**Chapter 9 Learning Guide – Development**

**Key Issue 1 – *Why Does Development Vary Among Countries?***

Pgs. 272 - 281

1. Define *Development*:
2. Define *More Developed Country (MDC)*:
3. Define *Less Developed Country (LDC)*:
4. What four factors does the UN consider when determining a country’s level of development, its HDI (Human Development Index)?

**Economic Indicators of Development**

1. What is *gross domestic product (GDP)*?
2. What is the annual per capita GDP in an MDC? In an LDC?
3. What has been happening to the gap between MDCs and LDCs in terms of GDP?
4. Explain this statement: “Per capita GDP measures average (mean) wealth, not its distribution.”
5. What types of jobs comprise the *primary sector* or an economy? *secondary sector*? *tertiary sector*?
6. How is the percent of workers in agriculture different in LDCs and MDCs?
7. Within MDCs, what is the trend (increasing or decreasing) for each of the sectors?
8. Define each of the following related terms.

*Productivity:*

*Value Added:*

1. What three “consumer goods” are considered to be particularly good indicators of development?
2. What is the ratio of people to these types of goods in a typical MDC? In a typical LDC?
3. The people in LDCs who do have access to consumer goods are usually concentrated in what regions?
4. Define *literacy rate*:
5. What is the literacy rate in MDCs? LDCs?

**Demographic Indicators of Development**

1. Indicate the statistic for each of the following demographic characteristics.

|  |  |  |
| --- | --- | --- |
|  | **MDC** | **LDC** |
| Life Expectancy |  |  |
| Infant Mortality Rate |  |  |
| Natural Increase Rate |  |  |
| Crude Birth Rate |  |  |

**Chapter 9 Learning Guide – Development**

**Key Issue 2 – *Where Are More & Less Developed Countries Located?***

Pgs. 281 – 288

As you read the text, identify the average HDI (Human Development Index) for each region in the left column and make any necessary notes regarding the level of development in the region in the right column.

|  |  |
| --- | --- |
| **HDI** | **Notes on Development** |
| North America |  |
| Europe |  |
| Russia |  |
| Japan |  |
| Oceania |  |
| Latin America |  |
| East Asia |  |
| Southwest Asia & North Africa |  |
| Southeast Asia |  |
| Central Asia |  |
| South Asia |  |
| Sub-Saharan Africa |  |

**Chapter 9 Learning Guide – Development**

**Key Issue 3 – *Where Does Level of Development Vary By Gender?***

Pgs. 288 – 294

1. Define *Gender-Related Development Index*:
2. Define *Gender Empowerment Measure*:

**Gender-Related Development Index**

1. The GDI considers what four areas as it compares the situation of women to that of men in various countries?
2. Where are the highest GDIs?
3. Where are GDIs the lowest?

Use Figures 9-18 thru 9-21 to answer #s 6 – 8.

1. What is the average **“income gap”** between men and women in MDCs?
2. Where is the largest gender disparity in education?
3. Read the following statements regarding literacy and mark them as true or false. If the statement is false, correct the statement to make it true.

\_\_\_\_\_\_ In MDCs literacy is universal among both men and women.

\_\_\_\_\_\_ In Latin America and Asia, literacy is universal among men, but rates are low for women.

\_\_\_\_\_\_ In Sub-Saharan Africa and the Middle East, female literacy is low, but it is slightly higher than that of men.

1. In what sense is the “gender gap” actually greater in MDCs than in LDCs?

**Gender Empowerment**

1. What does the GEM (Gender Empowerment Measure) measure?
2. What two things are measured in order to calculate the GEM?

Use Figures 9-22 thru 9-25 to answer #s 12 – 15.

1. What types of **barriers** restrict women from obtaining professional and technical jobs?
2. In what region do women comprise a larger part of national government than anywhere else in the world?
3. What percentage of legislators there are women?
4. What is that percentage in the United States?

**Chapter 9 Learning Guide – Development**

**Key Issue 4 – *Why Do Less Developed Countries Face Obstacles to Development?***

Pgs. 294 – 301

1. Complete the chart below with notes from the text on two different models of development.

|  |  |  |
| --- | --- | --- |
|  | APPROACHES TO ECONOMIC DEVELOPMENT | |
|  | Self-Sufficiency Model | International Trade Approach (Rostow’s Development Model) |
| Elements |  |  |
| Problems & Criticisms |  |  |

|  |  |  |
| --- | --- | --- |
| Self-Sufficiency | | International Trade (Rostow’s) |
| Case Studies | India: | Four Asian Dragons: |
| Arabian Peninsula States: |

1. Which of the two models for development has shown the most success?
2. Mark each of the following statements, regarding the WTO, as true or false. If false, correct the statement.

\_\_\_\_\_\_ The WTO was formed by countries that conduct the majority of international trade.

\_\_\_\_\_\_ The WTO seeks to increase import quotas and reduce import and export tariffs.

\_\_\_\_\_\_ The WTO seeks to eliminate restrictions on the flow of money between countries.

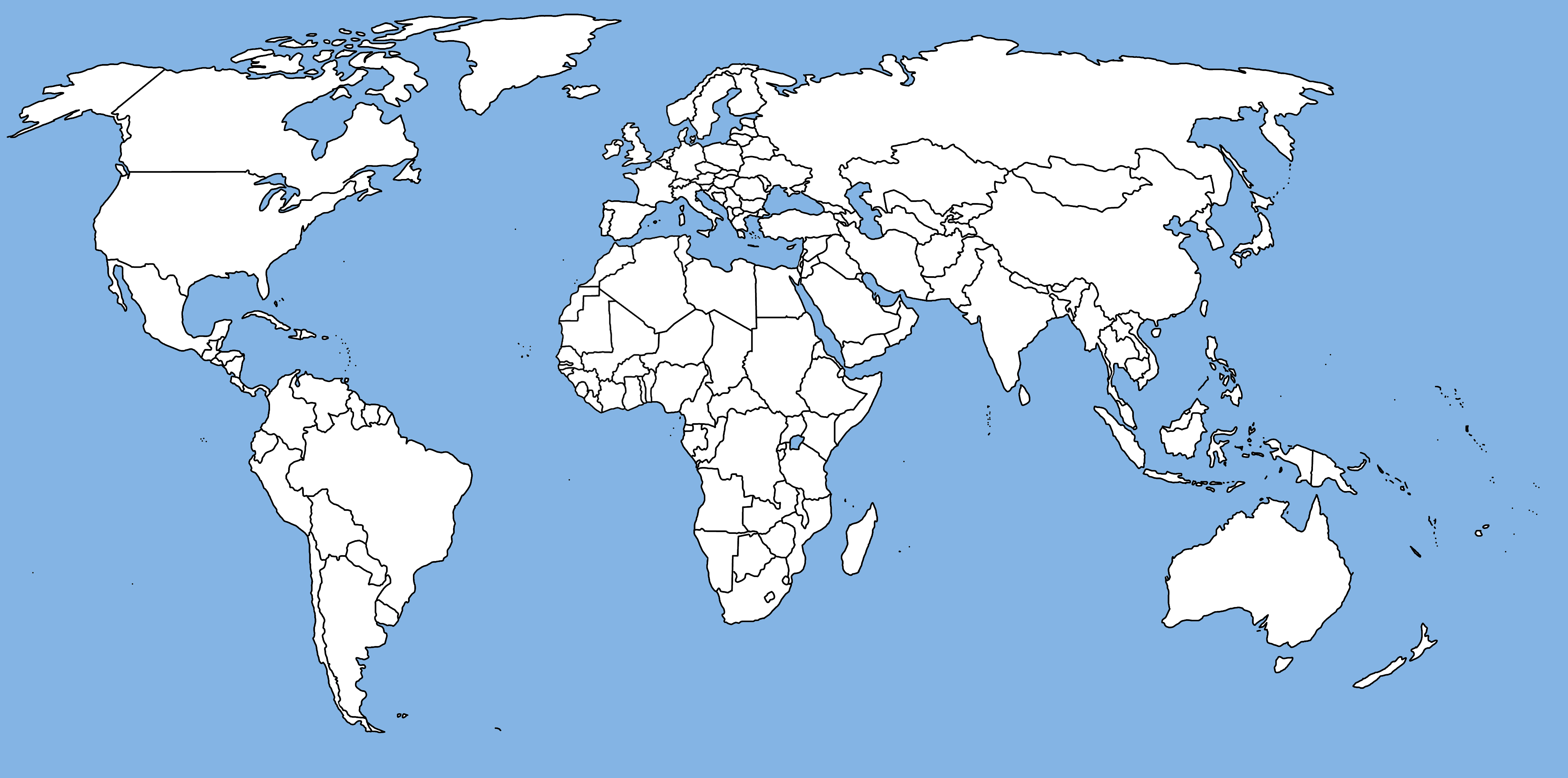
\_\_\_\_\_\_ Though it can hear accusations, the WTO cannot order remedies.

1. Why have each of the following groups been critical of the WTO?

*Progressives*:

*Conservatives*:

1. Define *Foreign Direct Investment*:
2. What is a *transnational corporation*:
3. In what regions are most transnational corporations headquartered?
4. The flow of money in transnational corporations is not balanced. This is true in TWO ways. Explain.
5. Who is making the primary investments in South America? Asia?
6. On the map, shade in RED the 3 countries/regions in which most transnational corporations are headquartered. In BLUE, shade the 11 or 12 countries that have received the bulk of the money from transnationals. Draw lines from outflow countries to inflow countries.



**Financing Development**

1. What are the two principal ways in which LDCs obtain money to finance development?
2. Identify the two main sources, both controlled by MDCs, of loans for LDCs.
3. What is the THEORY behind using loans for infrastructure projects in LDCs?
4. In REALITY, what has usually happened when loans have been used for these infrastructure projects?
5. What are *structural adjustment programs*?
6. Why is this unpopular with citizens in LDCs?

**Fair Trade**

1. Define *fair trade*:

**Chapter 9 Learning Guide – Development**

**Key Issue 1 – *Why Does Development Vary Among Countries?***

Pgs. 272 - 281

1. Define *Development*:  
   **Process of improving the material conditions of people through diffusion of knowledge & technology**
2. Define *More Developed Country (MDC)*:  
   **Country that has progressed relatively far along the continuum of development**
3. Define *Less Developed Country (LDC)*:  
   **Country that is in the early stage process of economic development**
4. What four factors does the UN consider when determining a country’s level of development, its HDI (Human Development Index)?  
   **Gross Domestic Product per capita; life expectancy; literacy rate; amount of education**

**Economic Indicators of Development**

1. What is *gross domestic product (GDP)*?  
   **Value of the total output of goods & services produced in a country during a year**
2. What is the annual per capita GDP in an MDC? In an LDC?  
   **$30,000+; $3,000**
3. What has been happening to the gap between MDCs and LDCs in terms of GDP?  
   **Gap is widening**
4. Explain this statement: “Per capita GDP measures average (mean) wealth, not its distribution.”  
   **Meaning if only a few people receive most of GDP, then the standard of living for most is lower than the average figure**
5. What types of jobs comprise the *primary sector* or an economy? *secondary sector*? *tertiary sector*?  
   **Primary – agriculture; Secondary – manufacturing; Tertiary - services**
6. How is the percent of workers in agriculture different in LDCs and MDCs?  
   **Greater in LDCs than in MDCs**
7. Within MDCs, what is the trend (increasing or decreasing) for each of the sectors?  
   **Primary – decreasing; Secondary – decreasing; Tertiary - increasing**
8. Define each of the following related terms.

*Productivity:*  
**Value of a particular product compared to the amount of labor needed to make it**

*Value Added:*  
**Gross value of the product less the costs of raw materials and energy**

1. What three “consumer goods” are considered to be particularly good indicators of development?  
   **Cars, telephones & computers**
2. What is the ratio of people to these types of goods in a typical MDC? In a typical LDC?  
   **MDCs: Cars – 400/100; Internet – 400/1000; Telephones – 800/1000  
   LDCs: Cars – 20/1000; Internet – 100/1000; Telephones – 200/1000**
3. The people in LDCs who do have access to consumer goods are usually concentrated in what regions?  
   **Urban areas**
4. Define *literacy rate*:  
   **Percentage of a country’s people who can read and write**
5. What is the literacy rate in MDCs? LDCs?  
   **98% in MDCs & less than 60% in LDCs**

**Demographic Indicators of Development**

1. Indicate the statistic for each of the following demographic characteristics.

|  |  |  |
| --- | --- | --- |
|  | **MDC** | **LDC** |
| Life Expectancy | **70s** | **60s** |
| Infant Mortality Rate | **0.5% die** | **6% die** |
| Natural Increase Rate | **0.2% annually** | **1.5% annually** |
| Crude Birth Rate | **12/1000 people** | **23/1000 people** |

**Chapter 9 Learning Guide – Development**

**Key Issue 2 – *Where Are More & Less Developed Countries Located?***

Pgs. 281 – 288

As you read the text, identify the average HDI (Human Development Index) for each region in the left column and make any necessary notes regarding the level of development in the region in the right column.

|  |  |
| --- | --- |
| **HDI** | **Notes on Development** |
| North America  **.95** | **- Ranked 13th in HDI**  **- Top in GDP per capita & literacy rates but lower in life expectancy & education**  **- World’s highest tertiary sector employment (health care, leisure, & financial services)**  **- Leading food exporter** |
| Europe  **.93** | **- European Union makes Europe world’s largest & richest market**  **- Some eastern European countries lag in development making HDI lower than N. America**  **- Dependent on international trade** |
| Russia  **.73** | **In 1990s, converted to market economy**  **Unemployment increased**  **Standard in living declined**  **HDI declined from more than .90 in 1980s to .73 in 21st century** |
| Japan  **.96** | **- Unfavorable ratio of population to resources making development remarkable**  **- People work hard for low wages**  **- Sells high quality high value products at low cost (electronics, cars, etc.)**  **- Resources concentrated in education & training** |
| Oceania  **.90** | **- Plays important role in global economy due to mining (iron ore, lead, manganese, nickel)**  **- Net exporters of food** |
| Latin America  **.82** | **- People more likely to live in urban areas than people in other LDCs**  **- Coastal areas have high GDP**  **- Development lower outside coastal areas**  **- Economy closely linked to U.S., so global recession has hurt Latin Am.** |
| East Asia  **.77** | **- Economy driven by China (world’s 2nd largest economy)**  **- China – world’s most populous country, but far behind development of N. America & Europe**  **- Manufacturing increasing export goods (DVD players, shoes, etc.)**  **- Rapid development straining resources**  **- Cheap workers**  **- Partnership with Wal-Mart** |
| Southwest Asia & North Africa  **.74** | **- Import most products**  **- Possesses most of world’s petroleum**  **- Large gap in per capita income between petroleum rich countries & those without**  **- Islam conflicts with business practices in MDCs**  **- Low literacy among women**  **- Problem of promoting development without abandoning traditional cultural values**  **- Resources used for military conflict instead of development** |
| Southeast Asia  **.73** | **- Most populous country – Indonesia**  **- Intense tropical climate makes agriculture difficult**  **- Development limited due to inhospitable environment**  **- Rice main export of S.E. Asia**  **- Textile manufacturing on the rise**  **- Overall – economic growth has slowed** |
| Central Asia  **.70** | **- Countries that were part of Soviet Union and Iran & Afghanistan**  **- Development high in Iran & Kazakhstan due to petroleum**  **- Development low in other “stan” republics**  **- Minerals & agricultural products are their economic resources - Afghanistan (probably) one of world’s lowest HDIs but can’t be accurately measured due to war & conflict** |
| South Asia  **.61** | **- 2nd highest population**  **- 2nd lowest per capita income**  **- High population density with high natural increase rate**  **- Unfavorable ratio of population to resources**  **- Agricultural productivity dependent on climate**  **- India – world’s 4th largest economy**  **- Large service provider – help desks, customer service calls centers, credit card company call centers** |
| Sub-Saharan Africa  **.51** | **- Major source of minerals**  **- Regional wealth is comparable to other LDCs**  **- Least favorable prospect of development – high poverty, poor health, low education, highest NIR - Landlocked states make shipping difficult**  **- Development halted due to internal wars & political problems**  **- Lack of capacity of land to feed population** |

**Chapter 9 Learning Guide – Development**

**Key Issue 3 – *Where Does Level of Development Vary By Gender?***

Pgs. 288 – 294

1. Define *Gender-Related Development Index*:  
   **Compares level of development of women with the development of both sexes**
2. Define *Gender Empowerment Measure*:  
   **Compares the ability of women and men to participate in economic & political decision making**

**Gender-Related Development Index**

1. The GDI considers what four areas as it compares the situation of women to that of men in various countries?  
   **1. Per capita female income as a percentage of per capita male income; 2. Number of females in school compared to number of males; 3. Percent of literate females compared to percent of literate males; 4. Life expectancy of females compared to males**
2. Where are the highest GDIs?  
   **N. America, Western Europe, Australia & Japan**
3. Where are GDIs the lowest?  
   **Sub-Saharan Africa**

Use Figures 9-18 thru 9-21 to answer #s 6 – 8.

1. What is the average **“income gap”** between men and women in MDCs?  
   **$12,000**
2. Where is the largest gender disparity in education?  
   **Sub-Saharan Africa**
3. Read the following statements regarding literacy and mark them as true or false. If the statement is false, correct the statement to make it true.

\_\_\_**T**\_\_\_ In MDCs literacy is universal among both men and women.

\_\_\_**F**\_\_\_ In Latin America and Asia, literacy is universal among men, but rates are low for women.   
In Latin America and Asia, literacy is **NOT** universal among men, but rates are **SIMILAR** for women **AND MEN**.

\_\_\_**F**\_\_\_ In Sub-Saharan Africa and the Middle East, female literacy is low, but it is slightly higher than that of men.  
In Sub-Saharan Africa and the Middle East, female literacy is low, **AND SUBSTANTIALLY LOWER THAN MALES.**

1. In what sense is the “gender gap” actually greater in MDCs than in LDCs?  
   **Women live longer than men in MDCs than in LDCs.**

**Gender Empowerment**

1. What does the GEM (Gender Empowerment Measure) measure?  
   **Ability of women to participate in the process of improving their status**
2. What two things are measured in order to calculate the GEM?  
   **1. Economic indicators – percentage of female income compared to males & percentage of professional and technical jobs held by females  
     
   2. Political Indicators – percentage of administrative jobs held by females & percentage of females who are members of national government**

Use Figures 9-22 thru 9-25 to answer #s 12 – 15.

1. What types of **barriers** restrict women from obtaining professional and technical jobs?  
   **Cultural barriers**
2. In what region do women comprise a larger part of national government than anywhere else in the world?  
   **Northern Europe**
3. What percentage of legislators there are women?  
   **1/3rd of 33%**
4. What is that percentage in the United States?  
   **15%**

**Chapter 9 Learning Guide – Development**

**Key Issue 4 – *Why Do Less Developed Countries Face Obstacles to Development?***

Pgs. 294 – 301

1. Complete the chart below with notes from the text on two different models of development.

|  |  |  |
| --- | --- | --- |
|  | APPROACHES TO ECONOMIC DEVELOPMENT | |
|  | Self-Sufficiency Model | International Trade Approach (Rostow’s Development Model) |
| Elements | **- Spread investment as equally as possible across all sectors of economy in all regions**  **- Modest but fair because all share benefits of development**  **- Reducing poverty more important than encouraging a few to be wealthy**  **- Helps fledgling businesses**  **- Country sets 3 barriers: 1 – high import tariffs; 2 – fixing quotas to limit imports; 3 – requiring licenses to restrict legal importers**  **- Promotes development & purchase of domestic product**  **- Gov’t controlled businesses** | **5 Stages of Development (each country in 1 of 5 stages)**  **1. Traditional Society (not started development process yet)**  **2. Preconditions for Takeoff (investment in new technology & infrastructure)**  **3. Takeoff (Rapid growth generated in limited economic activities & becomes productive and technologically advanced**  **4. Drive to Maturity (Modern technology begins to diffuse & industry grows & workers are more skilled)**  **5. Age of Mass Consumption (economy shifts from heavy industry to consumer goods)** |
| Problems & Criticisms | **1. Protection of inefficient businesses because no competition or pressure to keep up with technological changes & advancements**  **2. Need for large bureaucracy (large administrative system encouraged abuse & corruption)** | **1. Uneven resource distribution**  **2. Increased dependence on MDCs**  **3. Market decline** |

|  |  |  |
| --- | --- | --- |
| Self-Sufficiency | | International Trade (Rostow’s) |
| Case Studies | India: **effective use of barriers**  **- To import to Indian, foreign companies had to obtain license (difficult to do)**  **- India restricted quantity of imports**  **- Heavily taxed imports**  **- Indian companies discouraged from exporting**  **- Gov’t controlled all aspects of business from manufacturing, subsidies & ownership of most service companies** | Four Asian Dragons:  **- Lacked natural resources**  **- Concentrated on manufacturing goods (clothing & electronics)**  **- Low labor cost allowed products to be sold cheap in MDCs** |
| Arabian Peninsula States:  **- Use of petroleum revenue to finance infrastructure projects**  **- Diffusion of consumer goods affordable**  **- Transformed from least developed to wealthiest of Arab nations** |

1. Which of the two models for development has shown the most success?  
   **International Trade Model (Rostow’s Model)**
2. Mark each of the following statements, regarding the WTO, as true or false. If false, correct the statement.

\_\_\_**T**\_\_\_ The WTO was formed by countries that conduct the majority of international trade.

\_\_\_**F**\_\_\_ The WTO seeks to increase import quotas and reduce import and export tariffs.  
The WTO seeks to **REDUCE/ELIMINATE** import quotas and reduce import and export tariffs.

\_\_\_**T**\_\_\_ The WTO seeks to eliminate restrictions on the flow of money between countries.

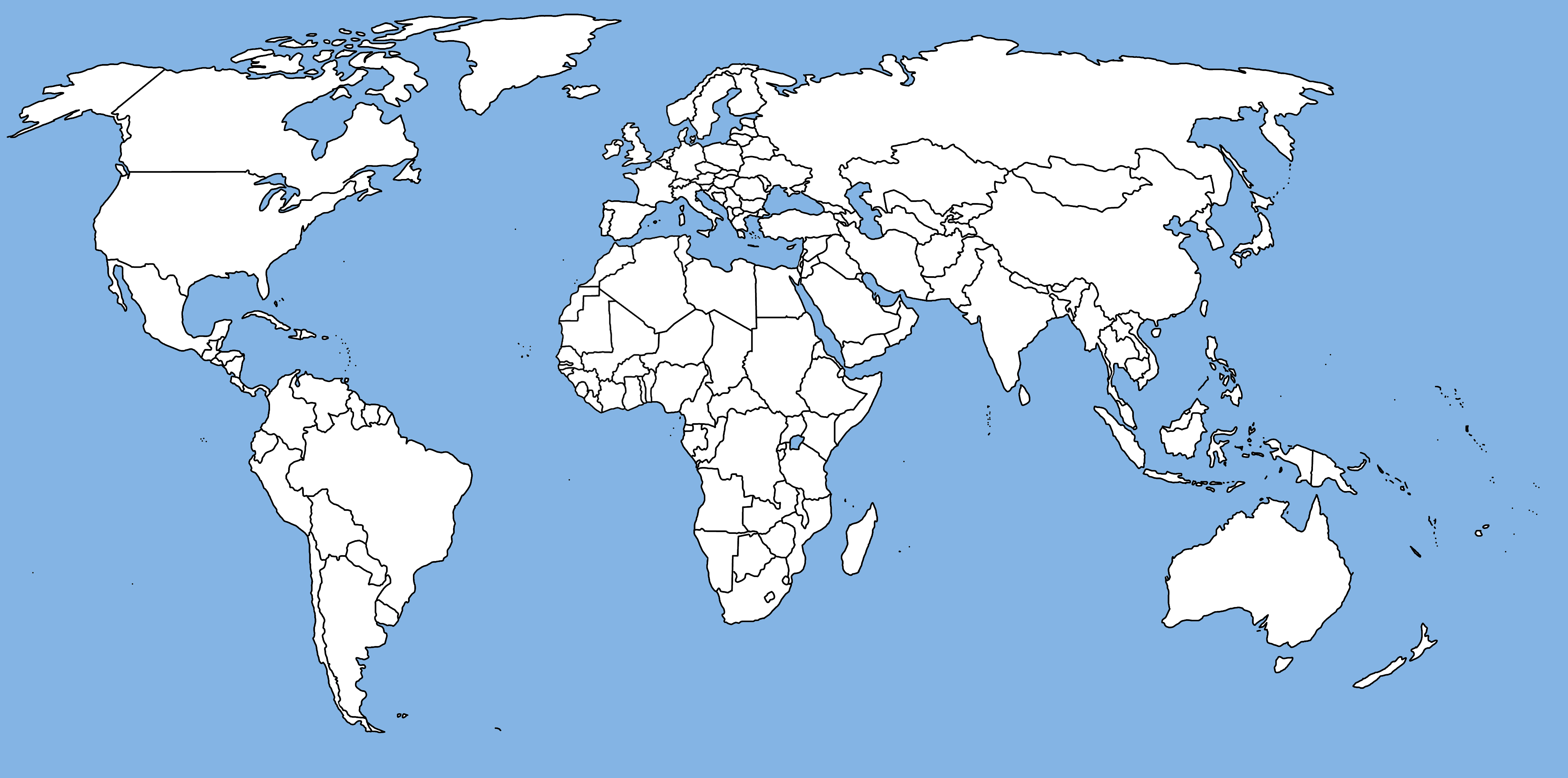
\_\_\_**F**\_\_\_ Though it can hear accusations, the WTO cannot order remedies.  
Though it can hear accusations, the WTO **CAN** order remedies.

1. Why have each of the following groups been critical of the WTO?

*Progressives*:  
**WTO is anti-democratic because decisions promote interests of large corporations and not the poor**

*Conservatives*:  
**WTO compromises power & sovereignty of countries by changing taxes & laws**

1. Define *Foreign Direct Investment*:  
   **Investment made by a foreign company in the economy of another country**
2. What is a *transnational corporation*:  
   **Company that invests & operated in countries other than where its headquarters are located**
3. In what regions are most transnational corporations headquartered?  
   **U.S. and Europe**
4. The flow of money in transnational corporations is not balanced. This is true in TWO ways. Explain.  
   **1. Only 25% of foreign investment went from MDCs to LDCs;   
   2. Money is not invested evenly among LDCs (most $ went to China)**
5. Who is making the primary investments in South America? Asia?  
   **Europe investing in South America  
   U.S. investing in Asia**
6. On the map, shade in RED the 2 countries in which most transnational corporations are headquartered. In BLUE, shade the 11 or 12 countries that have received the bulk of the money from transnationals. Draw lines from outflow countries to inflow countries.



**Financing Development**

1. What are the two principal ways in which LDCs obtain money to finance development?  
   **1. Bank & international organization loans  
   2. Investment from transnational companies**
2. Identify the two main sources, both controlled by MDCs, of loans for LDCs.  
   **World Bank & International Monetary Fund**
3. What is the THEORY behind using loans for infrastructure projects in LDCs?  
   **New infrastructure will make favorable conditions for domestic & foreign businesses to open and expand**
4. In REALITY, what has usually happened when loans have been used for these infrastructure projects?  
   **Projects are failures due to faulty engineering, infrastructure doesn’t attract investment & aid is stolen or squandered**
5. What are *structural adjustment programs*?  
   **LDCs economic goals, strategies for achieving objectives & external financing requirements**
6. Why is this unpopular with citizens in LDCs?  
   **Poverty worsens; cuts in services that help poor; high unemployment; less support for those in need**

**Fair Trade**

1. Define *fair trade*:  
   **Products are made & traded according to standards that protect workers & small businesses in LDCs**