Exercise walk-through

Differences in economic development between countries ▪ 5.4

eXercise

You must be able to

- distinguish economic development from economic growth
- explain why countries differ in development
- analyse how developed and developing countries are linked

Method — Developed and developing countries

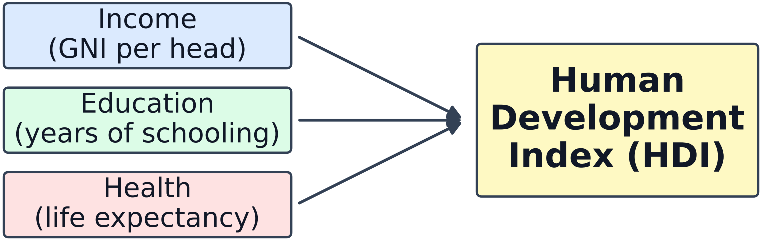
- **Economic development 经济发展**: a rise in people's well-being (health, education, income), not just more output.
- **Why countries differ:** income, **productivity 生产率** (developing often do **subsistence farming 自给农业**), population, education and health, **debt 债务**, trade.
- **Linked:** developing countries sell raw materials and buy machines; trade, aid and investment can help — but cause dependency.

Answer shapes: K + App + An + Ev (a justified judgement, for discuss questions).

Method — Developed and developing countries

A developed economy: high incomes support a modern city

Method — Developed and developing countries



Exam: HDI = income + education + health — broader than GDP alone for living standards

The HDI combines income, education and health into one number

Practice 2.1 ▪ 2 marks

State the difference between economic growth and economic development.

Solution 2.1

Method: Developed and developing countries

Worked steps

growth is a rise in real output (GDP); development is a rise in people's well-being — health, education and income — not just output (2 for a clear difference; 1 for a partial idea).

Practice 2.2 ▪ 2 marks

Identify two ways a developed country differs from a developing country.

Solution 2.2

Method: Developed and developing countries

Worked steps

any two contrasts of: income per head (high vs low); productivity (high vs low); birth rate (low vs high); capital per worker (more vs less) $(1 + 1)$.

Practice 2.3 ▪ 2 marks

Define the term *subsistence farming*.

Solution 2.3

Method: Developed and developing countries

Worked steps

growing food only for one's own family, with little or none to sell (2 for a clear definition; 1 for a partial idea).

Exam-style 3.1 ▪ 1 mark

Compared with a developed country, a developing country usually has:

A higher income per head

B higher productivity

C a higher birth rate

D more capital per worker

Solution 3.1

Method: Developed and developing countries

A higher income per head

B higher productivity

C a higher birth rate ✓

D more capital per worker

Worked steps

C. Developing countries usually have a higher birth rate.

Exam-style 3.2 ▪ 4 marks

Explain two reasons why developing countries have lower incomes than developed countries.

Solution 3.2

Method: Developed and developing countries

Worked steps

[4] For **each** of two reasons: K 1 + An 1 — *low productivity*: less capital and skill, and much subsistence farming, so each worker produces little → low incomes; *debt*: large debt repayments leave less for schools and hospitals → development and incomes stay low.

Exam-style 3.3 ▪ 8 marks

Discuss whether trade with developed countries always helps a developing country.

Solution 3.3

Method: Developed and developing countries

Worked steps

[8] K/App/An up to 5 + Ev up to 3. **Helps:** trade brings income, lets a country specialise, and gives access to machines and technology it cannot make itself. **Harm:** developing countries may rely on a few low-value primary exports with unstable prices, while importing high-value goods, and can become dependent. **Judgement (Ev):** trade can aid development, but mainly if the country can move into higher-value goods and is not left dependent on volatile primary exports — so it depends on what it trades and on fair terms.