theory that political stability fosters economic development is simply the wishful thinking of people who value both stability and growth or whether it is a delusion of those who believe that most developing countries may enjoy rapid growth if they are stable. The importance of this study is clear: South Sudan is confronted with enormous challenges of administrative, ethnic, political, and economic development. In light of this, the current study addresses the following issues: "What is the impact of the political system in South Sudan on economic development? What is the impact of oil resources on sustainable development? What is the impact of the oil shutdown on political and economic stability, and what is the possibility of deficit financing? Is there any possibility for cooperation between Sudan and South Sudan?" In this context, the major objective of this study is to analyze the political development of the country to verify that political stability fosters the achievement of economic and social development. It also seeks to
analyse the political history of Sudan in general and South Sudan in particular, emphasising the importance of political stability, among other considerations, as a precondition for socioeconomic development. Furthermore, other objectives of the study include suggestions on how political stability could be ensured in South Sudan and how good governance may promote political and economic stability. In light of the above, this study focuses on the issues of the political transition and policies that will improve the economic, political, and social well-being of the people of South Sudan. It seeks ways of setting up policies that will raise the standard of living of people with sustained growth and move from a simple, low-income economy to a modern, high-income economy. It also attempts to develop a framework for cooperation between Sudan and South Sudan. The methodology that is adopted to address these issues is collecting, sorting, and analysing primary and secondary information relating to the history of political and economic development in South Sudan, using empirical approaches such as SWOT analysis, information sources, references, and books. However, this study is organized as follows: chapter 1 discusses political stability and economic development in a theoretical framework through which we explore the empirical analysis; it is divided into four sections. Section 1 focuses on definition, causes, and measurement of political stability with an aim to assess the effect of political stability on growth-related variables. In section 2, we define the concept of political instability and measure it by using indicators like the number of coups d'état, the number of major government crises, the number of cabinet changes, and the number of political revolutions as well as political assassinations. Section 3 discusses the concept and definition of economic development and summarizes the major theories of economic development in five fundamental elements. The last section explores the implications of financing economic development by discussing domestic resources (including deficit financing) and foreign financial resources and the role of each of them in achieving economic development. Chapter 2 presents the political and social background of South Sudan is divided into three sections. Section 1 discusses South Sudan's ability to function and successfully implement its policies and strategic vision for the year 2040. Section 2 focuses on the demographic structure of South Sudan in terms of population, education, languages, and culture. Section 3 discusses the social indicators such as infrastructure, poverty, and corruption which affect improving social welfare as well as the political stability and economic development of the Republic of South Sudan. Chapter 3 focuses on the South Sudan economy and the challenges. Here we discuss the political and development challenges facing South Sudan as well as the investment opportunities. This chapter discusses the major challenges which face South Sudan, especially issues such as border demarcation, political reform, and oil shutdown as well as investment opportunities in oil and agriculture. In chapter 4, we discuss South Sudan's oil and economic development. It focuses on oil resources and their impact on sustainable development, the impact of oil shutdown on political and economic development and the possibility of deficit financing. In chapter 5, we discuss the future of stability and prosperity in South Sudan. It discusses how good governance and cooperation can be enormously beneficial to South Sudan in the process of building sustainable political and economic stability and what South Sudan can learn from other countries. The major findings of this study are as follows: - Political stability plays an important role in determining economic growth
and economic development in many economies. - The degree of political stability is high if there is a high degree of democracy or autocracy. - Strong democracies or strong autocracies are best equipped to provide political stability that may lead to economic development. It is then the level of political stability within a given country, regardless of regime type, that results in economic growth. - Long-term sustainable economic growth depends on the ability to raise the rates of accumulation of physical and human capital by securing necessary sources (domestic, foreign, or deficit finance) to use efficiently for financing economic development. - Most economists view corruption as a major obstacle to development. It is seen as one of the causes of low income and is believed to play a critical role in generating poverty traps (e.g., Blackburn et al. 2006). Thus, corruption, according to this view, "sands" the wheels of development and it makes economic and political transitions difficult. - Not only is good governance critical to development, but it is also the most important factor in determining whether a country has the capacity to use resources effectively to promote economic growth and reduce poverty.

This volume presents a new perspective on demographic transition, economic growth, and national development via exploration of the Third World economies. It provides a multidimensional approach to the close relationship between the concept of the chaos and complexity theory and provides a deliberate glance into the plight of policy formulation for demographic transition, economic growth, and development of Third World countries. The volume discusses the efficiency of good strategies and practices and their impact on business growth and economic growth, depending on the depth and diversity of infrastructure sector in particular and overall socioeconomic development in general. Economic Growth and Demographic Transition in Third World Nations: A Chaos and Complexity Theory Perspective covers a conglomeration of various aspects and issues related to the effect of demographic transition on socio-economic development in Third World countries, especially in the post-globalized era. It focuses on the applicability of the chaos and complexity theory in order to elicit transformational policies and aims to discuss and predict future projections of the new world of the economic growth policies.

Why do some countries' economies struggle to develop, even when they are the focus of so much research and international funding? While recognizing that the obstacles facing poor nations are many and complex, Rabie proposes that the roots of most obstacles are sociocultural; thus, sociocultural transformation and economic restructuring can only be successful when treated as interconnected, mutually beneficial objectives. A Theory of Sustainable Sociocultural and Economic Development outlines an innovative model capable of identifying the major obstacles hindering poor nations' development in general, and the sociocultural and political obstacles in particular, placing them in their proper historical contexts, and addressing them comprehensively.

Latin American neo-structuralism is a cutting-edge, regionally focused economic theory with broad implications for macroeconomics and development economics. Roberto Frenkel has spent five decades developing the theory's core arguments and expanding their application throughout the discipline, revolutionizing our understanding of high inflation and hyperinflation, disinflation programs, and the behavior of foreign exchange markets as well as financial and currency crises in emerging economies. The essays in
this collection assess Latin American neo-structuralism's theoretical contributions and viability as the world's economies evolve. The authors discuss Frenkel's work in relation to pricing decisions, inflation and stabilization policy, development and income distribution in Latin America, and macroeconomic policy for economic growth. An entire section focuses on finance and crisis, and the volume concludes with a neo-structuralist analysis of general aspects of economic development. For those seeking a comprehensive introduction to contemporary Latin American economic thought, this collection not only explicates the intricate work of one of its greatest practitioners but also demonstrates its impact on the growth of economics.

The Theory of Economic Development
Routledge

This textbook covers the full range of topics and issues normally included in a course on economic growth and development. Both mainstream economic perspectives as well as the multi-paradigmatic, inter-disciplinary, and dynamic-evolutionary perspectives from heterodox economics are detailed. Economic development is viewed in terms of the long-run well-being of humanity, social stability, environmental sustainability, and just distribution of economic gains, not simply as the growth of GDP. Furthermore, this textbook explicitly recognizes the complexity of economic development by linking economic activity to our broader social and natural environments. The textbook's unique feature is its focus on the natural environment. Both the historical effects of economic development on the environment and the environmental constraints on future economic development are thoroughly discussed in two chapters on environmental issues and policies. In fact, because economic development is defined in terms of economic, social, and environmental sustainability, the natural environment is included in discussions throughout the book. The textbook is inter-disciplinary: knowledge from fields such as sociology, psychology, political science, economic history, and ecology is called on to enhance the economic analysis. A thorough historical account of the development of the principal paradigms of economic development is also included, and the important issues of institutional development and cultural change merit their own chapters. Two chapters on technological change holistically focus on production technologies as well as the dynamic performance of entire economic, social, and ecological systems. Also, the important relationship between economic development and globalization is presented in three chapters on international trade, international finance and investment, and immigration from both orthodox and heterodox perspectives. Request Inspection Copy

This handbook organizes chapters by sets of policies that are important components of discussions about how to facilitate development. In each chapter, authors identify and discuss the relevant theoretical and empirical literature that describes the fundamental problems that the policies seek to remedy or ameliorate, as well as the literature that evaluates the effects of the policies. It presents an accurate, self-contained survey of the current state of the field. It summarizes the most recent discussions, and elucidates new developments.
Although original material is also included, the main aim is the provision of comprehensive and accessible surveys

Introduction to Modern Economic Growth is a groundbreaking text from one of today's leading economists. Daron Acemoglu gives graduate students not only the tools to analyze growth and related macroeconomic problems, but also the broad perspective needed to apply those tools to the big-picture questions of growth and divergence. And he introduces the economic and mathematical foundations of modern growth theory and macroeconomics in a rigorous but easy to follow manner. After covering the necessary background on dynamic general equilibrium and dynamic optimization, the book presents the basic workhorse models of growth and takes students to the frontier areas of growth theory, including models of human capital, endogenous technological change, technology transfer, international trade, economic development, and political economy. The book integrates these theories with data and shows how theoretical approaches can lead to better perspectives on the fundamental causes of economic growth and the wealth of nations. Innovative and authoritative, this book is likely to shape how economic growth is taught and learned for years to come. Introduces all the foundations for understanding economic growth and dynamic macroeconomic analysis Focuses on the big-picture questions of economic growth Provides mathematical foundations Presents dynamic general equilibrium Covers models such as basic Solow, neoclassical growth, and overlapping generations, as well as models of endogenous technology and international linkages Addresses frontier research areas such as international linkages, international trade, political economy, and economic development and structural change An accompanying Student Solutions Manual containing the answers to selected exercises is available (978-0-691-14163-3/$24.95). See: http://press.princeton.edu/titles/8970.html. For Professors only: To access a complete solutions manual online, email us at: acemoglusions@press.princeton.edu

The success of an economy to adapt quickly, flexibly, and effectively to the demands of the changing international economic environment can only be investigated using the achievements of other national economies or regions as a benchmark. This book analyzes the fundamental factors of competitiveness, which will, in turn, facilitate economic development and growth, in the new post-crisis environment. In the economic, social, legal, and technological environment that has emerged in recent years, as well as in the period after the recent financial crisis, it is critical to define, assess, and implement new pathways to competitiveness and economic development. The book covers all aspects of competitiveness and economic growth, from financial intermediaries to tourism and the digital economy, and from regulation and corporate governance to exchange rate dynamics and monetary policy issues. It uses empirical findings from a variety of different countries with divergent economic structures and policies. It examines the new system of production, and the technological,
commercial, financial and institutional environment, with the aim of recommending a proportional division of benefits and costs of economic growth. It offers a fresh, holistic, and flexible concept to underscore the new relationship between competitiveness and economic growth. Such an approach is needed, whereby competitiveness is no longer a zero-sum game between countries, but is achievable for all countries. The book recommends future directions and offers policy solutions, and as such, will appeal to students, researchers, and policymakers, as well as those interested in the role of competitiveness in the operation of markets, productivity, and economic development, and how it might foster innovation and growth.

Joseph Schumpeter (1883–1950) is one of the most fascinating and influential economists of the twentieth century, renowned for his brilliant and unorthodox insights into the nature of capitalism. His students include leading economists such as Paul Samuelson, Robert Solow and the former chairman of the Federal Reserve, Alan Greenspan. The Theory of Economic Development is one of Schumpeter's most important books and the one that made him famous. He poses a fundamental question: why does economic development proceed cyclically rather than evenly? Turning prevailing economic theory, which approached economics as equilibrium, on its head, Schumpeter argues it is because economics is constantly transformed by its own internal forces. These forces are the 'circular flow' of economic life; economic development, characterised by disruption and innovation; and finally, the levers that push and pull capitalism including credit, profit and interest. These are all manifested in the 'business cycle', one of Schumpeter's major contributions to understanding economics and now a perennial feature of virtually all economics and business curricula. He is also the first economist to place the entrepreneur at the heart of capitalism, anticipating subsequent fascination with entrepreneurship in popular business and management writing. Schumpeter also lays the groundwork for his subsequent, highly influential idea of the 'creative destruction' characteristic of radical and rapid economic change. The Theory of Economic Development remains a vital, magisterial account of economics and the nature of capitalism whose many insights remain highly relevant today. This Routledge Classics edition includes a new Introduction by Richard Swedberg.