

6. ECONOMIC DEVELOPMENT

1. Classification of countries based on Gross Domestic Product + Human Development Index

Try to give words for the abbreviations, then match features (1- 10) with the categories:

MEDC

LEDC

NIC

1. all levels of education available,
free access to medical care

2. economy based on primary industries
(farming, fishing, mining)

3. more people in rural areas than in towns

4. secondary sector has started to grow

5. life expectancy and literacy is increasing
or has increased recently

6. younger, growing population

7. tertiary sector is starting to arise
to provide services

8. tertiary sector dominates (services,
banking, information technologies)

9. industrialization has not started

10. primary sector highly mechanized, employs
few people

2. Discussion

Phrases for expressing opinion:

I think that

From an economic perspective

What do you think?

In my view

As far as politics are concerned

What are your views on this?

From my point of view

*If we look at this from a social
perspective*

I see what you mean but

- **Discuss who controls each of these things in your country. Is it the government, private business, or both?**

1. Education (schools, universities)

4. The supply of goods (food, consumer
products, etc.)

2. Health care (hospitals)

3. Energy supplies (electricity, gas, oil)

5. Transportation (roads, railways, etc.)

- **The items mentioned above are a part of a country's infrastructure. What are the advantages and disadvantages of *government* or *private business* controlling the infrastructure?**

- **Which way of economic development is better:**

Which type are these characteristics typical of?

- Planned economy ?

1. All decisions are made by one organization

2. There is a lot of competition among organizations

3. Prices and wages tend to be fixed

- Free market economy?

4. Prices vary depending on how much people need
or want a product

Read the first part of the text and identify the main idea, A] or B]

A] A free-market economy is best for both developed and developing countries.

B] Ideas about the best ways to achieve economic growth have changed over time.

GLOSSARY

IMF (n) the International Monetary Fund

interventionism (n) a policy where the government influences the economy

protectionism (n) protecting your country's businesses and economy

supply-side oriented policy (n) policies that try to increase efficiency and competition

trade liberalization (n) buying and selling with very few rules

1 In the 1980s, there was a movement towards more free market, supply-side-oriented governments in developed countries such as the USA and the UK, which saw a shift of emphasis in government policy. This resulted in a change in direction of thinking on the best way to achieve growth and development in developing countries. However, as we have moved into the new century, a number of concerns have been raised about the value of adopting a pure market-led approach.

2 Infrastructure is unlikely to be created through a market-based approach and developing countries simply do not have sufficient infrastructure to adopt a free-market approach. Thus, this requires planning for the future and government intervention.

3 Although the more developed countries promote trade liberalization, they themselves do not liberalize all their trade. Protectionism in developed countries makes it very difficult for the developing countries to compete on a fair basis. In recent years, led by the larger developing countries such as Brazil and India, developing countries have been cooperating with each other to have more influence in trade negotiations.

4 The success of the export-led Asian Tigers did not happen without government intervention. The governments in question were very interventionist in specific areas, especially in product markets that needed help and protection before they were able to export. They also were able to place great emphasis upon education and healthcare.

5 Although a more free market approach may lead to economic growth in the long term, there are without doubt short-term costs to the poorest people. In the short term, unemployment rises, as do the prices of essential products, and the provision of public services also falls. This will hit the poorest sector of the population more than anyone else, causing greater income inequality.

6 The adoption of free market strategies tends to concentrate attention and activities on the urban sectors of an economy. This tends to increase the divide between rural and urban areas, increasing the levels of poverty in rural areas and also leading to migration from rural to urban areas. This has created large areas of slums on the edge of many major cities in developing countries.

7 Governments may adopt the concept of liberalized flows of capital, but a lack of political stability means that many countries are not in a position to attract the foreign investment necessary to achieve growth.

8 In the end, it is clear that solutions will lie in a combination of the different approaches and that the combination will need to be tailored to suit the needs of each individual country. Adopting a 'one size fits all' policy will not be effective, as the IMF discovered in the 1980s.

Source; Blink, J. Dorton, (2006). IB Economics Companion. Oxford: Oxford University Press.

Read the rest of the text and match paragraphs 2-8 to ideas a-g.

- a. Developing countries need governments to help in transportation, energy supply, and health care.
- b. A free market economy can cause problems for the poorest people.
- c. A free market economy can cause different problems in cities than in rural areas.
- d. A combination of planned and free market policies is the most effective approach.
- e. It is difficult for developing countries to compete with developed countries.
- f. Other countries may not invest in a developing country for political reasons.
- g. Government intervention has helped some countries to be successful.

AUTHOR'S PERSPECTIVE AND STANCE

It is useful to try to identify the writer's stance (opinion), and different perspectives.

Expressing stance – authors use a variety of language to show what they think about an issue

e.g. *simply* (emphasis) + evaluating adjectives: *difficult, excellent, easy*, etc.
without doubt, clearly (certainty)
in theory, apparently (uncertainty)
is unlikely to be (doubt)

Perspective is a way of looking or thinking about an idea. You can look at the same thing from different perspectives – for example

economic
 geographic
 technological
 cultural

1. Use the following words to complete the sentences:

apparently clearly generally in theory without doubt

- the company is in a difficult situation – the share price has dropped by 50% in the last month.
- the country is in recession, but a large number of people feel positive about their financial situation.
- There are signs of improvement in the labor market, as unemployment figures decline.
- While it may be true that urbanization brings problems, it is not always the case.
- The policies were made, , to support greater economic growth.

2. Complete the table with the kind of perspective, and examples of language from the text

Par.	Main perspective	Vocab related to perspective	Phrases expressing stance
2	political, economic	market-based approach, free market approach, government intervention	unlikely, simply do not have, sufficient, requires
6			
7			
8			

3. Complete the sentences to summarize the author's stance in paragraphs 3,5, and 7.

(par.5) Free markets Create social and economic divides, and are not always for the poorest sector of a society.

(par.7) Without political stability, it is more for governments to attract investment.

Write a sentence to summarize the author's stance in paragraph 8.

Aid to developing countries

- Match types and descriptions

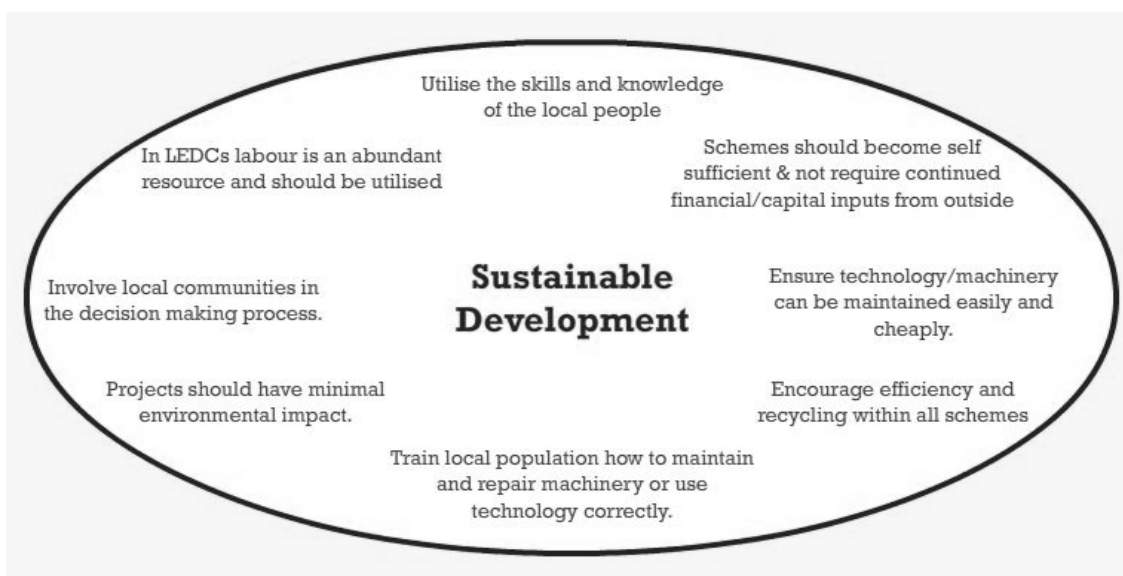
Short-term aid	aid from many countries given through an agency like the IMF, UN, World Bank
Long-term aid	food, bottled water, medicine, shelter; by providing these things some problems (spread of disease) can be avoided
Multilateral aid	provided by voluntary groups called Non-governmental Organizations
Non-governmental aid	improving health services, education, infrastructure, this should lead towards self-sufficiency

- There are mixed opinions about the role of aid in solving the problems of world poverty. Work in pairs and prepare some arguments for and against. Then take roles of the aid defender and aid critic and discuss different views.

Micro Hydro in Peru

<https://www.youtube.com/watch?v=vKQ6t0000Kc>

1. Watch the video and discuss how much the activity fits into the scheme of sustainable development shown below



2. Express these sentences in English. To check, listen again to the part 2.44 – 4.14.

1. Větší uživatelé platí sníženou sazbu.
2. Bez elektřiny by žádná z těchto věcí nebyla možná.
3. Peruánská vláda nyní plánuje zdvojnásobit počet malých hydroelektráren.
4. Mechanizace ulevila v namáhavé práci.
5. Malé firmy rostou jako houby po dešti.

sources

http://www.bbc.co.uk/schools/gcsebitesize/geography/development/contrasts_development_rev2.shtml

Oxford EAP, Edward de Chazal, Louis Rogers, OUP, 2013, chapter 2

<http://www.i-study.co.uk/Development.html>