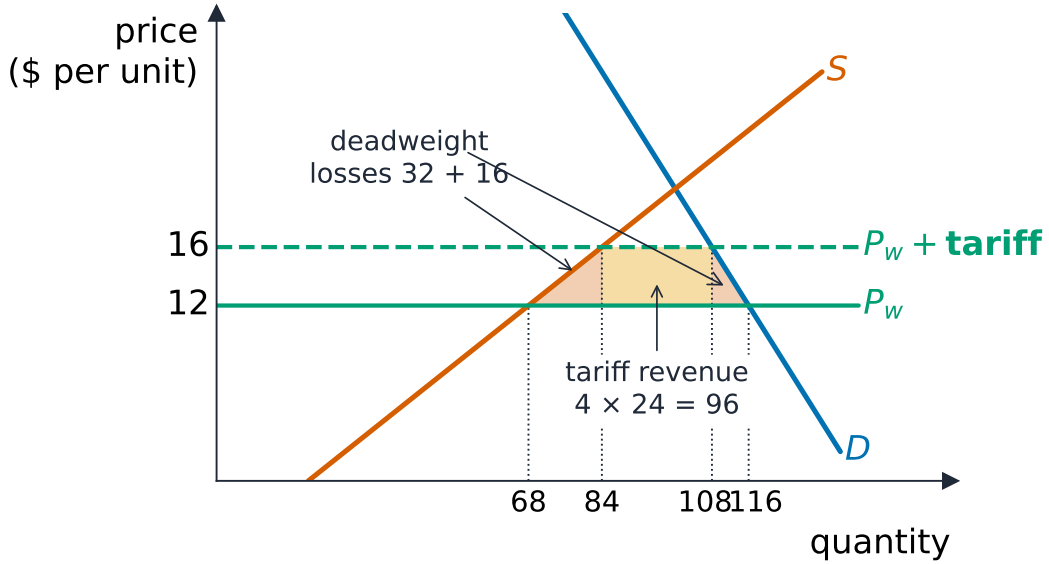
Exercise walk-through

5.6
Sustainable development and measuring development

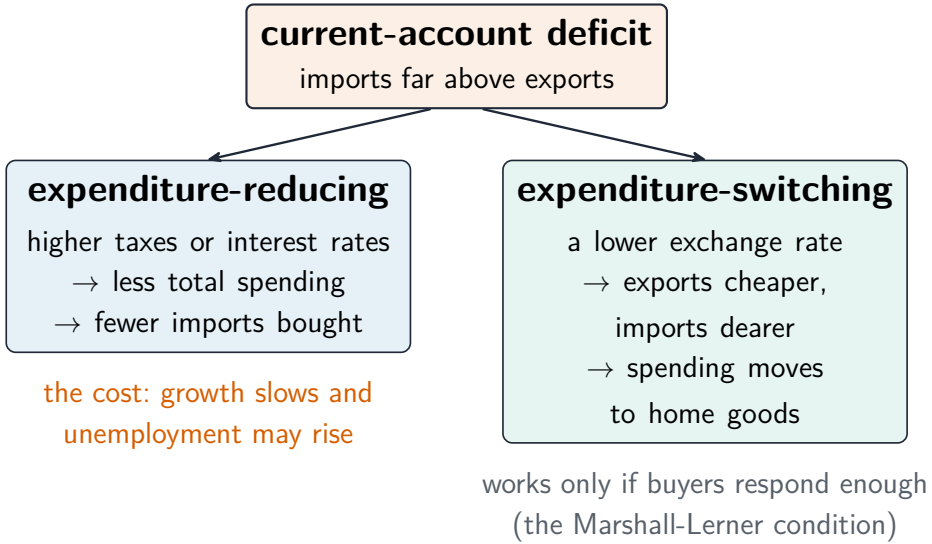
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Figure: Trade protection



- A **tariff** of 4 halves imports, raises 96 for the government and wastes 48
- Match each part of the diagram to the text.

Figure: The balance of payments



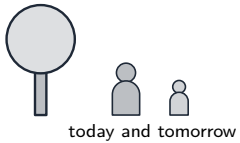
- Two routes out of a deficit: spend less overall, or switch spending to home goods
- Match each part of the diagram to the text.

Economic development

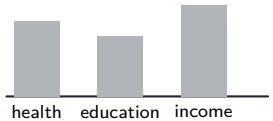
- The **poverty trap** : people with low incomes cannot save, so there is little money for investment, so productivity and incomes stay low.
- **Economic barriers**: high inequality; poor infrastructure (roads, power, internet); little access to credit and markets; a large informal economy that pays no taxes; **capital flight** (rich people moving money abroad); and unsustainable foreign debt.
- **Dependence on primary products**: for example, copper makes up most of Zambia's exports, so a fall in the world copper price cuts national income sharply.

Exercises 2.1·2.2

2.1 Define **sustainable development**. [2]

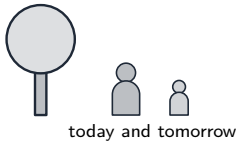


2.2 State the **three** dimensions measured by the Human Development Index. [2]



Exercises 2.1·2.2

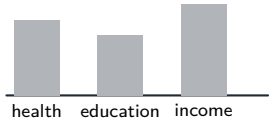
2.1 Define **sustainable development**. [2]



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 State the **three** dimensions measured by the Human Development Index. [2]

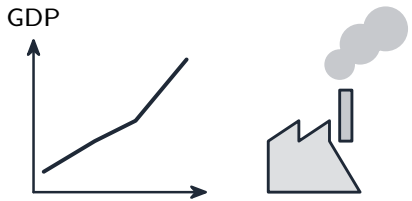


2.2

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

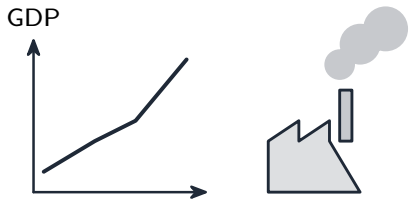
Exercise 2.3

2.3 Explain **two** limitations of GDP per capita as a measure of development. [4]



Exercise 2.3

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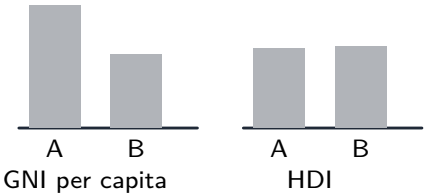


2.3

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

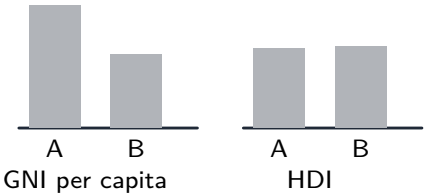
Exercise 2.4

2.4 Country A has GNI per capita (PPP) of \$30,000 and an HDI of 0.78. Country B has GNI per capita of \$18,000 and an HDI of 0.80. Explain **one** reason for this difference. [3]



Exercise 2.4

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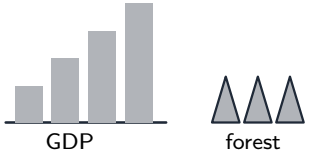
2.4

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

Exercise 3.1

3.1 A country's GDP per capita has grown fast for 20 years, but forests have been cut down and rivers polluted.

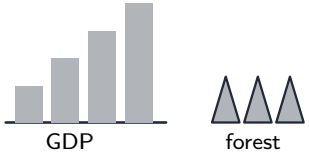
Evaluate the view that economic growth always leads to sustainable development. [10]



Exercise 3.1

3.1 A country's GDP per capita has grown fast for 20 years, but forests have been cut down and rivers polluted.

Evaluate the view that economic growth always leads to sustainable development. [10]



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