

Exercise walk-through

Economic development ■ 11.3

eXercise

You must be able to

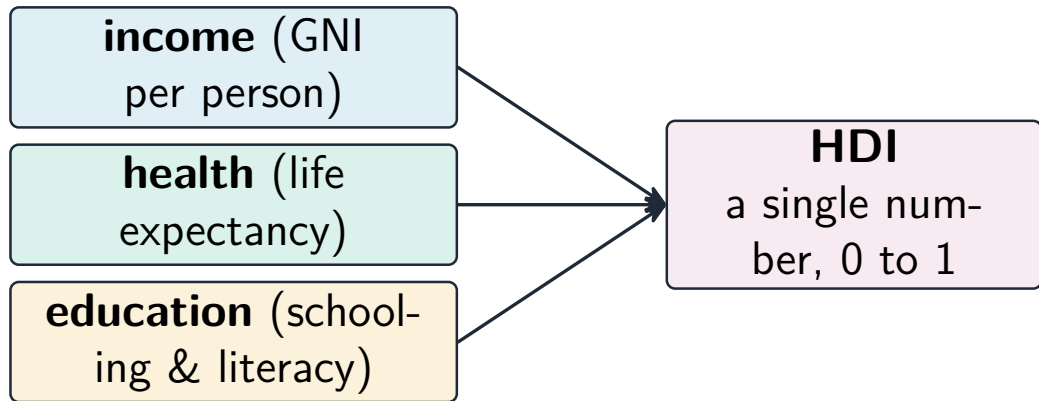
- distinguish economic growth from economic development
- explain the three components of the HDI
- analyse the limits of GDP and HDI as measures of development

Method — Measuring development

- **Economic growth** 经济增长: a rise in real output. **Economic development** 经济发展: wider — health, education, freedom and living standards.
- **HDI** 人类发展指数 (0 to 1) combines: income (**GNI per person**), health (**life expectancy** 预期寿命), education (schooling and **literacy** 识字率).
- A country can grow without developing if the extra income goes to a few.

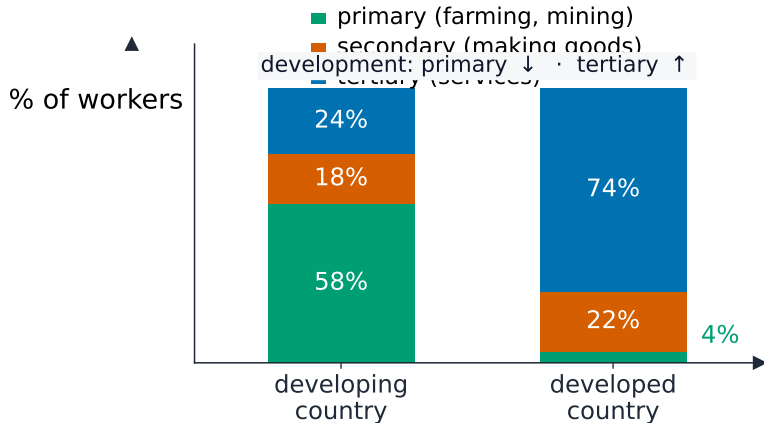
Answer shapes: AO1 + AO2 + AO3 (analysis) + AO4 (a supported judgement *in context*).

Method — Measuring development



The HDI rolls income, health and education into one number

Method — Measuring development



As a country develops, workers move from the primary to the secondary and tertiary sectors

Practice 2.1 ■ 2 marks

State the difference between economic growth and economic development.

Solution 2.1

Method: Measuring development

Worked steps

growth is a rise in real output; development is wider, covering living standards — health, education and freedom — not just income (2 for a clear difference; 1 for a partial idea).

Practice 2.2 ■ 3 marks

State the three components of the HDI.

Solution 2.2

Worked steps

income (GNI per person); health (life expectancy); education (schooling/literacy)
(1 + 1 + 1).

Practice 2.3 ■ 1 mark

State one limitation of using GDP per capita to measure development.

Solution 2.3

Worked steps

any one of: it ignores income distribution, the informal economy, health and education, and the environment (1).

Exam-style 3.1 ■ 1 mark

Which is **not** a component of the Human Development Index?

- A** GNI per person
- B** life expectancy at birth
- C** the inflation rate
- D** years of schooling

Solution 3.1

- A GNI per person
- B life expectancy at birth
- C the inflation rate
- D years of schooling



Worked steps

- C. The inflation rate is not part of the HDI.

Exam-style 3.2 ■ 6 marks

Explain why the HDI is a better measure of development than GDP per capita alone.

Solution 3.2

Method: Measuring development

Worked steps

[6] AO1 1 + AO3 up to 5 — GDP per capita measures only average income, which can hide poor health, low schooling and inequality; the HDI adds life expectancy and education → it captures the wider quality of life → so two countries with the same income can have very different HDIs.

Exam-style 3.3 ■ 12 marks

Discuss whether a country can experience economic growth without economic development.

Solution 3.3

Method: Measuring development

Worked steps

[12] AO1/AO2/AO3 up to 8 + AO4 up to 4. **Yes:** if growth's gains go to a small elite, or come from resource extraction that harms health and the environment, incomes rise but living standards do not improve. **But:** growth usually raises tax revenue and incomes that *can* fund health and education, supporting development. Judgement: growth without development is possible if gains are unevenly shared, but well-managed growth normally enables development — it depends on how the income is distributed and used.