

# Chapter 2

## Comparative Economic Development

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# Economic Development

11th Edition

MICHAEL P. TODARO | STEPHEN C. SMITH



## 2.1 Defining the Developing World

$$GNP = GDP + NFP$$

- World Bank Scheme- ranks countries on GNP/capita in 2018
    - Low-income countries (LIC)  $< \$996$
    - Lower-middle-income countries (LMC)  $< \$3895$
    - Upper-middle-income countries (UMC)  $< \$12055$  CHN
    - High-income countries  $> \$12055$  Developed.
- (see Table 2.1)

# Table 2.1 Classification of Economies by Region and Income, 2018

Country	Code	Class	Country	Code	Class	Country	Code	Class
<b>East Asia and the Pacific</b>								
American Samoa‡	ASM	UMC	Costa Rica	CRI	UMC	Comoros*‡	COM	LIC
Cambodia*	KHM	LMC	Cuba‡	CUB	UMC	Congo, Dem. Rep.*	COD	LIC
China	CHN	UMC	Dominica‡	DMA	UMC	Congo, Rep.	COG	LMC
Fiji‡	FJI	UMC	Dominican Republic‡	DOM	UMC	Côte d'Ivoire	CIV	LMC
Indonesia	IDN	LMC	Ecuador	ECU	UMC	Equatorial Guinea	GNQ	UMC
Kiribati*‡	KIR	LMC	El Salvador	SLV	LMC	Eritrea*	ERI	LIC
(North) Korea, Dem. People's Rep	PRK	LIC	Grenada‡	GRD	UMC	Ethiopia*†	ETH	LIC
Lao PDR*†	LAO	LMC	Guatemala	GTM	UMC	Gabon	GAB	UMC
Malaysia	MYS	UMC	Guyana‡	GUY	UMC	Gambia, The*	GMB	LIC
Marshall Islands‡	MHL	UMC	Haiti*‡	HTI	LIC	Ghana	GHA	LMC
Micronesia, Fed. Sts.‡	FSM	LMC	Honduras	HND	LMC	Guinea*	GIN	LIC
Mongolia†	MNG	LMC	Jamaica‡	JAM	UMC	Guinea-Bissau*‡	GNB	LIC
Myanmar*	MMR	LMC	Mexico	MEX	UMC	Kenya	KEN	LMC
Nauru	NRU	UMC	Nicaragua	NIC	LMC	Lesotho*†	LSO	LMC
Papua New Guinea	PNG	LMC	Paraguay†	PRY	UMC	Liberia*	LBR	LIC
Philippines	PHL	LMC	Peru	PER	UMC	Madagascar*	MDG	LIC
Samoa‡	WSM	UMC	St. Lucia‡	LCA	UMC	Malawi*†	MWI	LIC
Solomon Islands*‡	SLB	LMC	St. Vincent and the Grenadines‡	VCT	UMC	Mali*†	MLI	LIC
Thailand	THA	UMC	Suriname‡	SUR	UMC	Mauritania*	MRT	LMC
Timor-Leste*‡	TLS	LMC	Venezuela, RB	VEN	UMC	Mauritius‡	MUS	UMC
Tonga‡	TON	UMC	<b>Middle East and North Africa</b>			Mozambique*	MOZ	LIC
Tuvalu*	TUV	UMC	Algeria	DZA	UMC	Namibia	NAM	UMC
Vanuatu*‡	VUT	LMC	Djibouti*	DIJ	LMC	Niger*†	NER	LIC
Vietnam	VNM	LMC	Egypt, Arab Rep.	EGY	LMC	Nigeria	NGA	LMC
			Iran, Islamic Rep.	IRN	UMC	Rwanda*†	RWA	LIC
						Sao Tome and Principe*‡	STP	LMC

# Table 2.1 Classification of Economies by Region and Income, 2018 (continued)

Europe and Central Asia		Iraq		IRQ	UMC	Senegal*		SEN	LIC
Albania	ALB	UMC	Jordan	JOR	UMC	Sierra Leone*		SLE	LIC
Armenia†	ARM	UMC	Lebanon	LBN	UMC	Somalia*		SOM	LIC
Azerbaijan†	AZE	UMC	Libya	LBY	UMC	South Africa		ZAP	UMC
Belarus	BLR	UMC	Morocco	MAR	LMC	South Sudan*		SSD	LIC
Bosnia and Herzegovina	BIH	UMC	Syrian Arab Republic	SYR	LIC	Sudan*		SDN	LLC
Bulgaria	BGR	UMC	Tunisia	TUN	LMC	Swaziland†		SWZ	LMC
Georgia	GEO	LMC	West Bank and Gaza	PSE	LMC	Tanzania*		TZA	LIC
Kazakhstan†	KAZ	UMC	Yemen, Rep.*	YEM	LIC	Togo*		TGO	LIC
Kosovo	XKX	LMC	South Asia			Uganda*†		UGA	LIC
Kyrgyz Republic†	KGZ	LMC	Afghanistan*†	AFG	LIC	Zambia*†		ZMB	LMC
Macedonia, FYR†	MKD	UMC	Bangladesh*	BGD	LMC	Zimbabwe†		ZWE	LIC
Moldova†	MDA	LMC	Bhutan*†	BTN	LMC	High-Income OECD Countries			
Montenegro	MNE	UMC	India	IND	LMC	Australia		AUS	
Romania	ROU	UMC	Maldives‡	MDV	UMC	Austria		AUT	
Russian Federation	RUS	UMC	Nepal*†	NPL	LIC	Belgium		BEL	
Serbia	SRB	UMC	Pakistan	PAK	LMC	Canada		CAN	
Tajikistan†	TJK	LIC	Sri Lanka	LKA	LMC	Chile		CHL	
Turkey	TUR	UMC	Sub-Saharan Africa			Czech Republic		CZE	
Turkmenistan†	TKM	UMC	Angola*	AGO	LMC	Denmark		DNK	
Ukraine	UKR	LMC	Benin*	BEN	LIC	Estonia		EST	
Uzbekistan†	UZB	LMC	Botswana†	BWA	UMC	Finland		FIN	
Latin America and the Caribbean		Burkina Faso*†	BFA	LIC	France		FRA		
Belize‡	BLZ	UMC	Burundi*†	BDI	LIC	Germany		DEU	
Bolivia†	BOL	LMC	Cabo Verde‡	CPV	LMC	Greece		GRC	
Brazil	BRA	UMC	Cameroon	CMR	LMC	Hungary		HUN	
Colombia	COL	UMC	Central African Republic*†	CAF	LIC	Iceland		ISL	
		Chad*†	TCD	LIC	Ireland		IRL		
					Israel		ISR		

## Table 2.1 Classification of Economies by Region and Income, 2018 (continued)

TABLE 2.1 Classification of Economies by Country Code, Region, and Income, 2018 (Continued)

Country	Code	Country	Code	Country	Code
Japan	JPN	Barbados‡	BRB	New Caledonia‡	NCL
Korea, Rep.	KOR	Bermuda	BMU	Northern Mariana Islands‡	MNP
Latvia	LVA	British Virgin Islands	VGB	Oman	OMN
Luxembourg	LUX	Brunei Darussalam	BRN	Palau‡	PLW
Netherlands	NLD	Cayman Islands	CYM	Panama	PAN
New Zealand	NZL	Channel Islands	CHI	Puerto Rico‡	PRI
Norway	NOR	Croatia	HRV	Qatar	QAT
Poland	POL	Curacao	CUW	San Marino	SMR
Portugal	PRT	Cyprus	CYP	Saudi Arabia	SAU
Slovak Republic	SVK	Faroe Islands	FRO	Seychelles‡	SYC
Slovenia	SVN	French Polynesia‡	PYF	Singapore‡	SGP
Spain	ESP	Gibraltar	GIB	Sint Maarten (Dutch part)	SXM
Sweden	SWE	Greenland	GRL	St.Kitts and Nevis‡	KNA
Switzerland	CHE	Guam‡	GUM	St. Martin (French part)	MAF
United Kingdom	GBR	Hong Kong SAR, China	HKG	Taiwan, China	TWN
United States	US	Isle of Man	IMN	Trinidad and To bago‡	TTO
<b>Other High-Income Economies</b>					
Andorra	AND	Italy	ITA	Turks and Caicos Islands	TCA
Antigua and Barbuda‡	ATG	Kuwait	KWT	United Arab Emirates	ARE
Argentina	ARG	Liechtenstein	LIE	Uruguay	URI
Aruba‡	ABW	Lithuania	LTU	Virgin Islands (US)	VIR
Bahamas, The‡	BHS	Macao SAR, China	MAC		
Bahrain‡	BHR	Malta	MLT		
		Monaco	MCO		

- World Bank Scheme- ranks countries on GNP/capita in 2024

	Low Income	Lower-middle Income	Upper-middle Income	High Income
July 1, 2024 – for FY25 (new)	≤ 1,145	1,146 - 4,515	4,516 - 14,005	> 14,005
July 1, 2023 – for FY24 (previous)	≤ 1,135	1,136 - 4,465	4,466 - 13,845	> 13,845

Source: [World Bank Group](#) • Figures in United States Dollar (US\$)



To keep income classification thresholds fixed in real terms, they are adjusted annually for inflation using the [Special Drawing Rights \(SDR\) deflator](#), a weighted average of the GDP deflators of China, Japan, the United Kingdom, the United States, and the Euro Area.

# World Bank Indicators

2-7

data.worldbank.org/indicator

THE WORLD BANK | Data

## Penn World Table

Search data e.g. GDP, population, Indonesia

### Indicators 指示

Featured indicators All indicators

#### Agriculture & Rural Development

Agriculture, forestry, and fishing, value added (% of GDP)

#### Climate Change

Climate Change Knowledge Portal Carbon Pricing Dashboard

Agriculture, forestry, and fishing, value added (% of GDP)

#### Economy & Growth

Household Consumption Data and Statistics

Agriculture, forestry, and fishing, value added (% of GDP)	Central government debt, total (% of GDP)
Expense (% of GDP)	Exports of goods and services (% of GDP)
GDP (current US\$)	GDP growth (annual %)
GDP per capita (current US\$)	GDP per capita growth (annual %)
GDP per capita, PPP (current international \$)	Gross capital formation (% of GDP)
Gross savings (% of GDP)	Imports of goods and services (% of GDP)
Industry (including construction), value added (% of GDP)	Inflation, GDP deflator (annual %)
PPP conversion factor, GDP (LCU per international \$)	Price level ratio of PPP conversion factor (GDP) to market exchange rate
Revenue, excluding grants (% of GDP)	

#### Agriculture & Rural Development

#### Aid Effectiveness

#### Climate Change

#### Economy & Growth

#### Education

#### Energy & Mining

#### Environment

#### External Debt

#### Financial Sector

#### Gender

#### Health

#### Infrastructure

#### Poverty

#### Private Sector

#### Public Sector

#### Science & Technology

#### Social Development

#### Social Protection & Labor

#### Trade

#### Urban Development

## 2.2 Basic Indicators of Development: Real Income, Health, and Education

$$GNI \Leftrightarrow GNP = GDP + NFP$$

- Gross National Income (GNI)
  - It is calculated as the total domestic and foreign **value added** (附加价值) claimed by a country's **residents** without making deductions for depreciation of the domestic capital stock.
- Gross Domestic Product (GDP)
  - It measures the total value for final use of output produced by an **economy**, by both residents and nonresidents.

# The Expenditure Approach to GDP

- The *national income accounting identity* states:

$$Y = C + I + G + NX \quad (2.1)$$

- Where

$Y$  = GDP (in dollars)

$C$  = consumption

$I$  = investment

$G$  = government purchases

$NX$  = net exports = exports – imports

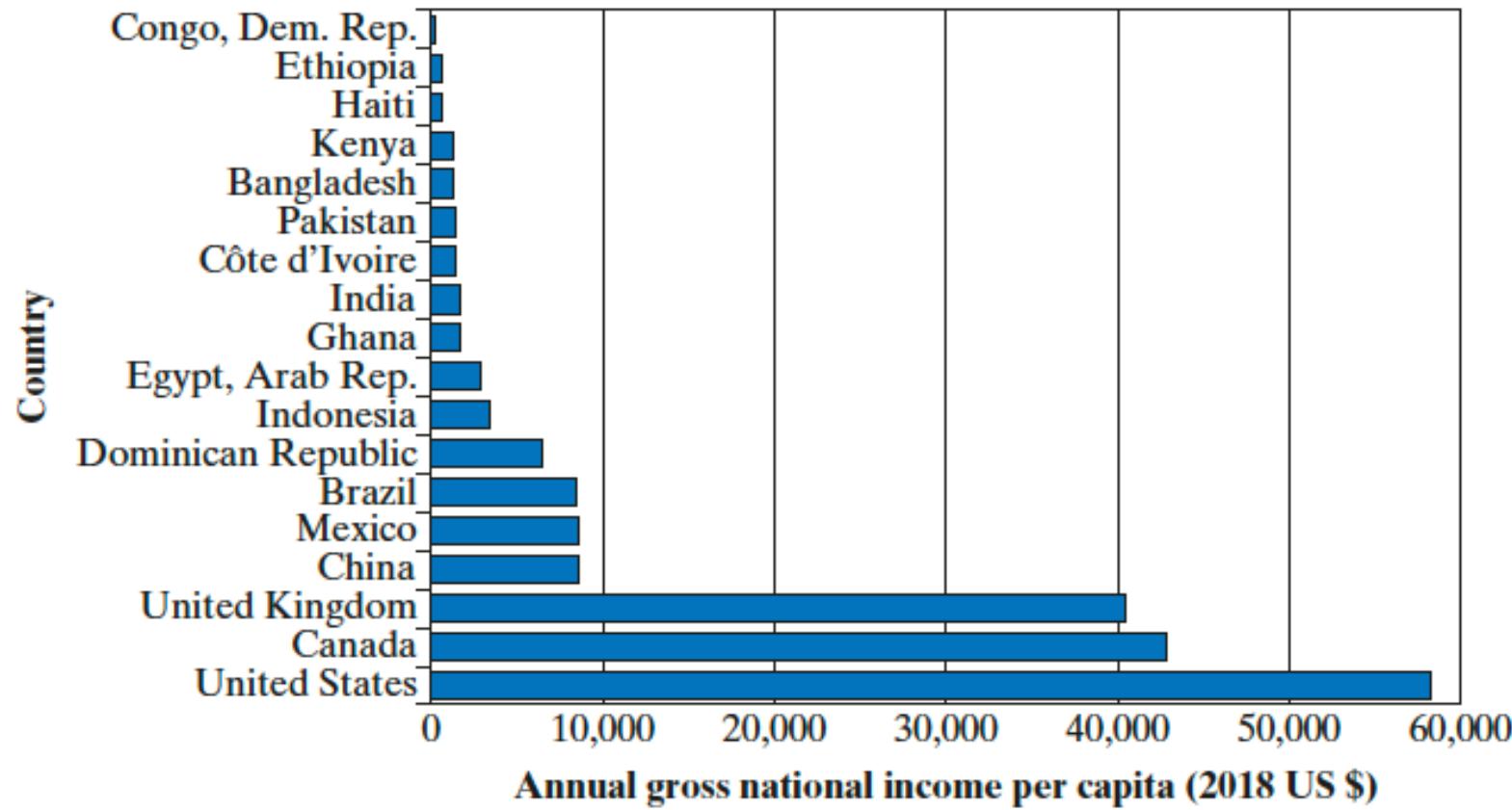
# Measuring Changes over Time

- Nominal GDP
  - A measure of GDP when prices and quantities have not been separated.
- Real GDP
  - Actual quantity of goods and services.

$$\text{nominal GDP} = \text{price level} \times \text{real GDP} \quad (2.2)$$

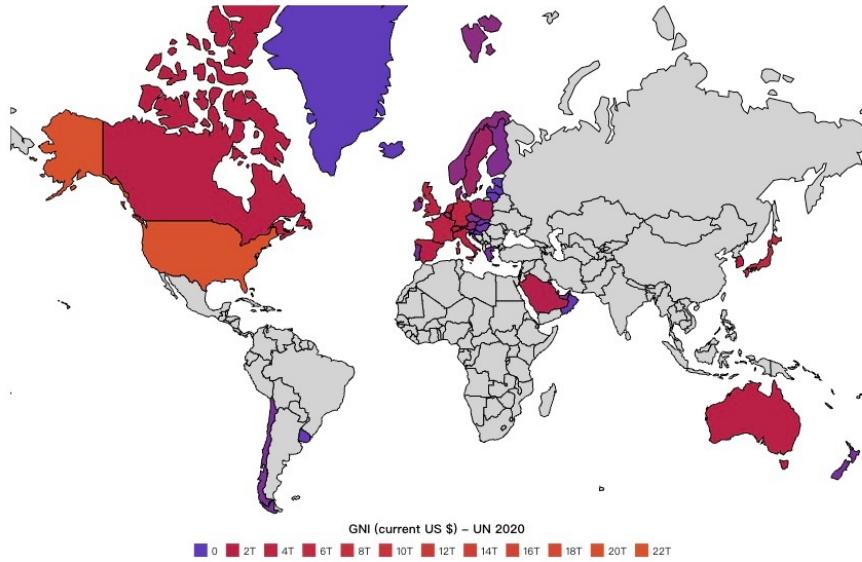
比較

FIGURE 2.2 Income Comparisons for Selected Countries, 2017

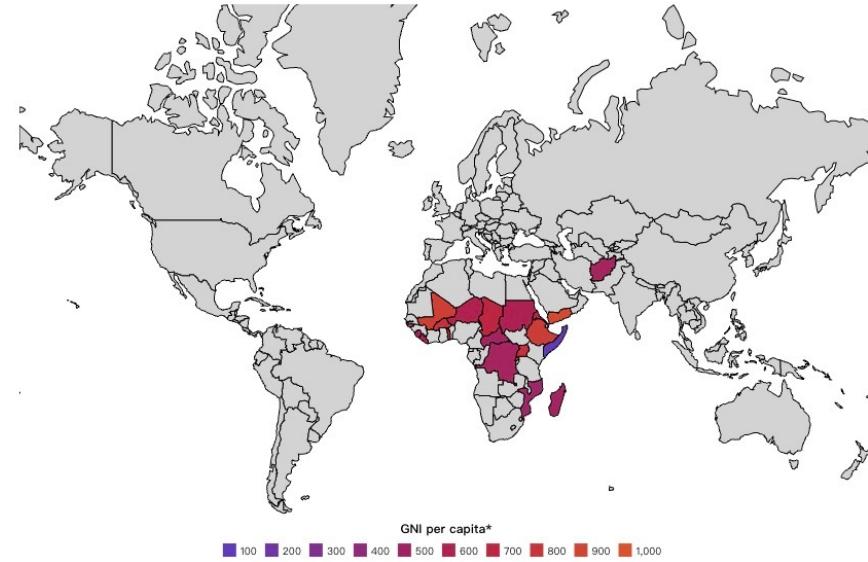


Source: World Development Indicators

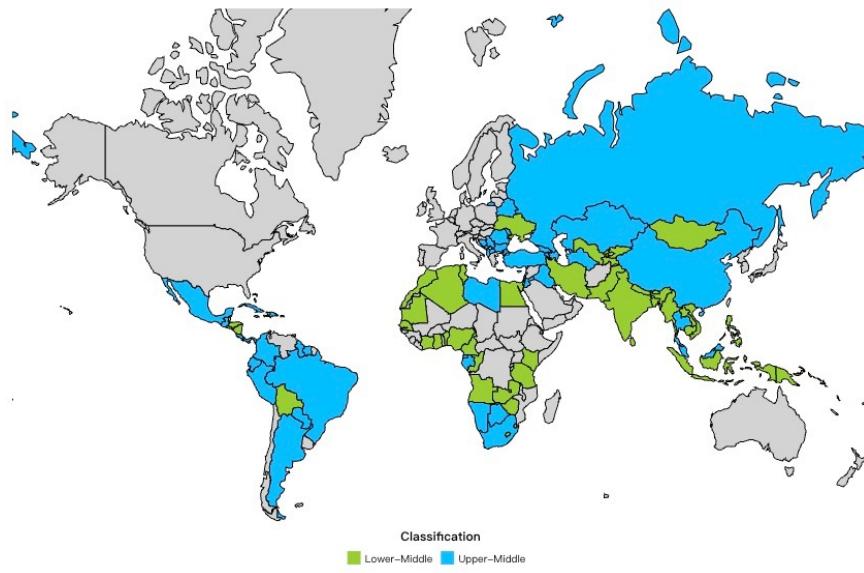
High-Income Countries 2022



Low Income Countries 2022



Middle Income Countries 2022



All 27 of the World's Low-Income Countries (World Bank 2022)

Afghanistan	Guinea	Rwanda
Burkina Faso	Guinea-Bissau	Sierra Leone
Burundi	Liberia	Somalia
Central African Republic	Madagascar	South Sudan
Chad	Malawi	Sudan
DR Congo	Mali	Syrian Arab Republic
Eritrea	Mozambique	Togo
Ethiopia	Niger	Uganda
Gambia	North Korea	Yemen

## 2.2 Basic Indicators of Development: Real Income, Health, and Education

- PPP method instead of exchange rates as conversion factors (see Figure 2.2)
  - Purchasing power parity (PPP, 购买力平价) is calculated using a common set of international prices for all goods and services.
  - PPP is defined as the number of units of a foreign country's currency required to purchase the identical quantity of goods and services in the local developing country market as \$1 would buy in the U.S.

$$\text{在某國买} A = x \text{ 在本國买} A$$

↓

< PPP >

Country	GNI Per Capita (US \$)	
	Exchange Rate	Purchising Power Parity
Bangladesh	1470	4040
Bolivia	3130	7340
Botswana	6730	16420
Brazil	8600	15200
Cambodia	1230	3750
Canada	42870	46070
Chile	13610	23570
<b>China</b>	<b>8690</b>	<b>16760</b>
Colombia	5890	14090
Congo, Dem. Rep.	460	870
Costa Rica	11120	16200
Côte d'Ivoire	1580	3820
Dominican Republic	6630	15290
Egypt, Arab Rep.	3010	11360
Ghana	1880	4280
Guatemala	4060	8000
Haiti	760	1830
India	1800	6980
Indonesia	3540	11900
Kenya	1460	3250
Korea, Rep.	28380	38340
Mexico	8610	17840
Niger	360	990
Nigeria	2100	5700
Pakistan	1580	5830
Peru	5960	12880
Philippines	3660	10050
Senegal	1240	3360
Thailand	5950	17040
Uganda	600	1820
United Kingdom	40530	42560
<b>United States</b>	<b>58270</b>	<b>60200</b>
Vietnam	2160	6450
Low income	775	2127
Middle income	4942	11993
High income	40142	47575

## 2.3 Holistic Measures of Living Levels and Capabilities

人类发展指数

- Human Development Index (HDI) as a holistic measure of living levels

$$\text{HDI} = \frac{1}{3} (\text{income index}) + \frac{1}{3} (\text{life expectancy index}) + \frac{1}{3} (\text{education index})$$

- Rank countries on a scale of 0 to 1
  - Low human development (0.0 to 0.499)
  - Medium human development (0.50 to 0.799)
  - High human development (0.80 to 0.90)
  - Very high human development (0.90 to 1.0)
- HDI can be calculated for groups and regions in a country
  - HDI varies among groups within countries
  - HDI varies across regions in a country
  - HDI varies between rural and urban areas

# HDI Example: Bangladesh in 2007

- Diminishing marginal utility
- Income index =  $\frac{[\log(1241) - \log(100)]}{[\log(40000) - \log(100)]} = 0.420$  *GNI/capita.*
- Life expectancy index =  $\frac{65.7 - 25}{85 - 25} = 0.678$
- Adult literacy index =  $\frac{53.5 - 0}{100 - 0} = 0.535$
- Gross enrollment index =  $\frac{52.1 - 0}{100 - 0} = 0.521$
- Education index =  $\frac{2}{3}$  (adult literacy index) +  $\frac{1}{3}$  (gross enrollment index) = 0.530
- HDI =  $\frac{1}{3}(0.420) + \frac{1}{3}(0.678) + \frac{1}{3}(0.530) = 0.543$

*Medium*

# Discussion of HDI

- Advantage: A country can do much better than might be expected at a low level of income and that substantial income gains can still accomplish relatively little in human development.
- Drawbacks:
  - Gross enrollment overstates the amount of schooling 总入学率高出了入学率
  - Equal weight 权重
  - No attention to the role of quality 质量被忽略

## 2.3 Holistic Measures of Living Levels and Capabilities

- The New Human Development Index
- Introduced by UNDP in November 2010
- Now able to identify not only whether a country is developing but also whether various significant groups within that country are participating in that development.

# What is new in the New HDI?

## 1. Calculating with a geometric mean

几何平均值

- Probably most consequential: The index is now computed with a geometric mean, instead of an arithmetic mean
- A geometric mean is also used to build up the overall education index from its two components
- Traditional HDI added the three components and divided by 3
- New HDI takes the cube root of the product of the three component indexes
- The traditional HDI calculation assumed one component traded off against another as perfect substitutes, a strong assumption 传统HDI假设二看完美替代
- The reformulation now allows for imperfect substitutability

# What is new in the New HDI?

## 2. Other key changes:

$GNI \rightarrow GDP$

- Gross national income per capita replaces gross domestic product per capita
- Revised education components: now using the average actual educational attainment of the whole population, and the expected attainment of today's children 全体人口实际受教育程度, 儿童八连预期
- The maximum values in each dimension have been increased to the observed maximum rather than given a predefined cutoff 增大了最大值 (观测值)
- The lower goalpost for income has been reduced due to new evidence on lower possible income levels 收入低限被减少

# NHDI Example: China in 2010

- Life expectancy index =  $\frac{73.5-20}{83.2-20} = 0.847$
- Mean years of schooling index =  $\frac{7.5-0}{13.2-0} = 0.568$
- Expected years of schooling index =  $\frac{11.4-0}{20.6-0} = 0.553$
- Education index =  $\frac{\sqrt{0.568 \times 0.553} - 0}{0.951 - 0} = 0.589$
- Income index =  $\frac{[\log(7263) - \log(163)]}{[\log(108211) - \log(163)]} = 0.584$
- HDI =  $\sqrt[3]{0.847 \times 0.589 \times 0.584} = 0.663$

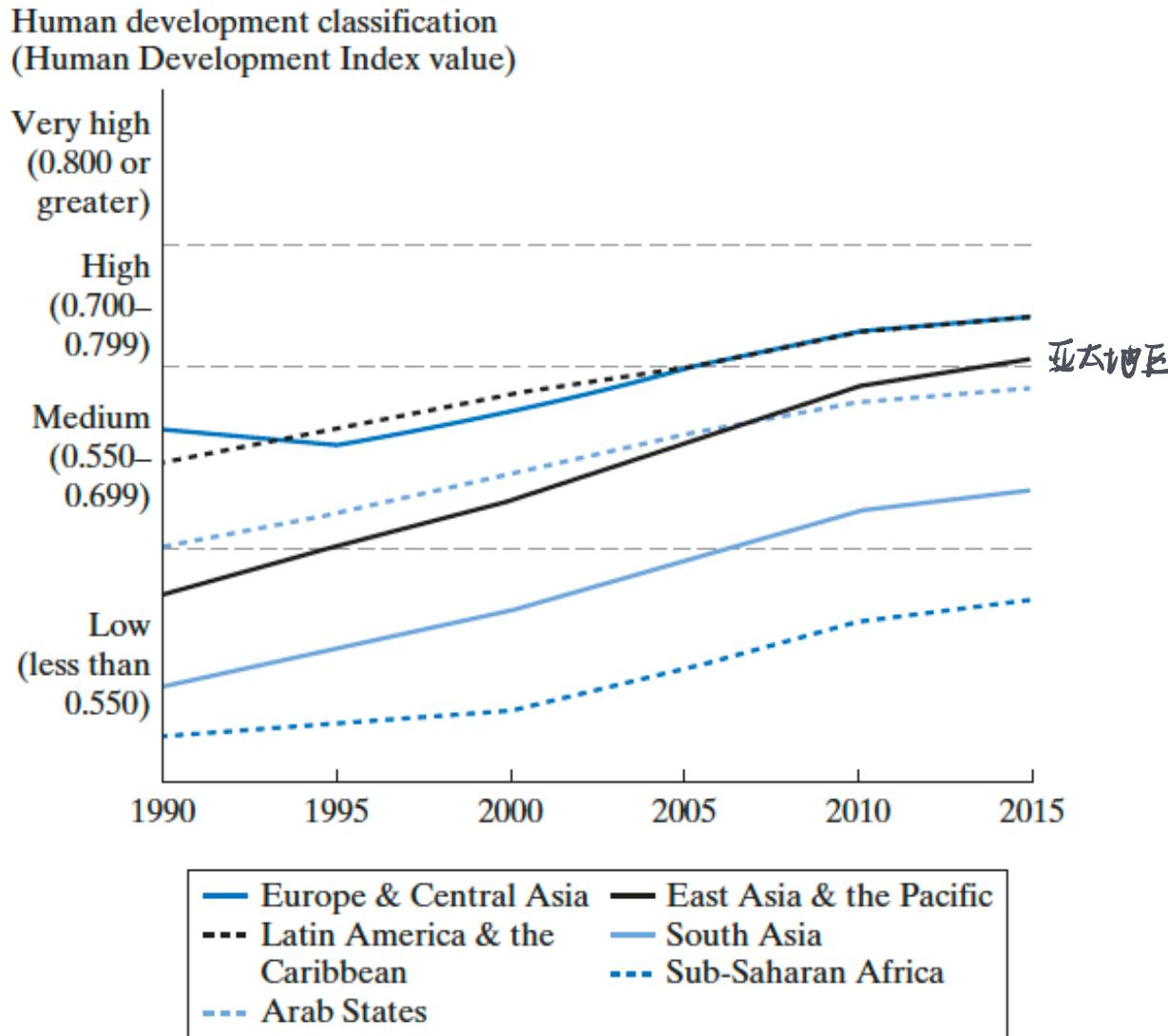
*Medium*

TABLE 2.4 2018 Human Development Index and its Components for Selected Countries

Country	HDI Rank	Life Expectancy at Birth	Mean Years of Schooling	Expected Years of Schooling (of children)	GNI per Capita	HDI Value	GNI Per Capita Rank Minus HDI Rank
Canada	12	82.5	13.3	16.4	43,433	0.926	10
United States	13	79.5	13.4	16.5	54,941	0.924	-2
United Kingdom	14	81.7	12.9	17.4	39,116	0.922	13
South Korea	22	82.4	12.1	16.5	35,945	0.903	8
United Arab Emirates	34	77.4	10.8	13.6	67,805	0.863	-27
Chile	44	79.7	10.3	16.4	21,910	0.843	13
Russian Federation	49	71.2	12.0	15.5	24,233	0.816	3
Costa Rica	63	80.0	8.8	15.4	14,636	0.794	15
Turkey	64	76.0	8.0	15.2	24,804	0.791	-14
Cuba	73	79.9	11.8	14.0	7,524	0.777	43
Mexico	74	77.3	8.6	14.1	16,944	0.774	-6
Sri Lanka	76	75.5	10.9	13.9	11,326	0.770	19
Brazil	79	75.7	7.8	15.4	13,755	0.759	2
China	86	76.4	7.8	13.8	15,270	0.752	-9
Botswana	101	67.6	9.3	12.6	15,534	0.717	-26
Gabon	110	66.5	8.2	12.8	16,431	0.702	-40
South Africa	113	63.4	10.1	13.3	11,923	0.699	-23
Egypt	115	71.7	7.2	13.1	10,355	0.696	-15
Guatemala	127	73.7	6.5	10.8	7,278	0.650	-8
India	130	68.8	6.4	12.3	6,353	0.640	-5
Bangladesh	136	72.8	5.8	11.4	3,677	0.608	9
Ghana	140	63.0	7.1	11.6	4,096	0.592	3
Equitorial Guinea	141	57.9	5.5	9.3	19,513	0.591	-80
Kenya	142	67.3	6.5	12.1	2,961	0.590	16
Pakistan	150	66.6	5.2	8.6	5,311	0.562	-14
Papua New Guinea	153	65.7	4.6	10.0	3,403	0.544	-3
Madagascar	161	66.3	6.1	10.6	1,358	0.519	20
Côte d'Ivoire	170	54.1	5.2	9.0	3,481	0.492	-22
Burkina Faso	183	60.8	1.5	8.5	1,650	0.423	-7
Chad	186	53.2	2.3	8.0	1,750	0.404	-15
Niger	189	60.4	2.0	5.4	906	0.354	-2

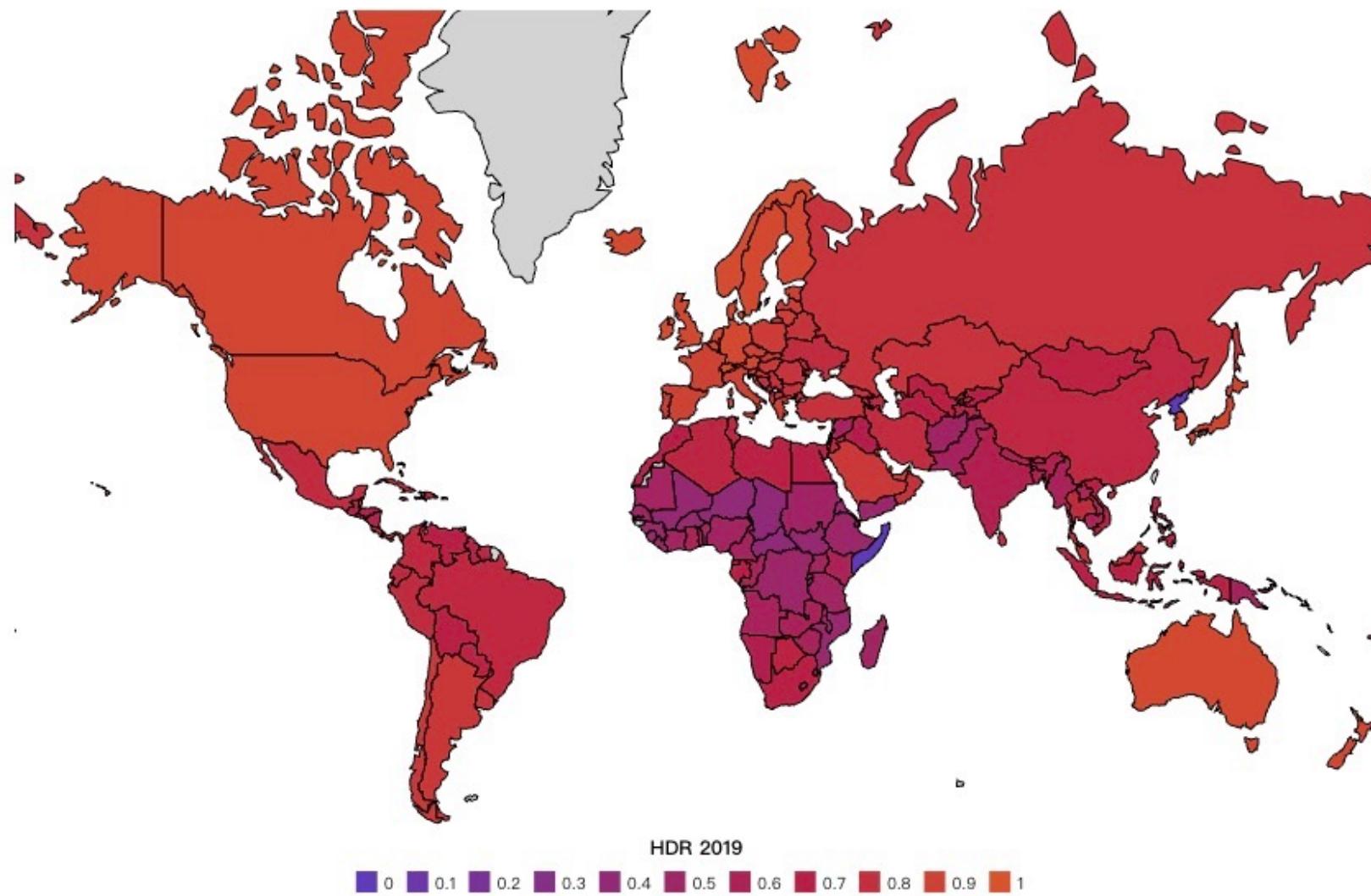
Source: United Nations Development Program

FIGURE 2.3 Improvements in Human Development Since 1990, by Region



Source: Human Development Report Office, UNDP – Human Development Report, 2016, p. 27

## Human Development Index (HDI) by Country 2022



## TOP 10

1. Norway — .957
2. Ireland — .955 (tie)
3. Switzerland — .955 (tie)
4. Hong Kong (China) — .949 (tie)
5. Iceland — .949 (tie)
6. Germany — .947
7. Sweden — .945
8. Australia — .944 (tie)
9. Netherlands — .944 (tie)
10. Denmark — .940

## BOTTOM 10

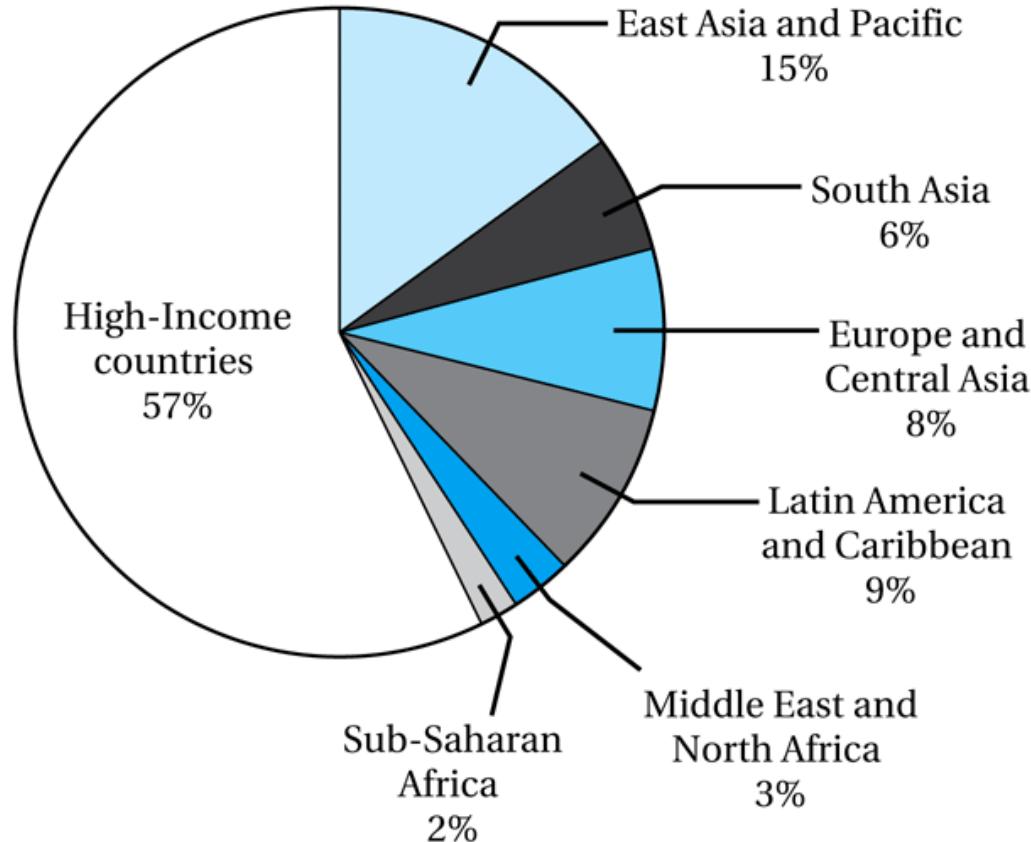
1. Niger - .394
2. Central African Republic - .397
3. Chad - .398
4. Burundi - .433 (tie)
5. South Sudan - .433 (tie)
6. Mali - .434
7. Burkina Faso - .452 (tie)
8. Sierra Leone - .452 (tie)
9. Mozambique - .456
10. Eritrea - .459

**World average in 2019 is 0.72.**

## \* 2.4 Characteristics of the Developing World: Diversity within Commonality 共同点

- 1. Lower levels of living and productivity**
- 2. Lower levels of human capital (health, education, skills)**
- 3. Higher Levels of Inequality and Absolute Poverty**
  - Absolute Poverty
  - World Poverty
- 4. Higher Population Growth Rates**
  - Crude Birth rates: 自然出生率 the annual number of live births per 1,000 population

## Figure 2.4 Shares of Global Income, 2008



Source: Data from World Bank, *World Development Indicators, 2010* (Washington, D.C.: World Bank, 2010), p. 34.

## Table 2.6 The 12 Most and Least Populated Countries and Their Per Capita Income, 2017

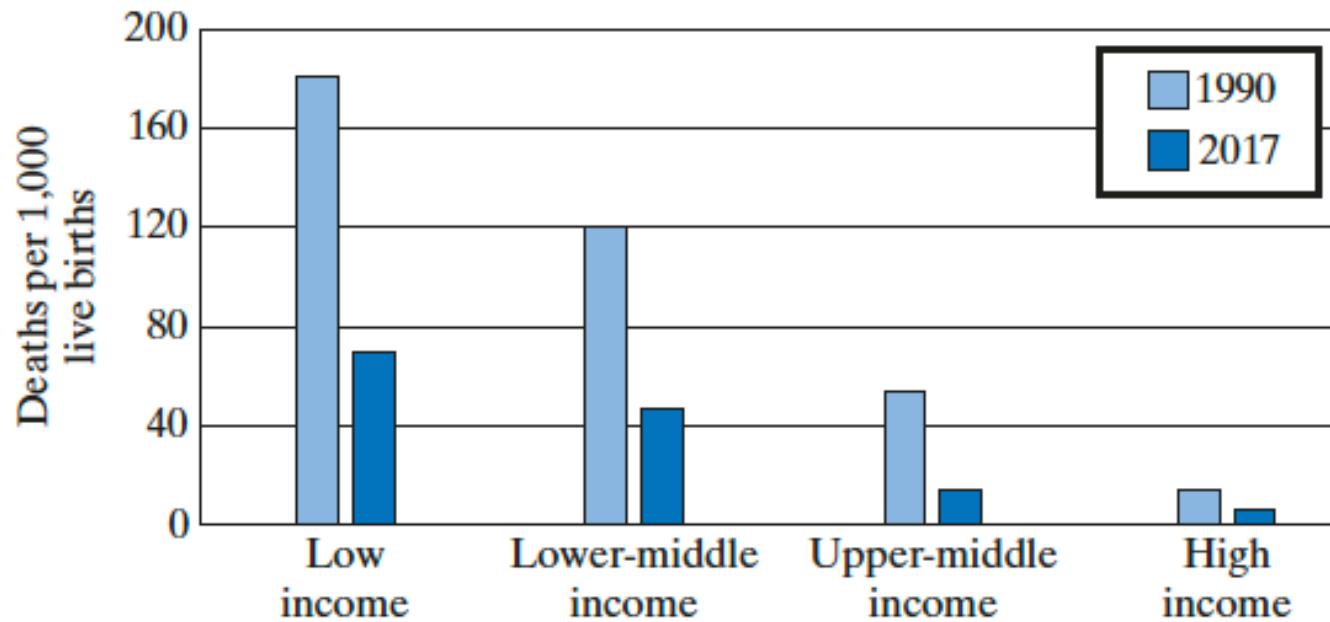
TABLE 2.6 The 12 Most- and Least-Populated Countries and Their Per Capita Income, 2017

Most Populous	Population (millions)	GNI Per Capita (US \$)	Least Populous	Population (thousands)	GNI Per Capita (US \$)
1. China	1386	8690	1. Tuvalu	11	4970
2. India	1339	1800	2. Nauru	14	10220
3. United States	326	58270	3. Palau 帕劳	22	12700
4. Indonesia	264	3540	4. Marshall Islands	53	4840
5. Brazil	209	8600	5. St. Kitts and Nevis	55	16240
6. Pakistan	197	1580	6. Dominica	74	6590
7. Nigeria	191	2100	7. Seychelles	96	14170
8. Bangladesh	165	1470	8. Antigua and Barbuda	102	13810
9. Russian Federation	144	9230	9. Micronesia	106	3620
10. Mexico	129	8610	10. Grenada	108	9180
11. Japan	127	38550	11. Tonga	108	4010
12. Ethiopia	105	740	12. St. Vincent and the Grenadines	110	7390

Source: World Bank World Development Indicators

## Figure 2.4 Under-5 Mortality Rates, 1990 and 2017

FIGURE 2.4 Under-5 Mortality Rates, 1990 and 2017



Source: World Development Indicators

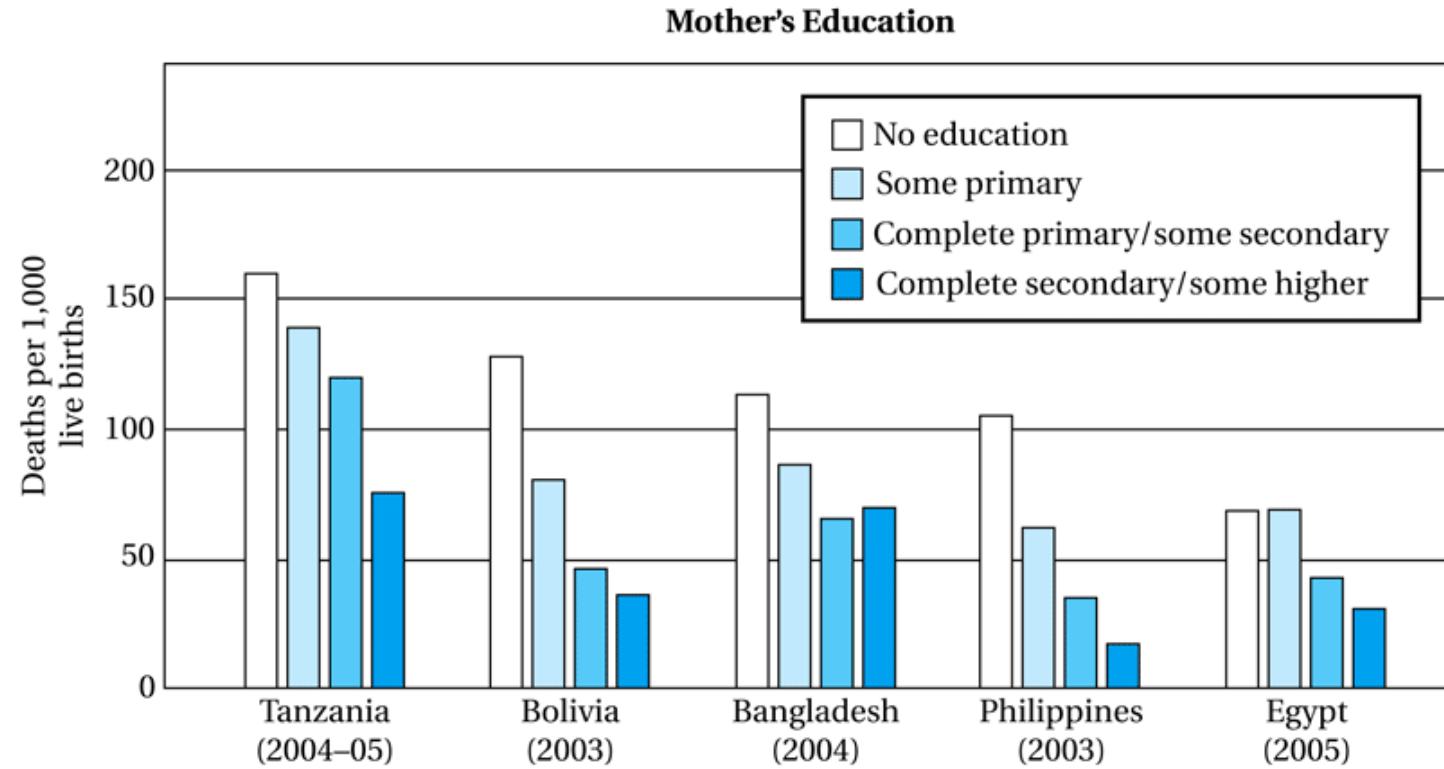
## Table 2.8 Primary School Enrollment and Pupil-Teacher Ratios, 2017

TABLE 2.7 Primary School Enrolment and Pupil-Teacher Ratios, 2017

Region or Group	Net Primary School Enrolment (%)	Primary Pupil-Teacher Ratio
<b>Income Group</b>		
Low	79	39
Lower middle	88	29
Upper middle	95	19
High	97	14
<b>Region</b>		
East Asia & Pacific	96	17
Europe & Central Asia	96	15
Latin America & Caribbean	93	21
Middle East & North Africa	93	21
South Asia	90	35
Sub-Saharan Africa	78	38

Source: World Development Indicators

## Figure 2.6 Correlation between Under-5 Mortality and Mother's Education



Source: International Bank for Reconstruction and Development/World Bank, *World Development Indicators, 2007* (Washington, D.C.: World Bank, 2007), p. 119. Reprinted with permission.

# Table 2.8 Crude Birth Rates Around the World, 2018

TABLE 2.8 Crude Birth Rates Around the World, 2018

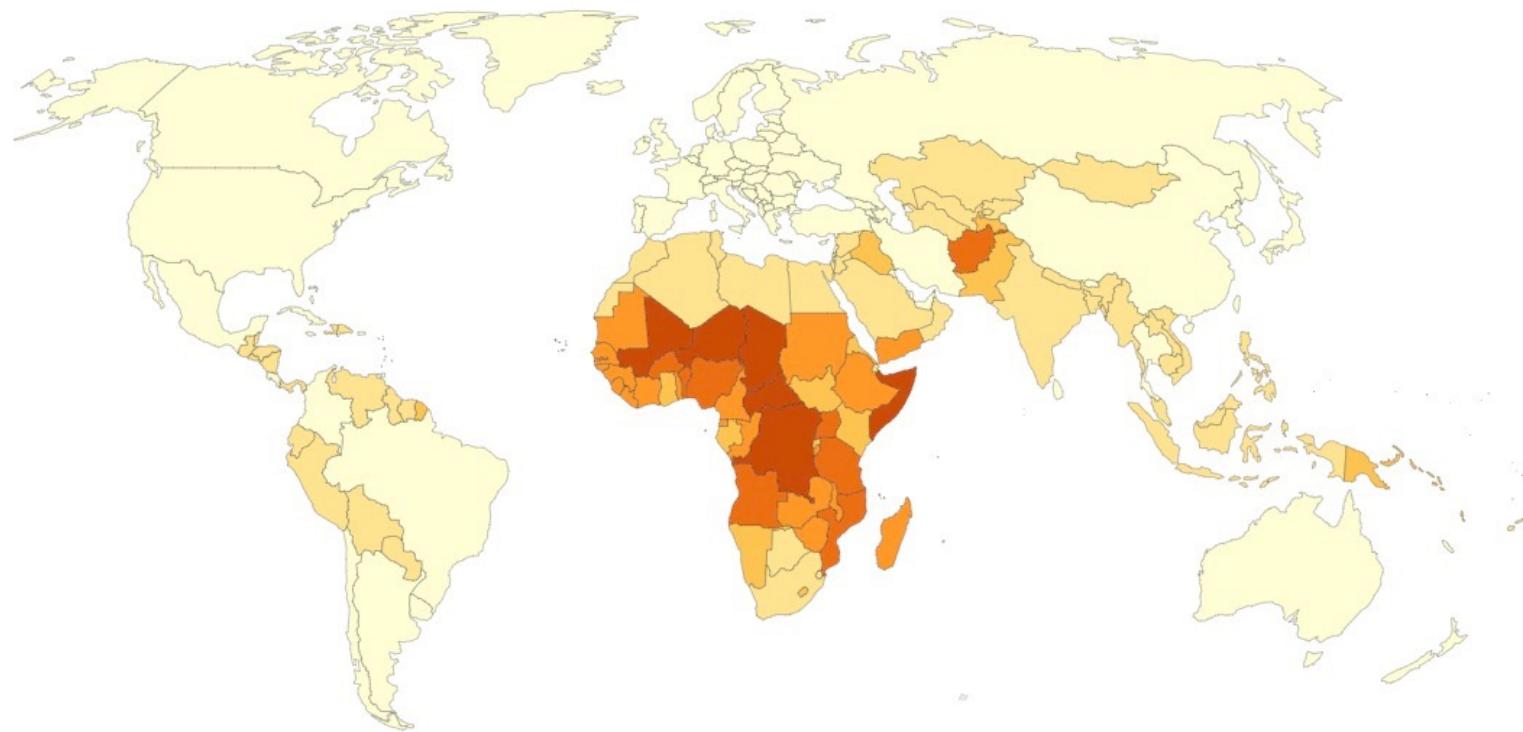
45+	Angola, Chad, Mali, Niger
40–44	Burkina Faso, Burundi, Dem. Rep. of Congo, Somalia, Uganda
35–39	Afghanistan, Benin, Cameroon, Central African Republic, Côte d'Ivoire, Gambia, Guinea, Guinea-Bissau, Mayotte, Mozambique, Nigeria, South Sudan, Tanzania, Zambia
30–34	Comoros, Congo, Equatorial Guinea, Eritrea, Ethiopia, Ghana, Iraq, Kenya, Liberia, Madagascar, Malawi, Mauritania, Nauru, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Sudan, Tajikistan, Timor-Leste, Togo, Yemen, Zimbabwe
25–29	Algeria, Egypt, Gabon, Haiti, Kiribati, Kyrgyzstan, Lesotho, Marshall Islands, Namibia, Pakistan, Papua New Guinea, Samoa, Solomon Islands, Turkmenistan, Tuvalu, Vanuatu
20–24	Belize, Bolivia, Botswana, Cambodia, Djibouti, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, India, Israel, Jordan, Kazakhstan, Laos, Libya, Maldives, Federated States of Micronesia, Mongolia, Nepal, Nicaragua, Oman, Paraguay, Philippines, South Africa, Syria, Tonga, Uzbekistan
15–19	Antigua and Barbuda, Argentina, Azerbaijan, Bangladesh, Bhutan, Brunei, Cape Verde, Colombia, Fiji, Grenada, Indonesia, Iran, Jamaica, Malaysia, Mexico, Morocco, Myanmar, Panama, Peru, Saudi Arabia, Seychelles, Sri Lanka, St. Vincent and the Grenadines, Suriname, Tunisia, Turkey, Venezuela, Vietnam
10–14	Albania, Armenia, Australia, Austria, Bahamas, Bahrain, Barbados, Belarus, Belgium, Brazil, Canada, Chile, China, Costa Rica, Cuba, Cyprus, Denmark, Dominica, Estonia, France, Georgia, Iceland, Ireland, North Korea, Kosovo, Kuwait, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malta, Mauritius, Moldova, Montenegro, Netherlands, New Zealand, Norway, Palau, Poland, Qatar, Romania, Russia, Saint Lucia, Slovakia, Slovenia, St. Kitts-Nevis, Sweden, Switzerland, Thailand, Trinidad and Tobago, United Arab Emirates, United Kingdom, United States, Uruguay
<10	Bosnia-Herzegovina, Bulgaria, Croatia, Finland, Germany, Greece, Hungary, Italy, Japan, South Korea, Monaco, Portugal, San Marino, Serbia, Singapore, Spain, Taiwan, Ukraine

Source: Population Reference Bureau: Births per 1,000 population

# Birth rate, 2021

The number of live births occurring during the year, per 1,000 people.

World



Source: United Nations - Population Division (2022)

OurWorldInData.org/fertility-rate • CC BY

► 1950

2021

## 2.4 Characteristics of the Developing World: Diversity within Commonality

### 5. Greater Social Fractionalization 社会分化

- Fractionalisation: significant ethnic 种族, linguistic 语言, and other social divisions within a country.

### 6. Larger Rural Populations but Rapid Rural-to-Urban Migration 农村人口更多, 但快速城市化

### 7. Lower Levels of Industrialization and Manufactured Exports

### 8. Adverse Geography 不利的地理位置

- Resource endowments: A nation's supply of usable factors of production, including mineral deposits, raw materials, and labor.

## Table 2.10 The Urban Population in Developed Countries and Developing Regions

Region	Population (millions, 2009)	Urban Share (%)
World	6,810	50
More developed countries	1,232	75
Less developed countries	5,578	44
Sub-Saharan Africa	836	35
Northern Africa	205	50
Latin America and the Caribbean	580	77
Western Asia	231	64
South-central Asia	1,726	31
Southeast Asia	597	43
East Asia	1,564	51
Eastern Europe	295	69

Source: Population Reference Bureau, 2009 *World Data Sheet*.

# Table 2.11 Share of the Population Employed in the Industrial Sector in Selected Countries, 2004-2008 (%)

	Agriculture			Industry			Services		
	Males	Females	Share of GDP (2008)	Males	Females	Share of GDP (2008)	Male	Female	Share of GDP (2008)
<b>Africa</b>									
Egypt	28	43	13	26	6	38	46	51	49
Ethiopia	12	6	44	27	17	13	61	77	42
Madagascar	82	83	25	5	2	17	13	16	57
Mauritius	10	8	4	36	26	29	54	66	67
South Africa	11	7	3	35	14	34	54	80	63
<b>Asia</b>									
Bangladesh	42	68	19	15	13	29	43	19	52
Indonesia	41	41	14	21	15	48	38	44	37
Malaysia	18	10	10	32	23	48	51	67	42
Pakistan	36	72	20	23	13	27	41	15	53
Philippines	44	24	15	18	11	32	39	65	53
South Korea	7	8	3	33	16	37	60	74	60
Thailand	43	40	12	22	19	44	35	41	44
Vietnam	56	60	22	21	14	40	23	26	38
<b>Latin America</b>									
Colombia	27	6	9	22	16	36	51	78	55
Costa Rica	18	5	7	28	13	29	54	82	64
Mexico	19	4	4	31	18	37	50	77	59
Nicaragua	42	8	19	20	18	30	38	73	51
<b>Developed Countries</b>									
United Kingdom	2	1	1	32	9	24	66	90	76
United States	2	1	1	30	9	22	68	90	77

Source: World Bank, *World Development Indicators*, 2010 (Washington, D.C.: World Bank, 2010), tabs. 2.3 and 4.2.

Note: Ethiopia agricultural employment reflects limited coverage.

## 2.4 Characteristics of the Developing World: Diversity within Commonality

### 9. Underdeveloped Financial and Other markets

- Imperfect markets 不完美市场
- Incomplete information 不完全信息 / 信息不对称

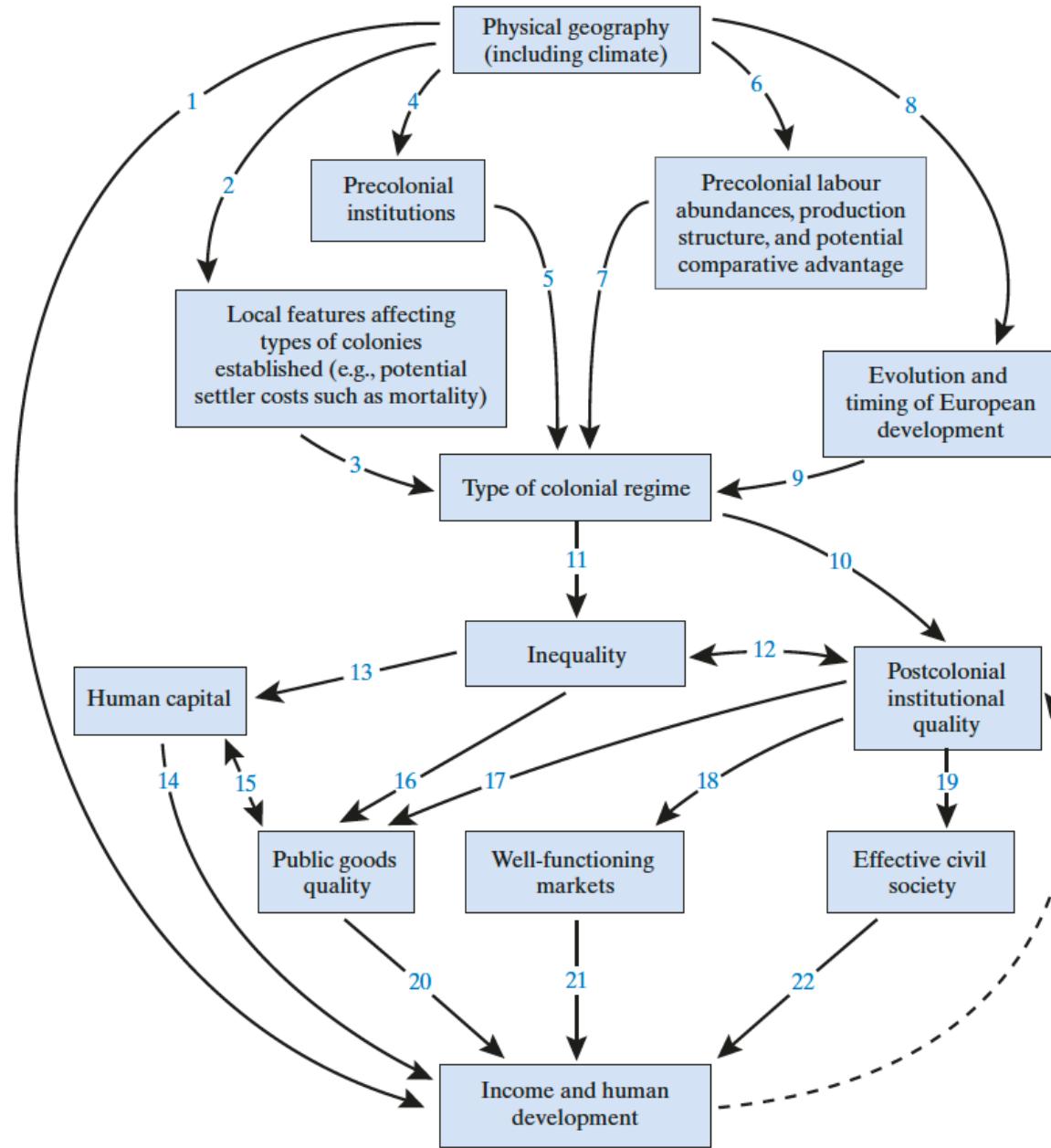
### 10. Quality of Institution and External Dependence 机构质量 & 外部依赖性

- Colonial Legacy
- External Dependence and Unequal International Relations

## 2.5 How Low-Income Countries Today Differ from Developed Countries in Their Earlier Stages

- Eight differences
  - Physical and human resource endowments
  - Per capita incomes and levels of GDP in relation to the rest of the world
  - Climate
  - Population size, distribution, and growth
  - Historic role of international migration
  - International trade benefits
  - Basic scientific/technological research and development capabilities
  - Efficacy of domestic institutions

FIGURE 2.9 Schematic Representation of Leading Theories of Comparative Development





# Basic Characteristics of China's Economy

- Developing economy 发展中国家
  - Low income per capita: 2017GNIPC 8690 dollars
  - Dual economy : 40% population in rural, 30% are engaged in agriculture. 二元经济
  - Incomplete process of industrialization: In 2016, the value-added shares of the primary, secondary, and tertiary industries were 8.6%, 39.9%, and 51.6%, respectively.
- Middle-income economy 中等收入国家
  - "Middle-Income Trap": Some middle-income countries in Latin America and East Asia experience prolonged economic stagnation and wandering at the upper-middle-income stage after entering it.  
长时间的  
停滞

# Basic Characteristics of China's Economy (Con't)

- Big country economy 大国经济
  - Tremendous mutual impact on the world economy: total import and export volume ranks first in the world
  - Significant development imbalance and enormous potential for growth
  - The economies of scale effect is pronounced. 规模效应
- Transition economy 转型经济
- Socialist market economy 社会主义市场经济

1. Which of the following is not an indicator that is used to compute the Human Development Index?

- A.life expectancy at birth.
- B.real GDP per capita.
- C.infant mortality rate.
- D.adult literacy rate.

2. Conditions of today's developed countries at the start of their industrialization differ from conditions in the developing world in that

- A. population growth rates were higher.
- B. More advanced technology was available.
- C. there were more opportunities for development assistance.
- D. none of the above.