

Economic development is inadequately defined. Institutional and theoretical treatments are intermixed. Theoretical discussions lack consistency, rigour or assimilation with growth theory. Separation of institutional and parametric treatment promotes realism and mitigates these defects. The methodology of the classical economists and stage theorists is reflected in development economics through a disposition to partial theory, inaccurate observation, incomplete definition of conditions for irreversibility, and comparative statics.

To remedy observed deficiencies an integrated, dynamic "real" model is formulated to comprehend the principal issues of underdevelopment at macro and micro levels. Three interrelated sub-systems, Keynesian, Harrod-Domar, and technical parameters fit closed and open economies. Enquiry into aspects of development suggests that:

- (1). Underdevelopment is a disequilibrium state in a general equilibrium system. Only a closed economy may achieve (unstable) general equilibrium of the general system. General equilibrium of the open economy is improbable, but occurring, constitutes partial equilibrium of the general system.
- (2). Through the multiplier-accelerator nexus, partial equilibrium may persist at a particular rate of output growth, however the values of contributory parameters vary, and conversely.
- (3). Development theory and growth theory are assimilable.
- (4). Parameters represent, through stages, vector values in changing vector systems. Continuity and irreversibility require the establishment and preservation of growth promoting institutional dispositions, reflected in changing values of strategic parameters.
- (5). The model represents the missing methodological link between the more dynamic theoretical hypotheses of Latin American Structuralism and current orthodox dynamic models.

These conclusions are tested generally on the West Indian region, and more specifically on the Jamaican economy. Examination is made of the effects on parameters through structural and institutional character and disposition. Parametric analysis reveals that Jamaica, in transition, demonstrates a diminishing capacity for growth and labour absorption, under conventional external and internal stimuli of given values.