Solutions

Marking: **M1** a correct method, **A1** the correct answer, **B1** an independent mark.

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

2.1

development that meets the needs of the present generation; without reducing the ability of future generations to meet their own needs

2.2

health (life expectancy), education (years of schooling), standard of living (GNI per capita, PPP): all three; any two

2.3

any two, explained: it is an average, so it hides how income is distributed; it ignores health, education and freedom; it leaves out unpaid and informal work; it counts output that harms the environment but not the loss of natural resources; without PPP, it ignores differences in prices

2.4

B has turned lower income into better health and education outcomes; e.g. more public spending on schools and health care / better access for all; A's income may be unequally shared, or depend on oil revenue that does not reach most people

2.5

the HDI uses national averages; the IHDI reduces each dimension by how unequally it is shared across people; so a country with large gaps in income, health or education between groups has an IHDI much lower than its HDI

3.1

award up to [10]: growth raises incomes and tax revenue; revenue can pay for schools, clinics, clean water and infrastructure; growth can reduce absolute poverty; but growth may not reach the poor if inequality is high; environmental damage: deforestation, pollution and climate change reduce what future generations can use; the poor are often hit hardest by environmental damage; development needs policies such as green investment, regulation and spending on health and education; judgement: growth can support but does not guarantee sustainable development

3.2

GNI = GDP + net income from abroad, so net income from abroad is −$8 bn; foreign owners send profits home, which count in GDP but not in GNI; GNI shows the income residents actually receive; so GNI is usually a better guide to residents' living standards; but both are averages that ignore distribution and the environment; judgement: use GNI per capita (PPP) together with composite measures such as the HDI