

Solutions

Each answer shows the steps, then the **result**.

2.1

- GDP shows only average income; HDI also includes education and life expectancy, giving a fuller picture of wellbeing

2.2

- formal = recorded and taxed work; informal = unregistered, untaxed work (e.g. street vending)

2.3

(a)

- a lower HDI than its GDP alone suggests

(b)

- HDI also counts poor health and education, not just income

3.1 A

- $\text{HDI} = \text{income} + \text{education} + \text{life expectancy}$

3.2 B

- unregistered, untaxed work = informal economy

3.3

(a)

- differences in education and/or life expectancy

(b)

- it measures wellbeing (health, education), not just money