

Growth or Development

In both academic writings and in practice the notions of “growth” and “development” are often used interchangeably. This convention, unfortunately, creates confusion. Growth means an increase in numbers or size such as more jobs, businesses, population, housing or higher levels of income and profits. Development is a sustained process of progressive change to attain individual and group interests. Growth is generally associated with *quantitative* changes whereas development is associated with *qualitative* change. Herein lays a problem for Extension Educators because *qualitative* change involves value judgments.

Economists think about this distinction in terms of *normative* and *positive* economics. Positive economics is the study of how the economy functions and how it may or may not react to shocks or policy changes. Normative economics, on the other hand, speaks to what should be. Normative economic analysis is value laden while positive economics is objective. This distinction can be seen in terms of how the economy is “judged” using two criteria: efficiency and equity. For efficiency the question is if the economic system will result in resources (land, labor and capital) being used to their fullest potential. In other words, at a minimum are resources being wasted? Equity speaks to if the final allocation of an economic system is “fair” or “impartial”. Fairness by definition involves judgment and personal opinions. If growth is the size of the pie development is the allocation of the pie.

One reason many economists prefer to avoid positive economics in policy discussions is because there is an implicit assumption that economists have the answers. This is a presumptuous view of the community. If community economic development is truly a systems thinking approach to studying and working with communities then economics provides valuable but incomplete insights. In the end, an economist’s judgment or opinion of a community issue or policy options is of equal, not superior, value to that of a sociologist, political scientist or behavioral psychologist.

When we think about community development we often think in terms of improving the quality of life of local residents. But what defines quality of life is subjective and varies across individuals and over time. For example, some individuals may place greater value on preserving environmental quality over higher paying jobs while others would prefer the opportunities to improve their incomes. The notion of the triple bottom line (3BL) suggests that potentially competing interests must be balanced.

For the Extension Educator this can create problems because opinions or values can vary significantly across communities and more importantly amongst members within the community. These values can also change over time. For example, during periods of a strong economy people may place high values on preserving natural amenities but during a weak economy job creation may outweigh environmental and amenity protection. This cannot only lead to conflict within the community but it also points to the possibility that what may be a reasonable set of goals and strategies for one community may be inappropriate for another. But in the end, the values of the Extension Educator become secondary to that of the community.

Growth means more of the same, more jobs, businesses, people, housing, income and profits but development means using the resources of the community differently to enhance human welfare or quality of life. It is important to note that development can include concepts related to growth, but the reverse is not necessarily true. There is an unsettled debate whether or not growth is a necessary condition for development to occur. Can the community experience development without growth? Some argue that core to development is the allocation or nature of the growth process.

So, if the community is adding jobs but the average earnings per worker are declining, is that growth or development? If the Extension Educator works with a local chamber of commerce to provide effective mentoring services to new local small business owners, is that growth or development? If the Educator develops a “Badgerville Leadership Program” is that growth or development? As with any systems approach to thinking about the community we learn that compartmentalizing efforts can be troublesome. While community economic growth and development efforts can overlap, care must be taken not to use the terms interchangeably.